

REDSTAR GOLD CORP.
(An Exploration Stage Company)

Condensed Consolidated Interim Financial Statements

For the period ending September 30, 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	September 30, 2012	March 31, 2012
ASSETS			
Current assets			
Cash and cash equivalents		\$ 52,476	\$ 108,755
Marketable securities	3	34,787	101,502
Accounts receivable		72,907	157,708
Prepaid expenses and advances		169,457	175,446
		329,627	543,411
Non-current assets			
Deposit		7,428	7,428
Mineral property interests	4	5,313,813	5,171,402
Property and equipment, net	5	32,520	37,676
		5,353,761	5,216,506
TOTAL ASSETS		\$ 5,683,388	\$ 5,759,917
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 77,383	\$ 54,786
Due to related parties	7	725,394	212,714
		802,777	267,500
SHAREHOLDERS' EQUITY			
Capital stock	6	16,558,352	16,463,632
Contributed surplus		2,043,661	1,680,188
Warrants		42,781	42,781
Accumulated other comprehensive income		(42,556)	(30,187)
Deficit		(13,721,627)	(12,663,997)
TOTAL EQUITY		4,880,611	5,492,417
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 5,683,388	\$ 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 November 27, 2012:

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

"Douglas Fulcher"
Doug 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	For the Three Months Ended September 30,		For the Six Months Ended September 30,	
		2012	2011	2012	2011
Expenses					
Contract wages	7	\$ 116,706	\$ 87,928	\$ 238,562	\$ 173,656
Travel and promotion	7	8,448	74,585	39,348	139,150
Investor relations	7	26,880	36,400	67,200	54,880
Share-based payments	6	74,391	242,747	383,193	301,109
Rent	7	31,040	26,899	62,355	47,783
Office and miscellaneous	7	9,459	10,136	16,815	20,450
Insurance		8,105	7,695	19,502	16,793
Professional fees		13,085	10,325	13,985	76,156
Consulting	7	22,500	17,300	48,533	31,600
Telephone	7	1,402	3,397	3,364	5,377
Regulatory fees		3,457	6,430	3,457	19,527
Transfer agent fees		1,060	2,285	2,073	3,926
Interest and financing		-	771	-	2,126
Amortization		2,578	3,449	5,156	6,892
		319,111	530,347	903,543	899,425
Other Expenses (Income)					
Interest income		(23)	(4,498)	(372)	(4,650)
Loss (gain) on sale of marketable securities	3	9,226	-	9,226	(16,064)
Mineral property interests written-off	4	111,074	-	139,493	3,250
Loss (gain) on foreign exchange		2,675	(12,500)	3,973	(2,292)
		122,952	(16,998)	152,320	(19,756)
Loss Before Income Tax					
		442,063	513,349	1,055,863	879,669
Future income tax recovery		(1,170)	750	1,767	8,125
Net Loss for the Period					
		440,893	514,099	1,057,630	887,794
Other Comprehensive Income (Loss)					
Unrealized loss (gain) on available-for-sale securities		(8,194)	5,250	12,369	11,375
Comprehensive Loss for the Period					
		\$ 432,699	\$ 519,349	\$ 1,069,999	\$ 899,169
Basic Loss per Share					
		\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.02
Weighted Average Number of Common Shares Outstanding					
		67,455,900	64,745,845	67,419,898	59,068,309

(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 (\$)
	53,033,341	11,697,716	-	1,300,448	(10,786,611)	45,499	2,257,052
	-	-	-	-	(887,794)	-	(887,794)
	12,917,999	4,239,912	-	-	-	-	4,239,912
	120,000	18,000	-	-	-	-	18,000
	-	-	-	-	-	(56,874)	(56,874)
	600,961	250,000	-	-	-	-	250,000
	-	(42,781)	42,781	-	-	-	-
	-	17,124	-	(17,124)	-	-	-
6	-	-	-	301,109	-	-	301,109
	66,672,301	16,179,971	42,781	1,584,433	(11,674,405)	(11,375)	6,121,405
	67,319,215	16,463,632	42,781	1,680,188	(12,663,997)	(30,187)	5,492,417
	-	-	-	-	(1,057,630)	-	(1,057,630)
	100,000	25,000	-	-	-	-	25,000
	-	-	-	-	-	(12,369)	(12,369)
	250,000	50,000	-	-	-	-	50,000
	-	19,720	-	(19,720)	-	-	-
6	-	-	-	383,193	-	-	383,193
	67,669,215	16,558,352	42,781	2,043,661	(13,721,627)	(42,556)	4,880,611

(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)

