REDSTAR GOLD CORP.

Management's Discussion & Analysis

FORM 51-102F1

For the Three Month Period Ended
June 30, 2012

Contents

Cautionary Notices

The Company's interim condensed consolidated financial statements for the three month period ending June 30, 2012 (the "Period"), and this accompanying Management's Discussion and Analysis ("MD&A") contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future exploration plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. The forward-looking statements that are contained in this MD&A involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading "Risks and Uncertainties Related to the Company's Business" in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements. The forward-looking statements are qualified in their entirety by reference to the important factors discussed under the heading "Risks and Uncertainties Related to the Company's Business" and to those that may be discussed as part of particular forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Introduction

The management's discussion and analysis ("MD&A") of Redstar Gold Corp. ("Redstar" or the "Company") has been prepared by management in accordance with the requirements under National Instrument 51-102 as at August 28, 2012 (the "Report Date"), and provides comparative analysis of the Company's financial results for the three months ended June 30, 2012 and 2011. The following information should be read in conjunction with the Company's audited consolidated financial statement for the year ended March 31, 2012 and the condensed consolidated interim financial statements for the three month period ended June 30, 2012 (the "Period") together with the notes thereto (collectively, the "Financial Statements").

The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Unless otherwise indicated, all dollar amounts in this document are in Canadian dollars.

The Financial Statements, together with this MD&A, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as potential future performance, and are not necessarily indicative of the results that may be expected in future periods. The information in the MD&A may contain forward-looking statements, and the Company cautions investors that any forward looking statements by the Company are not guarantees of future performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events. Please refer to the risks and cautionary notices of this MD&A. Additional information relating to the Company may be found on SEDAR at *www.sedar.com*.

Qualified Person

Dr. Jacob Margolis is the qualified person under National Instrument 43-101 responsible for the technical information included in this MD&A and the supervision of work done in association with the exploration and development programs in respect of the Company's Nevada properties, and, together with R. Bob Singh, the Alaska properties.

R. Bob Singh, P. Geo. and Andrea Diakow, P.Geo , are the qualified person under National Instrument 43-101 responsible for the technical information included in this MD&A and the supervision of work done in association with the exploration and development programs in respect of the Company's Canadian properties, and, together with Dr. Jacob Margolis, the Alaska properties.

Conversion Tables

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

Conversion Table

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

Precious metal units and conversion factors

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

Overall Performance

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

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

Securities

During the Period,

- the Company granted incentive stock options allowing for the purchase of up to, in the aggregate, 2,750,000 shares in the capital of the Company at $0.29 per share until May 18, 2017.
- the Company issued a total of 100,000 common shares in the capital of the Company in connection with the exercise of incentive stock options for gross proceeds of $25,000.

- options allowing for the purchase of up to 525,000 common shares in the capital of the Company at $0.25 per share expired on May 4, 2012.

Other

- Effective with August 1, 2012, Mr. R. Bob Singh, P. Geo. was appointed as the Company's Chief Executive Officer and a member of the Board of Directors, and on August 20, 2012, was appointed as President of the Company. Mr. Singh received his B.Sc. in Economic Geology at the University of British Columbia in 1991 and has worked in the mineral exploration industry for over 23 year for both junior and major companies. Mr. Scott Weekes, who held the position of CEO, remained as President and a member of the Board of Directors of the Company.
- On August 19, 2012, Mr. Scott Weekes, President, director, and past Chief Executive Officer of the Company, passed away. Mr. Weekes was predeceased by his wife Anne Laite, who passed away on August 17, 2012. Throughout his career, Mr. Weekes remained focused on generating top-notch projects and creating a diversified portfolio of properties, while remaining true to his core values of honesty, kindness and integrity. To honour Mr. Weekes' and his wife's careers in geology, a bursary has been set up at the University of British Columbia, their alma mater. Donations can be made to the Scott Weekes and Anne Laite Memorial Bursary in Geological Sciences (Attn: Valerie Titford, 1505 -- 6270 University Blvd, Vancouver, BC V6T 1Z4) or by visiting http://www.supporting.ubc.ca/weekeslaite.

