

REDSTAR GOLD CORP.
(An Exploration Stage Company)

Condensed Consolidated Interim Financial Statements

For the period ending December 31, 2012

(Unaudited - Expressed in Canadian Dollars)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

REDSTAR GOLD CORP.
(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

| | Notes | December 31, 2012 \$ | March 31, 2012 \$ |
|---|-------|-------------------------|----------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | 550,861 | 108,755 |
| Marketable securities | 3 | 46,575 | 101,502 |
| Accounts receivable | | 85,907 | 157,708 |
| Prepaid expenses and advances | | 181,284 | 175,446 |
| | | <u>864,627</u> | <u>543,411</u> |
| Non-current assets | | | |
| Deposit | | 7,428 | 7,428 |
| Mineral property interests | 4 | 5,297,840 | 5,171,402 |
| Property and equipment, net | 5 | 29,942 | 37,676 |
| | | <u>5,335,210</u> | <u>5,216,506</u> |
| TOTAL ASSETS | | 6,199,837 | 5,759,917 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | | 129,903 | 54,786 |
| Due to related parties | 7 | 744,028 | 212,714 |
| | | <u>873,931</u> | <u>267,500</u> |
| SHAREHOLDERS' EQUITY | | | |
| Capital stock | 6 | 17,283,195 | 16,463,632 |
| Contributed surplus | | 2,204,451 | 1,680,188 |
| Warrants | 6 | 73,934 | 42,781 |
| Accumulated other comprehensive income | | (32,750) | (30,187) |
| Deficit | | (14,202,924) | (12,663,997) |
| TOTAL EQUITY | | <u>5,325,906</u> | <u>5,492,417</u> |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 6,199,837 | 5,759,917 |

Nature of operations and ability to continue as a going concern (note 1)

Commitments (note 10)

Subsequent events (note 11)

Approved by the Board and authorized for issue on February 27, 2013:

"R. Bob Singh"
R. Bob Singh, Director

"Douglas Fulcher"
Douglas Fulcher, Director

(The accompanying notes are an integral part of these consolidated financial statements.)

REDSTAR GOLD CORP.
(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

| | Notes | Nine Months Ended December 31, | | Three Months Ended December 31, | |
|---|-------|--------------------------------|-------------------|---------------------------------|-------------------|
| | | 2012 | 2011 | 2012 | 2011 |
| | | \$ | \$ | \$ | \$ |
| Expenses | | | | | |
| Amortization | | 7,735 | 10,860 | 2,578 | 3,968 |
| Consulting | 7 | 92,350 | 59,400 | 43,817 | 27,800 |
| Contract wages | 7 | 368,258 | 262,684 | 129,696 | 89,028 |
| Insurance | | 28,552 | 25,617 | 9,050 | 8,824 |
| Interest and financing | | - | 2,126 | - | - |
| Investor relations | 7 | 94,080 | 107,520 | 26,880 | 52,640 |
| Office and miscellaneous | 7 | 26,506 | 32,736 | 9,691 | 12,286 |
| Professional fees | | 24,631 | 91,102 | 10,646 | 14,946 |
| Regulatory fees | | 5,723 | 20,700 | 2,266 | 1,173 |
| Rent | 7 | 98,455 | 69,286 | 36,100 | 21,503 |
| Share-based payments | 6 | 543,983 | 333,807 | 160,790 | 32,698 |
| Telephone | 7 | 4,743 | 7,665 | 1,379 | 2,288 |
| Transfer agent fees | | 4,839 | 6,348 | 2,766 | 2,422 |
| Travel and promotion | 7 | 65,909 | 212,611 | 26,561 | 73,461 |
| | | 1,365,764 | 1,242,462 | 462,220 | 343,037 |
| Other Expenses (Income) | | | | | |
| Interest income | | (374) | (9,453) | (1) | (4,803) |
| Loss (gain) on sale of marketable securities | 3 | 16,000 | (16,064) | 6,774 | - |
| Mineral property interests written off | 4 | 152,224 | 3,250 | 12,731 | - |
| Loss (gain) on foreign exchange | | 4,947 | (55,604) | 974 | (53,312) |
| | | 172,797 | (77,871) | 20,478 | (58,115) |
| Loss Before Income Tax | | 1,538,561 | 1,164,591 | 482,698 | 284,922 |
| Future income tax recovery | | 366 | 11,000 | (1,401) | 2,875 |
| Net Loss for the Period | | 1,538,927 | 1,175,591 | 481,297 | 287,797 |
| Other Comprehensive Income (Loss) | | | | | |
| Unrealized loss (gain) on available-for-sale securities | | 2,562 | 31,500 | (9,807) | 20,125 |
| Comprehensive Loss for the Period | | 1,541,489 | 1,207,091 | 471,490 | 307,922 |
| Basic Loss per Share | | 0.02 | 0.02 | 0.01 | 0.00 |
| Weighted Average Number of Common Shares Outstanding (#) | | 67,770,411 | 61,680,909 | 68,467,628 | 66,877,712 |

(The accompanying notes are an integral part of these consolidated financial statements.)

REDSTAR GOLD CORP.
(An Exploration Stage Company)
Condensed Consolidated Interim Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