	Notes	For the Six Months Ended September 30,	
		2012	2011
Operating activities			
Net loss		\$ (1,057,630)	\$ (887,794)
Items not involving cash			
Amortization		5,156	6,892
Share-based payments		383,193	301,109
Mineral property interests written-off		139,493	3,250
Loss (gain) on sale of marketable securities		9,226	(16,064)
Future income tax (recovery)		1,767	8,125
		(518,795)	(584,482)
Changes in non-cash working capital			
Accounts receivable		84,801	(18,875)
Prepaid expenses and advances		5,989	(365,821)
Accounts payable and accrued liabilities		22,596	17,732
Due to related parties		512,680	311,116
		626,066	(55,848)
Net cash flows from (used in) operating activities		107,271	(640,330)
Investing activities			
Expenditures on mineral property interests		(2,393,151)	(3,630,845)
Recoveries on mineral property interests expenditures		2,273,159	3,076,178
Acquisition of mineral property interests		(134,072)	(683,890)
Recoveries on acquisition of mineral property interests		22,160	55,732
Acquisition of property and equipment		-	(1,185)
Proceeds from sale of marketable securities		43,354	16,065
Net cash flows from (used in) investing activities		(188,550)	(1,167,945)
Financing activity			
Issuance of capital stock for cash, net of share issue costs	6	25,000	4,257,912
Loans payable		-	(170,000)
		25,000	4,087,912
Increase (decrease) in cash and cash equivalents		(56,279)	2,279,637
Cash and cash equivalents, beginning of period		108,755	77,946
Cash and cash equivalents, end of period		\$ 52,476	\$ 2,357,583

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 six months ended September 30, 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 September 30, 2012, the Company has a working capital deficit of \$473,150 (March 31, 2012: working capital of \$275,911). The Company continues to incur operating losses and at September 30, 2012 has an accumulated deficit of \$13,721,627 (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 November 27, 2012.

REDSTAR GOLD CORP.**(An Exploration Stage Company)****Notes to Condensed Consolidated Interim Financial Statements****For the six months ended September 30, 2012 and 2011****(Unaudited - Expressed in Canadian Dollars)****3. Marketable Securities**

At September 30, 2012 and March 31, 2012, the Company held marketable securities as follows:

	Number of Shares	Cost (\$)	Accumulated Unrealized Gains (Losses) (\$)	Fair Value (\$)
September 30, 2012				
Central Resources Corp.	100,000	30,000	(27,000)	3,000
Confederation Minerals Ltd.	80,500	35,420	(5,635)	29,785
True Grit Resources Ltd. (formerly Catalina Metals Corp.)	100,000	18,000	(16,000)	2,000
Brocade Metals Corp.	200,000	2	-	2
		83,422	(48,635)	34,787

	Number of 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. (formerly Catalina Metals Corp.)	100,000	18,000	(14,500)	3,500
Brocade Metals Corp.	200,000	2	-	2
		136,002	(34,500)	101,502

During the period ended September 30, 2012, the Company:

- recognized an unrealized loss of \$14,135 (March 31, 2012: \$34,500), which is included in other comprehensive income (loss). Future income tax recovery in the amount of \$1,767 (March 31, 2012: \$4,313) was recorded against the unrealized loss for an unrealized loss, net of tax, in the amount of \$12,369 (March 31, 2012: \$30,187).
- recognized a realized loss of \$9,226 on the sale of 119,500 Confederation Minerals Ltd. ("Confederation") shares for net proceeds of \$43,354.

REDSTAR GOLD CORP.
(An Exploration Stage Company)
Notes to Condensed Consolidated Interim Financial Statements
For the six months ended September 30, 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 September 30, 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	-	-	21,538	162,534	184,072
Recovered during the period	-	-	(22,160)	-	(22,160)
Net acquisition costs	-	-	(622)	162,534	161,912
Exploration expenditures					
Assaying	-	137,268	38,883	-	176,151
Consulting					
Geology	-	491,506	124,006	45,014	660,526
Geophysical	-	-	10,816	-	10,816
Geochemical	-	-	-	-	-
Contract labour	-	-	-	-	-
Camp and exploration support	-	53,507	11,404	470	65,381
Drilling	-	777,199	275,649	2,023	1,054,871
Environmental	-	62,403	-	-	62,403
Land and tenure	-	-	108,081	(1,025)	107,056
Travel and accommodation	-	79,449	28,291	-	107,740
Equipment rental	-	137,385	-	-	137,385
Maps and reports	-	1,914	-	8,908	10,822
Reclamation	-	-	-	-	-
Road access	-	-	-	-	-
Exploration expenditures recovered	-	(1,740,631)	(532,528)	-	(2,273,159)
Net exploration expenditures	-	-	64,602	55,390	119,992
Mineral exploration costs written off	-	-	(139,493)	-	(139,493)
Balance – September 30, 2012	-	1,604,589	481,035	3,228,189	5,313,813