Summary of Quarterly Results

The selected consolidated information set out below has been gathered from the current and previous seven quarterly financial statements for each respective financial:

	Income (Loss) **$**	**Net Income (Loss) per Share** **$**	**Revenue** **$**
June 30, 2012	(616,737)	(0.01)	**-**
March 31, 2012	(674,495)	(0.01)	**-**
December 31, 2011	(287,797)	(0.01)	**-**
September 30, 2011	(514,099)	(0.01)	**-**
June 30, 2011	(373,695)	(0.01)	-
March 31, 2011	(335,932)	(0.01)	**-**
December 31, 2010	(191,705)	0.00	**-**
September 30, 2010	(231,000)	0.00	-

The following tables set forth a comparison of information for the eight quarters ending with June 30, 2012:

Expenses	**June 30, 2012**	**March 31, 2012**	**December 31, 2011**	**September 31, 2011**
Contract wages	121,856	110,856	89,028	87,928
Travel and promotion	30,900	44,715	73,461	74,585
Investor Relations	40,320	53,760	52,640	36,400
Share-based payments	308,802	79,468	32,698	242,747
Rent	31,315	36,871	21,503	26,899
Office and miscellaneous	7,356	15,211	12,286	10,136
Insurance	11,397	8,806	8,824	7,695
Professional fees	900	43,900	14,946	10,325
Consulting	26,033	27,800	27,800	17,300
Telephone	1,962	1,844	2,288	3,397
Regulatory fees	-	8,102	1,173	6,430
Transfer agent fees	1,013	1,200	2,422	2,285
Interest and financing	-	-	-	771
Amortization	2,578	3,969	3,968	3,449
	584,432	436,502	343,037	530,347
Other expenses (income)				
Interest income	(349)	(668)	(4,803)	(4,498)
Gain on sale of marketable securities	-	-	-	-
Property interests written off and settlement on property abandonment costs	28,419	168,482	-	-
Loss (gain) on foreign exchange	1,298	70,367	(53,312)	(12,500)
	29,368	238,181	(58,115)	(16,998)
Loss before income tax	613,800	674,683	284,922	513,349
Future income tax recovery	2,937	(188)	2,875	750
Net loss for the period	616,737	674,495	287,797	514,099

Expenses	**June 30, 2011**	**March 31, 2011**	**December 31, 2010**	**September 31, 2010**
Contract wages	85,728	89,718	102,168	99,792
Travel and promotion	64,565	47,503	-	23,611
Investor Relations	18,480	18,480	15,643	18,480
Share-based payments	58,362	62,274	129,533	18,347
Rent	20,884	26,274	20,114	23,348
Office and miscellaneous	10,314	7,396	10,101	10,825
Insurance	9,098	7,753	7,703	7,090
Professional fees	65,831	1,960	-	34,986
Consulting	14,300	11,300	5,300	5,300
Telephone	1,980	2,519	2,242	2,170
Regulatory fees	13,097	6,500	(1,938)	6,207
Transfer agent fees	1,641	1,186	1,845	1,588
Interest and financing	1,355			
Amortization	3,443	4,506	4,506	4,506
	369,078	287,369	297,217	256,250
Other expenses (income)				
Interest income	(152)	(264)	(17)	(5)
Debt forgiveness	-	(2,146)	-	-
Gain on sale of marketable securities	(16,064)		(108,618)	(44,443)
Property interests written off and settlement on property abandonment costs	3,250	55,860	(6,350)	12,480
Loss (gain) on foreign exchange	10,208	895	1,048	549
	(2,758)	54,345	(113,937)	(31,419)
Loss before income tax	366,320	341,714	183,280	224,831
Future income tax recovery	7,375	(5,782)	8,425	6,169
Net loss for the period	373,695	335,932	191,705	231,000

Net Loss

The net loss for the quarter ended June 30, 2012 was $616,737 as compared to $373,695 for the comparative period ended June 30, 2011. Included in the administrative expenses is a non-cash expense for share-based payments. Share-based payments is a non-cash item, resulting from the application of the Black-Scholes Option Pricing Model using assumptions in respect of expected dividend yield average risk-free interest rates, expected life of the options and expected volatility. This represents the fair value determined under the Black-Scholes model of the vested portion of existing options during the quarter, which was allocated to the Condensed Consolidated Interim Statements of Operations and Comprehensive Loss, as to $308,802 in the quarter ended June 30, 2012 and $58,362 in quarter ended June 30, 2011. After deducting this non cash item, expenses were $275,630 and $310,716 for the quarters ended June 30, 2012 and 2011 respectively, representing a decrease of $35,086 or approximately 11%. Other variances are discussed below.