| Shareholders' Equity | | | | | | | |
|---|--------------------------|-------------------|----------------|------------------------------|---------------------|---|--|
| Notes | Number of Shares # | Amount \$ | Warrants \$ | Contributed Surplus \$ | Deficit \$ | Accumulated Other Comprehensive Income \$ | Total Shareholders' Equity \$ |
| Balance - March 31, 2011 | 53,033,341 | 11,697,716 | - | 1,300,448 | (10,786,611) | 45,499 | 2,257,052 |
| Net loss for the period | - | - | - | - | (1,175,591) | - | (1,175,591) |
| Shares issued for cash | | | | | | | - |
| Private placement, net of share issue costs | 12,917,999 | 4,239,912 | - | - | - | - | 4,239,912 |
| Exercise of stock options | 190,000 | 28,500 | - | - | - | - | 28,500 |
| Unrealized loss on available-for-sale securities, net of future taxes (\$4,500) | - | - | - | - | - | (76,999) | (76,999) |
| Shares issued for mineral property acquisition | 1,132,875 | 500,000 | - | - | - | - | 500,000 |
| Fair value of warrants issued to agents | - | (42,781) | 42,781 | - | - | - | - |
| Fair value of stock options exercised | - | 27,113 | - | (27,113) | - | - | - |
| Share-based payments expense | 6 | - | - | 333,807 | - | - | 333,807 |
| Balance - December 31, 2011 | 67,274,215 | 16,450,460 | 42,781 | 1,607,142 | (11,962,202) | (31,500) | 6,106,681 |
| Balance - March 31, 2012 | 67,319,215 | 16,463,632 | 42,781 | 1,680,188 | (12,663,997) | (30,187) | 5,492,417 |
| Net loss for the period | - | - | - | - | (1,538,927) | - | (1,538,927) |
| Shares issued for cash | | | | | | | - |
| Private placement, net of share issue costs | 4,892,000 | 687,246 | - | - | - | - | 687,246 |
| Exercise of stock options | 100,000 | 25,000 | - | - | - | - | 25,000 |
| Unrealized loss on available-for-sale securities, net of future taxes (\$4,679) | - | - | - | - | - | (2,563) | (2,563) |
| Shares issued for mineral property acquisition | 625,000 | 118,750 | - | - | - | - | 118,750 |
| Fair value of warrants issued to agents | - | (31,153) | 31,153 | - | - | - | - |
| Fair value of stock options exercised | - | 19,720 | - | (19,720) | - | - | - |
| Share-based payments expense | 6 | - | - | 543,983 | - | - | 543,983 |
| Balance - December 31, 2012 | 72,936,215 | 17,283,195 | 73,934 | 2,204,451 | (14,202,924) | (32,750) | 5,325,906 |

(The accompanying notes are an integral part of these consolidated financial statements.)

REDSTAR GOLD CORP.
(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

| | Nine Months Ended December 31, | |
|---|---------------------------------------|--------------------|
| | 2012 | 2011 |
| Notes | \$ | \$ |
| Operating activities | | |
| Net loss | (1,538,927) | (1,175,591) |
| Items not involving cash | | |
| Amortization | 7,734 | 10,859 |
| Future income tax (recovery) | 366 | 11,000 |
| Loss (gain) on sale of marketable securities | 16,000 | (16,064) |
| Mineral property interests written-off | 152,224 | 3,250 |
| Share-based payments | 543,983 | 333,807 |
| | (818,620) | (832,739) |
| Changes in non-cash working capital | | |
| Accounts receivable | 71,801 | (58,561) |
| Prepaid expenses and advances | (5,838) | (147,990) |
| Accounts payable and accrued liabilities | 75,117 | 355,434 |
| Due to related parties | 531,314 | (216,612) |
| | 672,394 | (67,729) |
| Net cash flows from (used in) operating activities | (146,226) | (900,468) |
| Investing activities | | |
| Expenditures on mineral property interests | (3,638,606) | (7,394,945) |
| Recoveries on mineral property interests | 3,468,036 | 5,710,046 |
| expenditures | | |
| Acquisition of mineral property interests | (152,240) | (1,051,083) |
| Recoveries on acquisition of mineral property interests | 126,896 | 183,155 |
| Acquisition of property and equipment | - | (8,389) |
| Proceeds from sale of marketable securities | 72,000 | 16,065 |
| Net cash flows from (used in) investing activities | (123,914) | (2,545,151) |
| Financing activity | | |
| Issuance of capital stock for cash, net of share issue | 6 | 712,246 |
| Net cash flows from (used in) financing activities | 712,246 | 4,268,412 |
| Increase (decrease) in cash and cash equivalents | 442,106 | 822,794 |
| Cash and cash equivalents, beginning of period | 108,755 | 77,946 |
| Cash and cash equivalents, end of period | 550,861 | 900,740 |

Supplemental disclosure with respect to cash flows (note 9)

(The accompanying notes are an integral part of these consolidated financial statements.)

REDSTAR GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended December 31, 2012 and 2011

(Unaudited - Expressed in Canadian Dollars)

1. Nature of operations and ability to continue as a going concern

Redstar Gold Corp. (the "Company") is engaged in the acquisition and exploration of mineral properties in North America. The Company is incorporated and domiciled in Canada under the *Business Corporations Act (British Columbia)*, and its registered office is Suite 1710, 1177 West Hastings Street, Vancouver, BC V6E 2L3.

These condensed consolidated interim financial statements have been prepared in accordance with accounting principles on a going concern basis, which contemplates the realization of assets and discharge of liabilities at their carrying values in the normal course of business for the foreseeable future rather than through the process of forced liquidation. These condensed consolidated interim financial statements do not include any adjustments to the classification and amounts of assets and liabilities that may be required should the Company be unable to continue as a going concern.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate the acquisition of, participation in, or interest in properties, assets or businesses and raise additional funds by way of equity financings. Acquisitions may be subject to shareholder and regulatory approval and obtaining the necessary financing. Should the Company be unable to complete such a transaction, its ability to raise sufficient financing to maintain operations may be impaired and, accordingly, the Company may be unable to continue as a going concern. For the period ended December 31, 2012, the Company has a working capital deficit of \$9,304 (March 31, 2012: working capital of \$275,911). The Company continues to incur operating losses and at December 31, 2012 has an accumulated deficit of \$14,202,924 (March 31, 2012: \$12,663,997).

2. Basis of preparation, consolidation and adoption of International Financial Reporting Standards

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and they should be read in conjunction with the annual financial statements for the year ended March 31, 2012 and the notes to the financial statements.

The significant accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the Company's annual financial statements ended March 31, 2012.

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its wholly-owned integrated subsidiaries, Redstar Gold USA Inc. and Redstar Gold (Alaska) Inc. All significant intercompany transactions have been eliminated.

These condensed consolidated interim financial statements have been prepared on a historical basis and presented in Canadian dollars, the Company's functional currency and were approved by the Board of Directors on February 27, 2013.