Canada includes: Newman Todd
Nevada includes: Painted Hills, Richmond Summit, Root Spring, Cooks Creek, Oasis, Baker Spring, 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 September 30, 2012 (\$)
Newman Todd	1,604,589	-	-	1,740,631	(1,740,631)	-	1,604,589
Nevada General	121,245	-	-	63,940	(5,574)	(68,150)	111,461
Eagle Basin	71,343	-	-	-	-	(71,343)	0
Painted Hills	39,973	-	-	1,951	-	-	41,924
Richmond Summit	36,450	-	-	1,393	-	-	37,843
Root Spring	16,528	14,695	(14,695)	489,290	(490,952)	-	14,866
Cooks Creek	94,632	-	-	9,531	(9,533)	-	94,630
Oasis	53,166	-	-	4,556	-	-	57,722
Baker	8,950	-	(7,465)	16,714	(16,714)	-	1,485
Seven Devils	114,261	6,843	-	9,755	(9,755)	-	121,104
Shumagin	3,005,260	162,534	-	55,390	-	-	3,223,184
Unga-Popof	5,005	-	-	-	-	-	5,005
	5,171,402	184,072	(22,160)	2,393,151	(2,273,159)	(139,493)	5,313,813

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 six months ended September 30, 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 six months ended September 30, 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;
- \$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 six months ended September 30, 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 (Eagle Basin, Richmond Summit, Cooks Creek, Root Spring and Oasis) were converted to royalties of 1% to 2%, depending on the price of gold.

Nevada Properties and AngloGold royalty:

Properties	Staked Claims & Mineral Leases (#)	AngloGold Royalty (%)
Painted Hills	14	-
Richmond Summit	10	1-2%
Root Spring	124	1-2%
Oasis	15	1-2%
Cooks Creek	66	1-2%
Seven Devils	70	-
Baker Spring	22	-
Queens	4	-
Larus	7	-
Long Island	40	-
Gold Cloud	20	-

During the period ended September 30, 2012, the Company reduced its Nevada staked claims and mineral lease 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 15 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.

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 aggregate of US\$4,000,000 (US\$1,665,000 incurred). Centerra withdrew from the

REDSTAR GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2012 and 2011

(Unaudited - Expressed in Canadian Dollars)

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 (inclusive) (paid to June 30, 2012), US\$7,500 from October 1, 2012 to July 1, 2013 (inclusive), and US\$10,000 thereafter.

d) Cooks Creek Property - Option Agreement

On February 25, 2011, the Company entered into an agreement 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 making staged payments to the Company in the aggregate of \$200,000 (\$35,000 received), issuing in the aggregate 500,000 pre-consolidation shares of True Grit to the Company (100,000 received), and incurring exploration expenditures in the aggregate of \$2,500,000. 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 annually on or before December 31, 2012, 2013, 2014, 2015 and 2016.

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 annually on or before December 31, 2012, 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;
- 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;

REDSTAR GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2012 and 2011

(Unaudited - Expressed in Canadian Dollars)

- 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 6 months, in consideration for payment (received) of the Bureau of Land Management of the US Department of the Interior (the “BLM”) fees and the County fees (due in November, 2012). Upon the receipt of the BLM payments, 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);
- 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;

REDSTAR GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2012 and 2011

(Unaudited - Expressed in Canadian Dollars)

- 125,000 shares 90 days after September 1, 2012;
- 125,000 shares 120 days after September 1, 2012;
- 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;
- 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.

REDSTAR GOLD CORP.
(An Exploration Stage Company)
Notes to Condensed Consolidated Interim Financial Statements
For the six months ended September 30, 2012 and 2011
(Unaudited - Expressed in Canadian Dollars)

5. Property and equipment

	Cost				Accumulated Amortization				Net	
	March 31, 2011	Additions	Dispositions	March 31, 2012	March 31, 2011	Additions	Dispositions	March 31, 2012	March 31, 2011	March 31, 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, 2012	Additions	Dispositions	September 30, 2012	March 31, 2012	Additions	Dispositions	September 30, 2012	March 31, 2012	September 30, 2012
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Computer Equipment	73,987	-	-	73,987	57,148	2,526	-	59,674	16,839	14,313
Equipment	27,016	-	-	27,016	18,300	872	-	19,172	8,716	7,844
Automobiles	29,100	-	-	29,100	16,979	1,758	-	18,737	12,121	10,363
Total	130,103	-	-	130,103	92,427	5,156	-	97,583	37,676	32,520

6. Capital Stock

Authorized - Unlimited number of common shares without par value

During the period ended September 30, 2012, the Company issued:

- 100,000 common shares in connection with the exercise of incentive stock options, for total gross proceeds of \$25,000
- 250,000 common shares valued in total at \$50,000 in connection with the acquisition of the Shumagin property.