Contract wages, Rent, Office and miscellaneous, and Consulting

The Company is party to an agreement with a company in which a director of the Company is a shareholder. Pursuant to this agreement, the Company is charged, on a cost sharing basis, for general office and administrative services, office space, and geological services used by the Company. For the quarter ended June 30, 2012, contract wages increased by approximately 42% from $85,728 to $121,856, while consulting increased by approximately 82% from $14,300 to $26,033 due to the Company's increased activity during the quarter. Rent increased by $10,431 or approximately 50% due to the reallocation of space and services required by the company commensurate with activity. Office expenses decreased by $2,958 or approximately 29%.

Travel and promotion

Travel and promotion costs decreased by approximately 52% from $64,565 to $30,900 during the quarters ended June 30, 2012 and 2011 respectively, due to market conditions.

Investor Relations

Investor relations activities are carried out by independent consulting firms on a contracted basis with terms and fees common to the industry. During the quarter ended June 30, 2012 the company expended $40,320 as compared with $18,480 for the quarter ended June 30, 2011, for an increase of approximately 118%, resulting from the response to continued difficult market conditions.

Financial Condition of the Company

As at June 30, 2012, the Company had current assets of $373,672 (including funds of $48,252), current liabilities of $445,964 and a working capital deficit of $72,292, as compared with current assets of $543,411 (including funds of $108,755), current liabilities of $267,500 and a working capital of $275,991 at March 31, 2012.

Mineral Properties of the Company

The Company has a number of projects at various stages of exploration and partnership or joint venture participation. The discussion below provides summary information in respect of the Company's mineral properties and their activity thereon. Refer to the Company's news releases filed on www.sedar.com, for additional exploration results. The discussion on the properties in this document covers the period to date since the previous year end of March 31, 2012. MD&As previously filed on SEDAR cover prior periods and fiscal year ends. The commitments in respect of consideration to be paid or received on acquisition or disposition of the Company's properties, respectively, are detailed in the Company's Audited Consolidated Financial Statements for the years ended March 31, 2012 and 2011, including the notes thereto.

Details of mineral properties follow for the three month period ended June 30, 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	-	-	19,900	6,062	**25,962**
Recovered during the period	-	-	(7,578)	-	**(7,578)**
Net acquisition costs	-	-	12,322	6,062	**18,384**
Exploration expenditures					
Assaying	-	29,271	2,952	-	**32,223**
Consulting					
Geology	-	199,490	28,548	31,470	**259,508**
Geophysical	-	-	3,395	-	**3,395**
Geochemical	-	-	-	-	**-**
Contract labour	-	-	-	-	**-**
Camp and exploration support	-	11,027	1,066	477	**12,570**
Drilling	-	247,717	16,593	2,053	**266,363**
Land and tenure	-	-	-	-	**-**
Travel and accommodation	-	42,600	6,494	-	**49,094**
Equipment rental	-	50,279	-	-	**50,279**
Maps and reports	-	818	-	9,043	**9,861**
Reclamation	-	-	-	-	**-**
Road access	-	-	-	-	**-**
	-	581,202	59,048	43,043	**683,293**
Exploration expenditures recovered	-	(581,202)	(44,773)	-	**(625,975)**
Net exploration expenditures	-	-	14,275	43,043	**57,318**
Mineral exploration costs written off	-	-	(28,419)	-	**(28,419)**
Balance – June 30, 2012	**-**	**1,604,589**	**554,726**	**3,059,370**	**5,218,685**

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, Gold Cloud
Alaska includes: Shumagin, Unga-Popof