REDSTAR GOLD CORP.**(An Exploration Stage Company)****Notes to Condensed Consolidated Interim Financial Statements****For the nine months ended December 31, 2012 and 2011****(Unaudited - Expressed in Canadian Dollars)****3. Marketable Securities**

At December 31, 2012 and March 31, 2012, the Company held marketable securities as follows:

| | Shares | Cost | Accumulated Unrealized Gains (Losses) | Fair Value |
|---|---------|---------------|---|---------------|
| | # | \$ | \$ | \$ |
| December 31, 2012 | | | | |
| Central Resources Corp. | 100,000 | 30,000 | (27,000) | 3,000 |
| Confederation Minerals Ltd. | 150,000 | 30,278 | 4,972 | 35,250 |
| True Grit Resources Ltd. ⁽¹⁾ | 20,000 | 18,000 | (15,400) | 2,600 |
| Brocade Metals Corp. | 260,000 | 3 | - | 3 |
| Magna Resources Ltd. | 57,219 | 5,722 | - | 5,722 |
| | | 84,003 | (37,428) | 46,575 |

| | Shares | Cost | Accumulated Unrealized Gains (Losses) | Fair Value |
|---|---------|----------------|---|----------------|
| | # | \$ | \$ | \$ |
| March 31, 2012 | | | | |
| Central Resources Corp. | 100,000 | 30,000 | (24,000) | 6,000 |
| Confederation Minerals Ltd. | 200,000 | 88,000 | 4,000 | 92,000 |
| True Grit Resources Ltd. ⁽¹⁾ | 100,000 | 18,000 | (14,500) | 3,500 |
| Brocade Metals Corp. | 200,000 | 2 | - | 2 |
| | | 136,002 | (34,500) | 101,502 |

⁽¹⁾ Formerly Catalina Metals Corp.

During the period ended December 31, 2012, the Company:

- received 57,219 common shares of Magna Resources Ltd. ("Magna") at a fair value of \$5,722, by way of a distribution made by Confederation Minerals Ltd. ("Confederation") of its approximately 56% interest in the share capital of Magna. The distribution was made to the holders of common shares of Confederation as a return of capital on a pro rata basis. Accordingly, the cost base for the Company's Confederation shares has been reduced by \$5,722.
- recognized an unrealized loss of \$2,928 (March 31, 2012: \$34,500), which is included in other comprehensive income (loss). Future income tax recovery in the amount of \$366 (March 31, 2012: \$4,313) was recorded against the unrealized loss for an unrealized loss, net of tax, in the amount of \$2,562 (March 31, 2012: \$30,187).
- recognized a realized loss of \$16,000 on the sale of 200,000 Confederation shares for net proceeds of \$72,000.

REDSTAR GOLD CORP.
(An Exploration Stage Company)
Notes to Condensed Consolidated Interim Financial Statements
For the nine months ended December 31, 2012 and 2011
(Unaudited - Expressed in Canadian Dollars)

4. Mineral property interests

The Company has interests in mineral properties, the details of which follow for the period ended December 31, 2012 and the year ended March 31, 2012:

| | General (\$) | Canada (\$) | Nevada (\$) | Alaska (\$) | Total (\$) |
|---------------------------------------|-----------------|------------------|----------------|------------------|--------------------|
| Balance – March 31, 2012 | - | 1,604,589 | 556,548 | 3,010,265 | 5,171,402 |
| Acquisition costs | - | - | - | - | - |
| Expenditures during the period | - | - | 34,397 | 236,593 | 270,990 |
| Recovered during the period | - | (111,000) | (51,898) | - | (162,898) |
| Net acquisition costs | - | (111,000) | (17,501) | 236,593 | 108,092 |
| Exploration expenditures | - | - | - | - | - |
| Assaying | - | 255,199 | 38,170 | - | 293,369 |
| Consulting | - | - | - | - | - |
| Geology | - | 717,031 | 128,867 | 64,074 | 909,972 |
| Geophysical | - | - | 26,392 | - | 26,392 |
| Geochemical | - | - | 498 | - | 498 |
| Contract labour | - | - | - | - | - |
| Camp and exploration support | - | 89,019 | 12,664 | 1,159 | 102,842 |
| Drilling | - | 1,211,598 | 360,321 | 2,015 | 1,573,934 |
| Environmental | - | 121,483 | - | - | 121,483 |
| Land and tenure | - | 121,500 | 111,817 | 14 | 233,331 |
| Travel and accommodation | - | 114,603 | 38,892 | 12,684 | 166,179 |
| Equipment rental | - | 199,170 | - | - | 199,170 |
| Maps and reports | - | 2,539 | - | 8,897 | 11,436 |
| Reclamation | - | - | - | - | - |
| Road access | - | - | - | - | - |
| Exploration expenditures recovered | - | (2,832,141) | (635,895) | - | (3,468,036) |
| Net exploration expenditures | - | - | 81,728 | 88,842 | 170,570 |
| Mineral exploration costs written off | - | - | (152,224) | - | (152,224) |
| Balance – December 31, 2012 | - | 1,493,589 | 468,551 | 3,335,700 | 5,297,840 |

Canada includes: Newman Todd
Nevada includes: Painted Hills, Richmond Summit, Root Spring, Cooks Creek, Oasis, Baker, Seven Devils, Queens, Larus, Long Island and Gold Cloud
Alaska includes: Shumagin and Unga-Popof

| Property | Balance March 31, 2012 (\$) | Acquisition Costs (\$) | Acquisition Costs Recovered (\$) | Exploration Expenditures (\$) | Exploration Expenditures Recovered (\$) | Mineral Exploration Costs Written- Off (\$) | Balance December 31, 2012 (\$) |
|-----------------|--|---------------------------------------|---|--|--|--|---|
| Newman Todd | 1,604,589 | - | (111,000) | 2,832,141 | (2,832,141) | - | 1,493,589 |
| Nevada General | 121,245 | - | - | 77,729 | (5,972) | (80,881) | 112,121 |
| Eagle Basin | 71,343 | - | - | - | - | (71,343) | 0 |
| Painted Hills | 39,973 | - | - | 2,093 | - | - | 42,066 |
| Richmond Summit | 36,450 | - | - | 1,495 | - | - | 37,945 |
| Root Spring | 16,528 | 14,569 | (44,463) | 504,176 | (504,536) | - | (13,726) |
| Cooks Creek | 94,632 | - | - | 15,106 | (15,110) | - | 94,628 |
| Oasis | 53,166 | - | - | 5,945 | - | - | 59,111 |
| Baker | 8,950 | - | (7,435) | 100,322 | (99,825) | - | 2,012 |
| Seven Devils | 114,261 | 19,828 | - | 10,757 | (10,452) | - | 134,394 |
| Shumagin | 3,005,260 | 236,593 | - | 88,842 | - | - | 3,330,695 |
| Unga-Popof | 5,005 | - | - | - | - | - | 5,005 |
| | 5,171,402 | 270,990 | (162,898) | 3,638,606 | (3,468,036) | (152,224) | 5,297,840 |