Share purchase warrants

As at September 30, 2012, March 31, 2012 and September 30, 2011, the Company had share purchase warrants outstanding as follows:

Expiry Date	September 30, 2012		March 31, 2012		September 30, 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

(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.

REDSTAR GOLD CORP.**(An Exploration Stage Company)****Notes to Condensed Consolidated Interim Financial Statements****For the six months ended September 30, 2012 and 2011****(Unaudited - Expressed in Canadian Dollars)**

The following table presents changes in warrants for the periods ended September 30, 2012, March 31, 2012 and September 30, 2011:

	September 30, 2012		March 31, 2012		September 30, 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	-	-	7,158,042	0.60	7,158,042	0.60
Outstanding at end of period	7,158,042	0.60	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 September 30, 2012 and March 31, 2012, the Company had stock options outstanding to directors, employees and consultants as follows:

September 30, 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	687,500	May 18, 2017	0.29
400,000	100,000	July 26, 2017	0.20
7,410,000	4,822,500		

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		

REDSTAR GOLD CORP.**(An Exploration Stage Company)****Notes to Condensed Consolidated Interim Financial Statements****For the six months ended September 30, 2012 and 2011**

(Unaudited - Expressed in Canadian Dollars)

The following table presents changes in stock options for the periods ended September 30, 2012, March 31, 2012 and September 30, 2011:

	September 30, 2012		March 31, 2012		September 30, 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	(120,000)	0.15
Expired	(525,000)	0.25	-	-	-	-
Forfeited	(350,000)	0.44	(575,000)	0.24	-	-
Outstanding at end of period	7,410,000	0.26	5,235,000	0.26	5,925,000	0.25

During the period ended September 30, 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 \$698,115.

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	1.43%
Expected dividend yield	0.00%
Expected stock price volatility	130.35%
Expected option life in years	5

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 six month periods ended September 30, 2012 and 2011, the Company was charged \$158,319 (2011: \$467,254) for exploration costs; \$Nil (2011: \$1,185) for capital assets; and \$394,851 (2011: \$372,113) to reimburse office and administrative costs as follows:

	September 30, 2012	September 30, 2011
	(\$)	(\$)
Contract wages*	238,562	173,656
Travel and promotion	19,596	84,357
Investor relations	67,200	54,880
Rent	52,026	37,591
Office and miscellaneous	15,585	17,726
Telephone	1,882	3,903
	394,851	372,113

* incl. \$120,000 compensation for the CEO & a Director (2011: \$100,800 for the CEO)

REDSTAR GOLD CORP.**(An Exploration Stage Company)****Notes to Condensed Consolidated Interim Financial Statements****For the six months ended September 30, 2012 and 2011****(Unaudited - Expressed in Canadian Dollars)**

As at September 30, 2012, the Company owed \$713,994 (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 periods ending September 30, 2012 and 2011 follows:

	September 30, 2012	September 30, 2011
	(\$)	(\$)
Management fees for the CEO, CFO and a Director	141,000	112,800

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the periods ended September 30, 2012 and 2011. At September 30, 2012, \$11,400 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:

	September 30, 2012	March 31, 2012
	(\$)	(\$)
Capital Assets		
(including mineral properties and deposits)		
Canada	1,634,174	1,637,573
United States	3,719,587	3,578,933
	5,353,761	5,216,506
Total Assets		
Canada	1,963,801	2,180,984
United States	3,719,587	3,578,933
	5,683,388	5,759,917

9. Supplemental disclosure with respect to cash flows

	September 30, 2012	September 30, 2011
	(\$)	(\$)
Fair value of shares received for mineral property interests	-	1
Fair value of shares issued for mineral property	50,000	250,000

REDSTAR GOLD CORP.**(An Exploration Stage Company)****Notes to Condensed Consolidated Interim Financial Statements****For the six months ended September 30, 2012 and 2011****(Unaudited - Expressed in Canadian Dollars)**

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 2012 (remainder of year)	\$	46,313
Calendar 2013		23,160
	\$	69,473

11. Subsequent events

- a) In connection with the Newman Todd property, the Company received \$75,000 and 150,000 shares in the capital of Confederation.
- b) In connection with the acquisition of the Shumagin property, the Company issued 125,000 common shares valued at \$23,750.