Property	Balance March 31, 2012 ($)	Acquisition Costs ($)	Acquisition Costs Recovered ($)	Exploration Expenditures ($)	Exploration Expenditures Recovered ($)	Mineral Exploration Costs Written-Off ($)	Balance June 30, 2012 ($)
Newman Todd	**1,604,589**	-	-	581,202	(581,202)	-	**1,604,589**
Nevada General	**121,245**	-	-	28,419	-	(28,419)	**121,245**
Eagle Basin	**71,343**	-	-	-	-	-	**71,343**
Painted Hills	**39,973**	-	-	-	-	-	**39,973**
Richmond Summit	**36,450**	-	-	-	-	-	**36,450**
Root Spring	**16,528**	14,848	-	21,147	(35,944)	-	**16,579**
Cooks Creek	**94,632**	-	-	338	(341)	-	**94,629**
Oasis	**53,166**	-	-	656	-	-	**53,822**
Baker	**8,950**	-	(7,578)	8,487	(8,487)	-	**1,372**
Seven Devils	**114,261**	5,052	-	-	-	-	**119,313**
Shumagin	**3,005,260**	6,062	-	43,043	-	-	**3,054,365**
Unga-Popof	**5,005**		-	-	-	-	**5,005**
	5,171,402	**25,962**	**(7,578)**	**683,292**	**(625,974)**	**(28,419)**	**5,218,685**

Nevada General includes: Queens, Opal Hill, Larus, Long Island, Black Hawk, and Gold Cloud

Red Lake, Ontario, Canada

Newman Todd Property

In 2007, the Company acquired a 100% interest in the Newman Todd area properties. 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 property. On November 15, 2010 Central terminated the option on the property. On November 19, 2010, the Company entered into an option agreement with Confederation Minerals Ltd. ("Confederation") whereby Confederation can earn an

initial 50% interest in the property by making cash payments to the Company, issuing shares in the capital of Confederation to the Company, and expending $5,000,000 on the property. Confederation may increase its initial 50% interest in the property to 70% upon production of a Preliminary Economic Assessment by November 2016. In April, 2011 and on joint acquisition with Confederation, the Company acquired a 50% interest in 18 mineral claims adjacent to the Newman Todd project (the "Todd Property"), such that Confederation acquired an undivided 35% interest in the Todd Property (being 70% of vendor's interest) and the Company acquired an undivided 15% interest in the Todd Property (being 30% of the vendor's interest). Rubicon Minerals Corporation has retained the remaining 50% interest in the Todd Property.

Gold mineralization at the property is focused in the NTS, which extends for over two kilometres across the property hosting broad zones of quartz veining and silica/sulphide replacements within the widespread Iron-carbonate alteration. These zones are interpreted as near vertical to steeply plunging structurally controlled amoeba shaped bodies which extend from surface to at least 500 metres in depth. The zone remains open along strike and at depth.

Geological characteristics of the gold mineralization are similar from hole-to-hole across the entire drilled area. High grade gold zones typically occur within wide zones of disseminated gold mineralization. The Hinge zone appears to be a favorable structural and geological trap for gold bearing hydrothermal fluids as it has returned some of the highest grades and wider zones of gold mineralization within the NTS

Core samples from the program were cut in half using a diamond cutting saw and were sent to Activation Laboratories Ltd. in Red Lake Ontario, an accredited mineral analysis laboratory, for analysis. All samples were analyzed for gold using standard Fire Assay-AA techniques. Samples returning over 3.0 g/t gold were analyzed utilizing standard Fire Assay-Gravimetric methods. Certified gold reference standards, blanks and field duplicates were routinely inserted into the sample stream as part of the Company's quality control/quality assurance program.