Nevada General includes: Queens, Larus, Long Island and Gold Cloud

REDSTAR GOLD CORP.
(An Exploration Stage Company)
Notes to Condensed Consolidated Interim Financial Statements
For the nine months ended December 31, 2012 and 2011
(Unaudited - Expressed in Canadian Dollars)

| | General (\$) | Canada (\$) | Nevada (\$) | Alaska (\$) | Total (\$) |
|---------------------------------------|-----------------|------------------|-----------------|------------------|--------------------|
| Balance - April 1, 2011 | - | 1,628,498 | 637,105 | - | 2,265,603 |
| Acquisition costs | | | | | |
| Expenditures during the year | - | 70,000 | 43,458 | 1,378,377 | 1,491,835 |
| Recovered during the year | - | (97,000) | (103,808) | - | (200,808) |
| Net acquisition costs | - | (27,000) | (60,350) | 1,378,377 | 1,291,027 |
| Exploration expenditures | | | | | |
| Assaying | - | 732,830 | 106,555 | 84,300 | 923,685 |
| Consulting | - | - | - | - | - |
| Geology | 3,250 | 1,057,540 | 323,106 | 234,057 | 1,617,953 |
| Geophysical | - | - | 118,021 | 4,447 | 122,468 |
| Geochemical | - | - | 14,356 | - | 14,356 |
| Contract labour | - | - | - | 48,430 | 48,430 |
| Camp and exploration support | - | 236,804 | 22,937 | 675,477 | 935,218 |
| Drilling | - | 2,276,580 | 320,701 | 507,364 | 3,104,645 |
| Land and tenure | - | 97,000 | 193,152 | 1,021 | 291,173 |
| Travel and accommodation | - | 131,829 | 25,261 | 44,548 | 201,638 |
| Equipment rental | - | 399,064 | - | 29,874 | 428,938 |
| Maps and reports | - | 2,728 | 109 | 2,370 | 5,207 |
| Reclamation | - | 11,238 | - | - | 11,238 |
| Road access | - | 2,200 | - | - | 2,200 |
| | 3,250 | 4,947,813 | 1,124,198 | 1,631,888 | 7,707,149 |
| Exploration expenditures recovered | - | (4,944,722) | (975,923) | - | (5,920,645) |
| Net exploration expenditures | 3,250 | 3,091 | 148,275 | 1,631,888 | 1,786,504 |
| Mineral exploration costs written off | (3,250) | - | (168,482) | - | (171,732) |
| Balance - March 31, 2012 | - | 1,604,589 | 556,548 | 3,010,265 | 5,171,402 |

Canada includes: Newman Todd
Nevada includes: Eagle Basin, Painted Hills, Richmond Summit, Root Spring, Cooks Creek, Oasis, Baker Spring, Seven Devils, Queens, Opal Hill, Larus, Long Island, Black Hawk and Gold Cloud
Alaska includes: Shumagin and Unga-Popof

| Property | Balance April 1, 2011 (\$) | Acquisition Costs (\$) | Acquisition Costs Recovered (\$) | Exploration Expenditures (\$) | Exploration Expenditures Recovered (\$) | Mineral Exploration Costs Written- Off (\$) | Balance March 31, 2012 (\$) |
|-----------------|----------------------------------|------------------------------|---|-------------------------------------|--|---|-----------------------------------|
| General | - | - | - | 3,250 | - | (3,250) | - |
| Newman Todd | 1,628,498 | 70,000 | (97,000) | 4,947,813 | (4,944,722) | - | 1,604,589 |
| Nevada General | 189,644 | 5,443 | (5,005) | 99,645 | - | (168,482) | 121,245 |
| Eagle Basin | 65,765 | - | - | 5,578 | - | - | 71,343 |
| Painted Hills | 28,068 | - | - | 11,905 | - | - | 39,973 |
| Richmond Summit | 25,599 | - | - | 10,851 | - | - | 36,450 |
| Root Spring | 66,476 | 13,278 | (63,388) | 131,906 | (131,744) | - | 16,528 |
| Cooks Creek | 94,086 | 4,421 | (4,487) | 93,588 | (92,976) | - | 94,632 |
| Oasis | 72,753 | - | (25,923) | 692,714 | (686,378) | - | 53,166 |
| Baker | 13,337 | - | (5,005) | 65,443 | (64,825) | - | 8,950 |
| Seven Devils | 81,377 | 20,316 | - | 12,568 | - | - | 114,261 |
| Shumagin | - | 1,373,372 | - | 1,631,888 | - | - | 3,005,260 |
| Unga-Popof | - | 5,005 | - | - | - | - | 5,005 |
| | 2,265,603 | 1,491,835 | (200,808) | 7,707,149 | (5,920,645) | (171,732) | 5,171,402 |

Nevada General includes: Queens, Opal Hill, Larus, Long Island, Black Hawk 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 (comprised of several properties) by issuing 700,000 common shares to the vendor.

The property is subject to a commitment to issue additional common shares as follows:

- (i) Common shares with a value in the aggregate of \$1,000,000 if a mine is placed into production; and

REDSTAR GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended December 31, 2012 and 2011

(Unaudited - Expressed in Canadian Dollars)

- (ii) Common shares with a value in the aggregate of \$1,000,000 if production from the properties exceeds 250,000 ounces of gold; and
- (iii) Additional common shares with a value in the aggregate of \$500,000 if production from the Newman Todd and Advance Red Lake properties exceeds 250,000 ounces of gold.

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 do not exceed 2.75%.

On November 2, 2009, the Company entered into an option agreement with Central Resources Corp. ("Central") whereby Central had the option to earn up to a 60% undivided interest in the Company's 100% owned Newman Todd Property in Red Lake, Ontario. In connection with the agreement, Central incurred the required \$1,000,000 in exploration expenditures and the Company received 100,000 shares in the capital of Central. On November 15, 2010 Central formally advised the Company that it would not be continuing with the option on the Newman Todd property, having satisfied and fully discharged all of its commitments for the first year of the agreement.

On November 19, 2010, the Company entered into an option agreement with Confederation whereby Confederation can earn up to a 70% undivided interest in the Company's 100% owned Newman Todd Property in Red Lake, Ontario.

Under the terms of the agreement, Confederation can 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:

Incurring exploration and development expenditures, as to:

- \$2,000,000 by November 19, 2011 (incurred);
- \$1,500,000 by November 19, 2012 (incurred);
- \$1,500,000 by November 19, 2013 (incurred).

Cash payments and share issuances of Confederation to the Company, as to:

- \$50,000 and 100,000 shares on signing (received);
- \$50,000 and 100,000 shares by November 19, 2011 (received);
- \$75,000 and 150,000 shares by November 19, 2012 (received);
- \$75,000 and 150,000 shares by November 19, 2013.

Upon having earned an initial 50% interest in the project, Confederation can 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 will 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 April 14, 2011, the Company acquired, under joint acquisition with Confederation, a 50% interest in 18 mineral claims adjacent to the Newman Todd project (the "Todd Property"). Of the 50% interest acquired by the parties from the vendor, 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) for the sum of \$70,000. The remaining 50% interest in the claims is held by Rubicon Minerals Corporation.

REDSTAR GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended December 31, 2012 and 2011

(Unaudited - Expressed in Canadian Dollars)

B. Nevada Properties, USA

a) AngloGold-Ashanti Agreements

On March 9, 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 May 8, 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 (Richmond Summit, Cooks Creek, Root Spring and Oasis) were converted to royalties of 1% to 2%, depending on the price of gold.

Nevada Properties and AngloGold Royalty:

| Properties | Staked Claims & Mineral Leases (#) | AngloGold Royalty (%) |
|-----------------|---|-----------------------------|
| Painted Hills | 14 | - |
| Richmond Summit | 10 | 1-2% |
| Root Spring | 124 | 1-2% |
| Oasis | 13 | 1-2% |
| Cooks Creek | 66 | 1-2% |
| Seven Devils | 70 | - |
| Baker | 22 | - |
| Queens | 4 | - |
| Larus | 7 | - |
| Long Island | 40 | - |
| Gold Cloud | 20 | - |

During the period ended December 31, 2012, the Company reduced its Nevada staked claims and mineral leases and abandoned the Eagle Basin, Opal Hill and Black Hawk properties. Expenditures in the aggregate amount of \$86,496 for the abandoned properties were written off.

b) Oasis Property

The property is comprised of 13 claims acquired by staking. AngloGold holds a 2% NSR royalty. On October 30, 2009, the Company acquired two associated placer claims, which are subject to a 1.5% NSR with pre-production royalties payable as to US\$9,000 per year (paid) for years 1-3, US\$12,000 per year for years 4 to 8, and US\$15,000 per year for years 9 to commercial production. The NSR can be purchased for US\$800,000 at any time. On November 26, 2012, the Company terminated the purchase agreement dated October 30, 2009 to acquire the two associated placer claims.

Option Agreement

On April 22, 2010, the Company entered into agreement with Centerra (U.S.) Inc. ("Centerra"), whereby Centerra had the option to earn a 75% interest in the property in consideration for making staged payments to the Company in the aggregate of US\$227,000 (US\$67,000 received) and incurring exploration expenditures in the

REDSTAR GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended December 31, 2012 and 2011

(Unaudited - Expressed in Canadian Dollars)

aggregate of US\$4,000,000 (US\$1,665,000 incurred). Centerra withdrew from the agreement on February 21, 2012.

c) Seven Devils Property

The property is comprised of 54 claims acquired by staking and 16 leased claims. The leased claims are subject to a 2% NSR. Pursuant to the mineral property lease, the Company is required to make quarterly advance minimum royalty payments of US\$5,000 from October 1, 2009 to July 1, 2012 (paid), US\$7,500 from October 1, 2012 to July 1, 2013 (paid to January 1, 2013), and US\$10,000 thereafter.

d) Cooks Creek Property - Option Agreement

On February 25, 2011, the Company entered into an agreement, subsequently amended, with Catalina Metals Corp. (now True Grit Resources Ltd. ("True Grit")), whereby True Grit has the option to earn a 60% interest in the Cooks Creek Property in consideration for the following:

Cash payments to the Company

- \$35,000 on approval by the Exchange (the "Approval Date"), received on March 7, 2011 (paid);
- \$35,000 on or before March 7, 2013;
- \$55,000 on or before March 7, 2014;
- \$75,000 on or before March 7, 2015.

Share issuances to the Company

- 100,000 common shares within 5 days of Approval Date (issued);
- 20,000 common shares⁽¹⁾ on or before March 7, 2013;
- 20,000 common shares⁽¹⁾ on or before March 7, 2014;
- 20,000 common shares⁽¹⁾ on or before March 7, 2015;
- 20,000 common shares⁽¹⁾ on or before March 7, 2016.

⁽¹⁾ Post-consolidation True Grit common shares. The common shares of True Grit were consolidated, as to 5 old common shares for one new common share on November 2, 2012.

Exploration expenditures on the Property

- \$125,000 on or before March 7, 2012 (incurred);
- \$575,000 on or before March 7, 2014;
- \$800,000 on or before March 7, 2015;
- \$1,000,000 on or before March 7, 2016.

Upon having earned an initial 60% in the property, True Grit can elect to earn an additional 10% interest by expending a further \$2,000,000 in exploration expenditures.

e) Root Spring Property - Option Agreement

On June 6, 2011, the Company entered into an option agreement (amended on October 17, 2012) with Brocade Metals Corp. ("Brocade"), whereby Brocade has the option to earn a 70% interest in the property in consideration for the following:

Cash payments to the Company

- \$20,000 on the signing of the agreement (received);
- \$30,000 on or before December 31, 2011 (received);
- \$30,000 on or before December 31, 2012 (received);
- \$30,000 annually on or before December 31, 2013, 2014, 2015 and 2016.

REDSTAR GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended December 31, 2012 and 2011

(Unaudited - Expressed in Canadian Dollars)

Share issuances to the Company

- 100,000 shares on the signing of the agreement (received);
- 100,000 shares on or before December 31, 2011 (received);
- 60,000 shares on or before December 31, 2012 (received),
- 60,000 shares annually on or before December 31, 2013, 2014, 2015 and 2016.