From 2010 through to June, 2012, the Company:

- Announced that the main structural corridor, the Newman Todd Structural Zone ("NTS"), hosting the high-grade gold zones had been traced for over two kilometres and to a depth of over 300 metres. A total of six drill holes were completed in 2010. All holes intersected the gold bearing structure. In particular, Hole NT-055 intersected 24.0 g/t gold over 1.0 metre (0.70 oz/t over 3.3 feet), and Hole NT-053 intersected 11.6 g/t gold over 0.50 metres (0.34 oz/t over 1.64 feet).
- In concert with Confederation, completed an initial first phase of drilling on the project, bringing the total historical and recent drilling to a total of 33 holes. Holes intersected gold mineralization and very high grade results along a sheared and heavily altered trend (the Newman Todd Zone) have been intersected over approximately 2 kilometres of strike length. Based on these results, a very aggressive drill program is being implemented for the balance of 2011.
- Reported results included a drill hole that returned 5.0 metres of 18.25 g/t gold, including 2.7 metres of 32.43 g/t gold.
- Reported results which continued to demonstrate the high-grade gold potential of the NTS. Two holes were significant step-outs from known mineralization and intersected numerous gold zones, including high-grade results within broader intervals of lower grade. The results from these holes were further indication of the significant gold endowment of the Newman Todd Structure along its entire strike length
- Reported on results from drill holes within the Hinge Zone, which demontrated wide spread high-grade gold mineralization within the central part of the NTS, including holes that returned 15.90 g/t gold over 1.00 metre and 11.25 g/t gold over 5.75 metres (including 97.80 g/t over 0..50 metre and 12.80 g/t gold over 1.00 metre), 1.11 g/t gold over 58.00 metres, 10.40 g/t gold over 1.0 metre, 28.80 g/t gold over 1.0 metre, and 11.60 g/t gold over 1.0 metre.
- Reported on continued high-grade drill results, confirming the presence of a major new Red Lake style, high grade gold discovery. Highlights from those results included holes that returned 15.58 g/t gold over 2.0 metres (including 29.80 g/t gold over 1.0 metre), 1.04 g/t gold over 59.0 metres (including 4.74 g/t gold over 5.0 metres and 39.5 g/t gold over 0.50 metres), 3.27 g/t gold over

15.0 metres (including 36.15 g/t gold over 1.0 metre), 2.17 g/t gold over 47.0 metres (including 19.42 g/t gold over 3.0 metres and 56.8 g/t gold over 1.0 metre), and 1.52 g/t gold over 42.0 metres (including 17.10 g/t gold over 1.0 metre), holes that intersected 60.60 g/t gold over 1.0 metre, 21.60 g/t gold over 1.5 metres, 1.34 g/t gold over 46.0 metres, 1.56 g/t gold over 38.0 metres, 3.41 g/t gold over 27.50 metres (including 145.0 g/t gold over 0.50 metres), 5.94 g/t gold over 27.0 metres (including 139.0 g/t gold over 1.0 metre), and 7.11 g/t gold over 13.0 metres (including 17.53 g/t gold over 5.0 metres and 114.0 g/t gold over 0.50 metre).

A fully operational camp is in place at the property for the 2012 season, and Matrix Diamond Drilling Inc. has been contracted to undertake the Company's planned 2012 minimum 5,000 meter diamond drill program. The majority of the program will target the Hinge Zone with hole locations designed to follow-up significant results returned from the 2011 drill program, test several key geological and structural concepts identified in the recently completed 3D model, and to optimize the geological information.

On July 17, 2012, the Company announced additional results from the 2012 program, including hole NT-112, which intersected 22.0 metres of 4.31 g/t gold including 1.0 metre of 78.0 g/t gold, and 0.50 metres of 10.8 g/t gold, and NT-113, which intersected 1.0 metre of 8.24 g/t gold. On July 31, 2012, the Company announced additional high-grade results from its 2012 diamond drill program, including hole NT-114. Hole NT-114 hit the highest grade intercept on the property to date, including intersecting multiple high grade zones with the widest zone averaging 12.61 g/t gold over 31.0 metres. The bonanza grades occur at the margin of a wide silica-sulphide zone which contains arsenopyrite similar to the High Grade Zone at the Red Lake Mine 20 kilometres to the west of the property. Hole NT-114 also included 4.0 metres of 8.43 g/t gold including 1.0 metre of 19.0 g/t gold, and 31.0 metres of 12.61 g/t gold including 13.0 metres of 3.36 g/t gold, 0.50 metre of 23.0 g/t gold and 0.50 metre of 681.0 g/t gold.

Management of the Company reports that while the silica-arsenopyrite zone has been noted at Newman Todd in the past, it has not been previously associated with bonanza grade gold mineralization, and the ongoing drill program is focused on the new and exciting high-grade gold discovery

Nevada, USA

Eagle Basin Property

The Eagle Basin project, in central Nevada, now consisting of 37 unpatented mineral claims staked by the Company. The project lies along a northerly-trending corridor encompassing, with few exceptions, the largest gold (±silver) deposits in Nevada (>>2 million ounces gold).

Eagle Basin contains an extensive alteration zone within Late Eoecen volcanic rocks that is known to cover at least 1.6 square miles (4.3 km^2). Alteration consists of strong chalcedonic silicification and argillization with local quartz and chalcedony veins and disseminated sulfides; anomalous gold is common. A series of northwest-trending silicified zones across a width of at least 3,300 feet occurs in the core of the system, with individual zones up to 500 feet in length and about 20 feet in width. The strength of the alteration system, the trace-element signature and the limited drill testing present an opportunity for discovering a high-sulfidation type epithermal gold deposit or a porphyry-style Cu-Au-Mo deposit. The Company continues to pursue possible joint venture partners for the project.

Painted Hills Property

The Painted Hills Project, now consisting of 79 staked claims located in northwestern Nevada, 83 miles northwest of Winnemucca. The project has important geologic similarities to multi-million ounce, high-grade gold deposits of Middle Miocene age in the northwestern Great Basin, notably the Sleeper (2.5 million ounces produced) and Midas (3.0 million ounces produced) deposits, and offers the potential for discovery of a new, high-grade gold vein system. The Sleeper deposit is about 50 miles to the southeast. The project lies along a regional northeast-trending fault that has localized gold mineralization at the Hog Ranch and Mountain View gold districts to the southwest, both similar in age and geologic setting to Sleeper and Midas.

The project exposes opaline and chalcedonic silicification and argillic alteration within Middle Miocene volcanic rocks along a range-front fault with strongly anomalous As, Hg, Mo and Sb and locally anomalous gold. The exposed system is at least 1.6km long, and the alteration and mineralization are

consistent with the upper levels of an epithermal system. A drilling program in 2007 was the first to be completed in the project area and was designed to test the deeper levels of the system toward an inferred boiling level, where high-grade gold-bearing veins would be expected. Only a small portion of the hydrothermal system was tested. All holes intersected multiple zones of strong pyritic silicification, typically 25-40m thick across a plan width of about 200m, with local stockworks of variably sulfidic, multiple-generation chalcedony veins. Gold is anomalous in silicified and veined intervals, reaching 330 ppb, and correlates strongly with Mo. The 2007 drilling program validated the exploration model by demonstrating increasing gold with and a change from opal to chalcedony with depth, which is consistent with increasing temperature. However, vein stextures indicate that the potentially gold-silver rich boiling level remains deeper or lateral to the area drilled. The strong correlation between Mo and gold is a favorable attribute, as this also occurs at the Speeper deposit. Additional drilling is recommended to explore other portions of the mineralized trend, the range front and pediment to the east, and follow-up in the area drilled in 2007. The Company continues to pursue possible joint venture partners for the property.

Richmond Summit Property

Located in the central Carlin trend in Nevada, the Richmond Summit project, now comprised of 72 staked claims, covers two square miles and lies 4 miles northwest of the Mike deposit (8.5 M oz gold) in the Gold Quarry district and 5.5 miles south of the Carlin - West Leeville gold deposit (>10 M oz gold production plus reserves). Both mines are operated by Newmont Mining Corporation, and the Richmond Summit project is surrounded by lands largely controlled by Newmont.