Incur expenditures on the Property

- \$100,000 on or before December 31, 2011 (incurred);
- an additional \$400,000 on or before December 31, 2012 (incurred);
- an additional \$250,000 on or before December 31, 2013;
- an additional \$500,000 on or before December 31, 2014;
- an additional \$750,000 on or before December 31, 2015;
- an additional \$1,000,000 on or before December 31, 2016.

f) Lease Agreement, Baker Property

On June 14, 2011, the Company entered into a mining lease agreement with Newmont USA Limited, a subsidiary of Newmont Mining Corporation ("Newmont"), whereby Newmont may lease the property in consideration for a 2.5% NSR and the following:

Cash payments to the Company

- US\$5,000 on signing of the agreement (received);
- US\$7,500 on or before June 14, 2012 (received);
- US\$10,000 on or before June 14, 2013;
- US\$20,000 on or before June 14, 2014;
- US\$30,000 on or before June 14, 2015 and annually thereafter.

Incur expenditures on the property

- US\$75,000 on or before June 14, 2012 (incurred);
- an additional US\$150,000 on or before June 14, 2013.

g) Seven Devils and Long Island Properties – First Right of Refusal

On August 30, 2012, the Company entered into agreement with True Grit, whereby the Company granted the exclusive first right of refusal on the Seven Devils and the Long Island properties to True Grit for a period of six months, in consideration for payment (received) of the Bureau of Land Management of the US Department of the Interior (the "BLM") fees (received) and the County ("County") fees (received). Upon receipt of the BLM and County fees, True Grit earned the first right of refusal to enter into a formal option agreement to earn a 70% interest in the properties under terms similar to those of the Cooks Creek Agreement, and to conduct exploration programs and incur exploration expenditures on the properties for a period of six months.

C. **Alaska Properties, USA**

a) Shumagin Property

On May 19, 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 Shumagin Project, in consideration for making:

Cash payments to NGAS:

- US\$100,000 on signing of the agreement (paid);
- US\$500,000 on or before July 15, 2011 (paid);

REDSTAR GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended December 31, 2012 and 2011

(Unaudited - Expressed in Canadian Dollars)

- US\$250,000 on or before January 1, 2012 (paid).

Share issuances to NGAS:

- US\$250,000 by the issuance of common shares of the Company on or before June 30, 2011 (issued);
- US\$250,000 by issuance of common shares of the Company on or before January 1, 2012 (issued).

Cash payment or share issuances to NGAS:

- At the option of NGAS, a final option payment of US\$1,500,000 in cash (US\$1,000,000 on or before September 1, 2012 and US\$500,000 on or before September 1, 2013) or the number of common shares of the Company equivalent to US\$1,500,000 on or before October 1, 2012.
- On August 31, 2012, NGAS elected to be paid US\$1,000,000 in cash on September 1, 2012 and US\$500,000 in cash on or before September 1, 2013. With respect to the US\$1,000,000 due September 1, 2012, NGAS granted the Company an additional 180 days from and after September 1, 2012 to make the US\$1,000,000 payment due to NGAS in consideration for making:

Cash payment to NGAS:

- US\$100,000 on signing of the extension agreement (paid)

Share issuances to NGAS:

- 125,000 shares on the TSX approval of the extension agreement (issued)
- 125,000 shares 30 days after September 1, 2012 (issued);
- 125,000 shares 60 days after September 1, 2012 (issued);
- 125,000 shares 90 days after September 1, 2012 (issued);
- 125,000 shares 120 days after September 1, 2012 (issued);
- 125,000 shares 150 days after September 1, 2012;
- 125,000 shares 180 days after September 1, 2012.

b) Unga-Popof Property

On June 9, 2011, the Company entered into agreement with Full Metal Minerals Ltd. ("Full Metal") to acquire 60% of Full Metal's interest in the Unga-Popof Property in consideration for the following:

Cash payments to Full Metal

- US\$5,000 on signing of the agreement (paid);
- US\$70,000 within five business days of finalization of the underlying agreements as negotiated by Full Metal;
- US\$75,000 on or before August 1, 2012;
- US\$75,000 on or before August 1, 2013;
- US\$75,000 on or before August 1, 2014.

Share issuances to Full Metal

- 250,000 common shares of the Company with 5 business days of the finalization of the underlying agreements by Full Metal;
- 250,000 common shares of the Company on or before August 1, 2012;
- 250,000 common shares of the Company on or before August 1, 2013;
- 250,000 common shares of the Company on or before August 1, 2014.

Incur expenditures on the Property

- US\$500,000 on or before August 1, 2012;
- an additional US\$1,000,000 on or before August 1, 2013;

REDSTAR GOLD CORP.
(An Exploration Stage Company)
Notes to Condensed Consolidated Interim Financial Statements
For the nine months ended December 31, 2012 and 2011
(Unaudited - Expressed in Canadian Dollars)

- an additional US\$1,500,000 on or before August 1, 2014;
- an additional US\$2,000,000 on or before August 1, 2015.

In addition, the Company has the option of earning an additional 15% interest by producing a Bankable Feasibility Study and issuing an additional 1,000,000 common shares of the Company to Full Metal. The agreement remains subject to completion of three underlying agreements with unrelated parties, of which two have been executed, and regulatory approval.

5. Property and equipment

| | Cost | | | | Accumulated Amortization | | | | Net | |
|------------------------|----------------|--------------|--------------|----------------|--------------------------|---------------|--------------|----------------|---------------|---------------|
| | March 31 | Additions | Dispositions | March 31 | March 31 | Additions | Dispositions | March 31 | March 31 | |
| | 2011 | | | 2012 | 2011 | | | 2012 | 2011 | 2012 |
| | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) |
| Computer Equipment | 66,416 | 7,571 | - | 73,987 | 51,551 | 5,597 | - | 57,148 | 14,865 | 16,839 |
| Equipment | 26,197 | 819 | - | 27,016 | 16,224 | 2,076 | - | 18,300 | 9,973 | 8,716 |
| Automobiles | 29,100 | - | - | 29,100 | 11,785 | 5,194 | - | 16,979 | 17,315 | 12,121 |
| Leasehold Improvements | 9,814 | - | - | 9,814 | 7,851 | 1,963 | - | 9,814 | 1,963 | - |
| Total | 131,527 | 8,390 | - | 139,917 | 87,411 | 14,830 | - | 102,241 | 44,116 | 37,676 |

| | Cost | | | | Accumulated Amortization | | | | Net | |
|--------------------|----------------|-----------|--------------|----------------|--------------------------|-------------|--------------|----------------|---------------|---------------|
| | March 31 | Additions | Dispositions | March 31 | March 31 | Additions | Dispositions | March 31 | March 31 | |
| | 2011 | | | 2012 | 2011 | | | 2012 | 2011 | 2012 |
| | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) |
| Computer Equipment | 73,987 | - | - | 73,987 | 57,148 | 3,789 | - | 60,937 | 16,839 | 13,050 |
| Equipment | 27,016 | - | - | 27,016 | 18,300 | 1,307 | - | 19,607 | 8,716 | 7,409 |
| Automobiles | 29,100 | - | - | 29,100 | 16,979 | 2,638 | - | 19,617 | 12,121 | 9,483 |
| Total | 130,103 | - | - | 130,103 | 92,427 | 7734 | - | 100,161 | 37,676 | 29,942 |