The property lies at the southern tip of the Lynn window, an area exposing carbonate (calcareous) rocks in the lower plate of the regional Roberts Mountains thrust fault. Lower-plate carbonates host most of the gold mineralization along the Carlin trend, although mineralization locally extends into the overlying upper-plate rocks. Although rocks exposed on the project are dominantly upper-plate siliciclastics, thick sections of carbonates believed to part of the lower plate have been intersected in drilling and are locally exposed as thrust slices within the upper-plate rocks. In addition to this favorable stratigraphic setting, the project lies on the southern extension of the northerly-trending Post fault, a major structural control to world-class gold deposits in the northern Carlin trend north of the project such as Post-Betze (Goldstrike) and Meikle. The project contains numerous north trending, Late Eocene dikes which follow the Post fault trend and represent the important conduits (feeders) for gold mineralization. Carlin-trend gold mineralization occurred during emplacement of these dikes, which are common within the gold deposits.

Gold mineralization on the project occurs in several widely-spaced areas within upper-plate siltstones and greenstone along the margins of dikes. The strongest gold mineralization identified to date occurs in the Main Zone, where surface samples reach 7.75 ppm Au (0.226 opt [ounces per ton]) accompanied by strongly-elevated arsenic (to 2.7%), antimony (to 450 ppm) and mercury (to 3.3 ppm), a signature consistent with Carlin-type gold mineralization. Other mineralized areas include the Ridge Zone, 1,200 feet west of the Main Zone, which contains anomalous gold at surface to 1.97 ppm in siliciclastic rocks and greenstone adjacent to a rhyolite dike; a float sample from Ridge returned 3.7 ppm. Several other areas contain anomalous gold at surface in siliciclastic rocks and altered dikes, with values reaching 0.755 ppm.

Drilling at the project in 2008 and 2009 intersected abundant dikes and locally anomalous gold along dikes within upper-plate rocks and also locally intersected lower-plate rocks. However, deep drilling within the strongest gold zones remains limited in scope, and the drilling to date has not successfully intersected the roots to the anomalies within the lower plate.

The Company continues to pursue possible joint venture partners for the property.

Root Spring Property

The Root Spring Property, located approximately 50 miles south of the city of Winnemucca and l6 miles east of the world-class open-pit Rochester silver mine operated by Coeur d'Alene Mines Corporation. The property is under option agreement with Brocade Metals Corp. ("Brocade"), whereby Brocade has the option to earn a 70% interest in the property.

During the year ended March 31, 2012, Brocade and the Company completed a staking program to add an additional 64 claims to the Root Spring property, to cover potential extensions to the mineralized system under alluvial cover that were identified by a recent geophysical survey, such that the property now consists of 134 unpatented claims that cover 1,120 hectares.

Mineralization at Root Spring consists of northwest-trending, low-angle southwest-dipping quartz veins and quartz-vein stockworks hosted within volcanic rocks which may be equivalent to the host Triassic volcanic section at the Rochester mine. The veins are exposed within a northwest-trending alluvial-filled valley corridor along a range front which may mark a major structural zone. The quartz-vein system is at least 1,200m long. Veins are up to 4.5m thick, with two parallel veins exposed, separated by about 100m. Surface rock-chip values in veins reach 9.36 ppm gold (0.273 ounces per ton, opt) accompanied by high silver values reaching 1500 ppm (44 opt). Veins locally contain secondary copper minerals and traces of tetrahedrite, galena and sphalerite. The two veins are surrounded by poorly-exposed silicified felsic volcanic rocks containing quartz-vein stockworks. The wallrocks locally contain low-grade gold reaching 0.862 ppm.
The vein system is partly concealed by alluvium and is likely to extend significantly along strike beyond the limited vein exposures. Further, the two parallel veins indicate the potential for additional veins at depth and in areas covered by alluvium.

Work by Brocade during the year ending March 31, 2012 included additional surface sampling that returned values as high as 1,420 g/t Ag and 7.91 g/t Au over 1.15 metres. Locally, well-developed quartz stockwork zones occur in the immediate hangingwall of the veins and carry bulk tonnage gold-silver grades (0.744 g/t Au and 73.7 g/t Ag). In late 2011, a **Controlled Source Audio-Frequency Magnetotelluric (CSAMT)** geophysical survey provided a fingerprint of the exposed vein system and identified linear, resistivity- high anomalies that are thought to represent extensions of the veins beneath a thin cover of alluvium. These features occur up to 600 m northwest of the exposed veins and up to 800 m southeast of the exposed veins, and suggest that the strike length of the system may be much greater than presently recognized. Additional resistivity high anomalies occur to the southwest of the trend of the exposed veins and suggest that additional veins or stockwork zones may exist beneath a veneer of alluvium and/or post-mineralization Tertiary volcanic rocks. Root Spring offers an opportunity to delineate gold-silver mineralization within large veins and surrounding wallrocks.