6. Capital Stock

Authorized - Unlimited number of common shares without par value

During the period ended December 31, 2012, the Company:

- closed, in December, 2012, the first tranche of a non-brokered private placement of 4,892,000 units at \$0.15 per unit for total gross proceeds of \$733,800. The units were comprised of one common share in the capital of the Company and one-half non-transferable share purchase warrant, with each warrant allowing for the purchase of one additional common share in the capital of the Company at \$0.25 per share until June 20, 2014. In connection with the private placement, the Company paid finders' fees of \$35,374, issued 235,830 finders' warrants valued at \$31,153 and incurred other expenses of \$11,178. The finders' warrants were issued under the terms as the warrants issued to the participants.
- Issued 100,000 common shares in connection with the exercise of incentive stock options, for gross proceeds of \$25,000
- Issued in the aggregate, 625,000 common shares valued at \$118,750 in connection with the acquisition of the Shumagin property

Share purchase warrants

As at December 31, 2012, March 31, 2012 and December 31, 2011, the Company had share purchase warrants outstanding as follows:

REDSTAR GOLD CORP.**(An Exploration Stage Company)****Notes to Condensed Consolidated Interim Financial Statements****For the nine months ended December 31, 2012 and 2011****(Unaudited - Expressed in Canadian Dollars)**

| Expiry Date | December 31, 2012 | | March 31, 2012 | | December 31, 2011 | |
|---------------|--------------------------|--------------------------------------|--------------------------|--------------------------------------|--------------------------|--------------------------------------|
| | Number of Warrants | Weighted Average Exercise Price (\$) | Number of Warrants | Weighted Average Exercise Price (\$) | Number of Warrants | Weighted Average Exercise Price (\$) |
| July 14, 2013 | 7,158,042 ^(a) | 0.60 | 7,158,042 ^(a) | 0.60 | 7,158,042 ^(a) | 0.60 |
| June 20, 2014 | 2,681,830 ^(b) | 0.25 | - | - | - | - |
| | 9,839,872 | 0.51 | 7,158,042 | 0.60 | 7,158,042 | 0.60 |

(a) The warrants were valued at \$42,781 using the Black-Scholes pricing model with the following assumptions: risk-free interest rate: 1.46%; expected stock price volatility: 55.55% and expected warrant life in years: 2.

(b) The warrants were valued at \$31,153 using the Black-Scholes pricing model with the following assumptions: risk-free interest rate: 1.13%; expected stock price volatility: 235.83% and expected warrant life in years: 1.5.

The following table presents changes in warrants for the period ended December 31, 2012, March 31, 2012 and December 31, 2011:

| | December 31, 2012 | | March 31, 2012 | | December 31, 2011 | |
|------------------------------------|--------------------|--------------------------------------|--------------------|--------------------------------------|--------------------|--------------------------------------|
| | Number of Warrants | Weighted Average Exercise Price (\$) | Number of Warrants | Weighted Average Exercise Price (\$) | Number of Warrants | Weighted Average Exercise Price (\$) |
| Outstanding at beginning of period | 7,158,042 | 0.60 | - | - | - | - |
| Issued | 2,681,830 | 0.25 | 7,158,042 | 0.60 | 7,158,042 | 0.60 |
| Outstanding at end of period | 9,839,872 | 0.51 | 7,158,042 | 0.60 | 7,158,042 | 0.60 |

Stock options

The Company has a 20% stock option plan, which allows the Board of Directors to grant options to directors, officers, employees and consultants. The maximum term of the options is five years. Options vest as to 25% at the date of grant and an additional 25% each six months thereafter.

As at December 31, 2012 and March 31, 2012, the Company had stock options outstanding to directors, employees and consultants as follows:

| December 31, 2012 | | | |
|-------------------------------|-------------------------------|--------------------|---------------------|
| Outstanding Number of Options | Exercisable Number of Options | Expiry Date | Exercise Price (\$) |
| 270,000 | 270,000 | January 18, 2013 | 0.20 |
| 1,240,000 | 1,240,000 | September 16, 2014 | 0.15 |
| 1,700,000 | 1,700,000 | October 28, 2015 | 0.18 |
| 150,000 | 150,000 | February 23, 2016 | 0.30 |
| 500,000 | 375,000 | September 7, 2016 | 0.50 |
| 400,000 | 300,000 | September 30, 2016 | 0.53 |
| 2,750,000 | 1,375,000 | May 18, 2017 | 0.29 |
| 400,000 | 100,000 | July 26, 2017 | 0.20 |
| 7,410,000 | 5,510,000 | | |

REDSTAR GOLD CORP.**(An Exploration Stage Company)****Notes to Condensed Consolidated Interim Financial Statements****For the nine months ended December 31, 2012 and 2011****(Unaudited - Expressed in Canadian Dollars)**

| March 31, 2012 | | | |
|-------------------------------|-------------------------------|--------------------|---------------------|
| Outstanding Number of Options | Exercisable Number of Options | Expiry Date | Exercise Price (\$) |
| 625,000 | 625,000 | May 4, 2012 | 0.25 |
| 270,000 | 270,000 | January 18, 2013 | 0.20 |
| 1,240,000 | 1,240,000 | September 16, 2014 | 0.15 |
| 1,700,000 | 1,275,000 | October 28, 2015 | 0.18 |
| 150,000 | 112,500 | February 23, 2016 | 0.30 |
| 250,000 | 125,000 | August 11, 2016 | 0.41 |
| 500,000 | 250,000 | September 7, 2016 | 0.50 |
| 500,000 | 250,000 | September 30, 2016 | 0.53 |
| 5,235,000 | 4,147,500 | | |

The following table presents changes in stock options for the period ended December 31, 2012, March 31, 2012 and December 31, 2011:

| | December 31, 2012 | | March 31, 2012 | | December 31, 2011 | |
|------------------------------------|--------------------------|--------------------------------------|-----------------------|--------------------------------------|--------------------------|--------------------------------------|
| | Number of Options | Weighted Average Exercise Price (\$) | Number of Options | Weighted Average Exercise Price (\$) | Number of Options | Weighted Average Exercise Price (\$) |
| Outstanding at beginning of period | 5,235,000 | 0.26 | 4,795,000 | 0.19 | 4,795,000 | 0.19 |
| Granted | 3,150,000 | 0.28 | 1,250,000 | 0.49 | 1,250,000 | 0.49 |
| Exercised | (100,000) | 0.25 | (235,000) | 0.15 | (190,000) | 0.15 |
| Expired | (525,000) | 0.25 | - | - | - | - |
| Forfeited | (350,000) | 0.44 | (575,000) | 0.24 | (575,000) | 0.24 |
| Outstanding at end of period | 7,410,000 | 0.26 | 5,235,000 | 0.26 | 5,280,000 | 0.26 |

During the period ended December 31, 2012, stock options allowing for the acquisition of up to 3,150,000 shares were granted. The fair value of these stock options is recognized as share-based payments expense over the vesting period of the options. The total fair value of these options was calculated at \$715,815.

The fair value of stock options granted in 2012 is estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

| | 2012 |
|---------------------------------|-------------|
| Risk-free interest rate | 1.46% |
| Expected dividend yield | 0.00% |
| Expected stock price volatility | 150.51% |
| Expected option life in years | 5 |

REDSTAR GOLD CORP.**(An Exploration Stage Company)****Notes to Condensed Consolidated Interim Financial Statements****For the nine months ended December 31, 2012 and 2011**

(Unaudited - Expressed in Canadian Dollars)

7. Related party transactions

- a) The Company conducts the majority of its exploration activities through an exploration services contractor in which a director is a shareholder. For the nine month period ended December 31, 2012 and 2011, the Company was charged \$176,857 (2011: \$619,906) for exploration costs; \$Nil (2011: \$6,518) for capital assets; and \$613,792 (2011: \$579,936) to reimburse office and administrative costs as follows:

| | December 31, 2012 | December 31, 2011 |
|--------------------------|-------------------|-------------------|
| | (\$) | (\$) |
| Contract wages* | 368,258 | 262,684 |
| Travel and promotion | 40,715 | 122,252 |
| Investor relations | 94,080 | 107,520 |
| Rent | 83,024 | 53,339 |
| Office and miscellaneous | 25,147 | 28,771 |
| Telephone | 2,568 | 5,370 |
| | 613,792 | 579,936 |

* incl. \$189,000 compensation for the CEO & a Director (2011: \$135,000 for the CEO)

As at December 31, 2012, the Company owed \$728,908 (March 31, 2012: \$209,354) to that contractor. The amount due to this related party is without interest and is due on demand. These transactions were made in the normal course of operations and are recorded at the exchange amount, being the amount agreed upon by the related parties.

- b) Compensation of key management personnel for the period ending December 31, 2012 and 2011 follows:

| | December 31, 2012 | December 31, 2011 |
|---|----------------------|----------------------|
| | (\$) | (\$) |
| Management fees for the CEO, CFO and a Director | 220,500 | 166,500 |

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the period ended December 31, 2012 and 2011. At December 31, 2012, \$15,120 was owed to those parties (March 31, 2012: \$3,360).

8. Segmented information

The Company has one operating segment, mineral exploration and development and operates in two geographical segments, Canada and the United States. The capital assets and total assets identifiable with these geographical areas are as follows:

| | December 31, 2012 | March 31, 2012 |
|--|----------------------|-------------------|
| | (\$) | (\$) |
| Capital Assets (including mineral properties and deposits) | | |
| Canada | 1,521,476 | 1,637,573 |
| United States | 3,813,734 | 3,578,933 |
| | 5,335,210 | 5,216,506 |

REDSTAR GOLD CORP.**(An Exploration Stage Company)****Notes to Condensed Consolidated Interim Financial Statements****For the nine months ended December 31, 2012 and 2011****(Unaudited - Expressed in Canadian Dollars)**

| | December 31, 2012 | March 31, 2012 |
|---------------------|------------------------------|---------------------------|
| | (\$) | (\$) |
| Total Assets | | |
| Canada | 2,386,103 | 2,180,984 |
| United States | 3,813,734 | 3,578,933 |
| | 6,199,837 | 5,759,917 |

9. Supplemental disclosure with respect to cash flows

| | December 31, 2012 | December 31, 2011 |
|--|------------------------------|------------------------------|
| | (\$) | (\$) |
| Fair value of shares received for mineral property interests | 36,001 | 47,002 |
| Fair value of shares issued for mineral property | 118,750 | 500,000 |

10. Commitments

During 2007, the Company and others entered into a lease agreement for the rental of office premises for a six-year period, expiring March 31, 2013. The cost of the premises is shared between the Company and other companies related by common directorship. The Company's proportionate share of minimum annual rental payments under this arrangement is as follows:

| | | |
|---------------|----|--------|
| Calendar 2013 | \$ | 23,160 |
| | \$ | 23,160 |

11. Subsequent events

- In respect of the Shumagin property:
 - the Company issued in the aggregate 250,000 common shares valued at \$36,875 in connection with the acquisition of the Shumagin property
 - In respect of the US\$1,000,000 originally due on September 1, 2012 and subsequently amended to February 28, 2013, the Company received an additional extension to September 1, 2013, to make the US\$1,000,000 payment due to NGAS in consideration for making:

Cash payment to NGAS:

- US\$100,000 on signing of the extension agreement (paid)

Share issuances to NGAS:

- 125,000 shares on the TSX approval of the extension agreement
- 125,000 shares on or before before March 31, 2013;
- 125,000 shares on or before before April 30, 2013;
- 125,000 shares on or before before May 31, 2013;
- 125,000 shares on or before before June 30, 2013;
- 125,000 shares on or before before July 31, 2013; and
- 125,000 shares on or before before August 30, 2013.

REDSTAR GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended December 31, 2012 and 2011

(Unaudited - Expressed in Canadian Dollars)

- Options allowing for the purchase, in the aggregate, of 270,000 common shares of the Company at \$0.20 expired.