Approval was received in April, 2012, from the Bureau of Land Management (BLM) for a drilling program at the property. The work is being carried out by Brocade. Thirty drill sites were approved by the BLM, and Brocade is in the process of logistical planning for a first-phase drilling program to test the down dip potential of the exposed parts of the vein system, several of the prominent resistivity high anomalies that underlie a cover of alluvium along strike and to the southwest of the exposed veins, and the bulk tonnage potential of the hangingwall and footwall rocks that host the discrete, well mineralized veins.

Brocade began a core drilling program on June 15, 2012, which continued into the second quarter of FY2013. Results from the drilling will be available toward the end of the second quarter FY2013 and will be included in the MD&A for that quarter.

Cooks Creek Property
In November, 2007, the Company staked unpatented claims covering an area of outcropping sediment-hosted gold mineralization about 8 miles west of the Pipeline Mine. The property, now consisting of 124 claims (approximately 4 square miles), lies 27 miles south of the town of Battle Mountain in central Nevada, along the Battle Mountain-Eureka mineral belt, also referred to as the Cortez trend. The Pipeline and adjacent Cortez and Cortez Hills Carlin-type gold deposits contain more than 25 million ounces of gold (production plus reserves/resources); the mines are operated by Barrick Gold Corporation. On February 25, 2011, the Company entered into an option agreement with Catalina Metals Corp. ("Catalina"), whereby Catalina may earn an initial 60% interest in the Cooks Creek project, which interest may subsequently be increased to 70%. Catalina subsequently changed its name to True Grit Resources.

The Main gold zone at Cooks Creek covers an area of at least 890 by 760m with surface rock-chip assays reaching 1.26 ppm gold. The zone contains strong enrichments in arsenic, mercury, and antimony (locally occurring as stibnite), elements characteristic of productive Carlin-type gold deposits. Mineralization is localized along northeast-trending faults and hosted by "upper-plate" Paleozoic siliciclastic rocks (siltstone and chert), strongly-altered felsic dikes and volcaniclastics and is coincident with silicification. Historic drilling intersected gold mineralization, including 70 feet grading 0.068 opt (21.3m @ 2.317 g/t) from 60 to 130 feet, 40 feet @ 0.015 opt (12m @ 0.516 g/t), and 20 feet @ 0.019 opt (6m @ 0.635 g/t). Mineralization remains open along at least two northeast-striking fault zones about 1,000 feet apart.

In early 2011, Catalina and the Company discovered a significant new area of gold mineralization with rock-chip samples of up to 2.45 g/t (0.071 ounces per ton) gold along a district-scale fault about 750m south of previously-defined gold mineralization at the Main zone. This new zone, called the Dinner Zone, has not been drill tested. The Dinner zone contains silicified and brecciated chert and quartzite along a northeast-trending fault that is parallel to structures controlling gold mineralization at the Main zone. The size of the Dinner zone at surface is uncertain due to extensive alluvial cover, which conceals the mineralization, but it appears to be at least 300m long by 40m wide. Of 31 rock-chip samples collected in the area, 17 exceed 0.1 g/t gold, 6 exceed 1 g/t gold, with a high of 2.45 g/t gold, and these sample results are higher than surface values at the Main zone. Trace elements indicate a favorable Carlin-type gold signature, with strong arsenic (up to 5750 ppm), mercury (up to 57 ppm), and antimony (up to 933 ppm) with low silver, lead and zinc.

An induced-polarization (IP) geophysical survey was completed in 2011 along a 2.2km line that crosses the structures controlling the Main and Dinner zones. The survey aided in the delineation of important faults at depth and identified a significant IP anomaly under the fault controlling the new Dinner gold zone. This anomaly, possibly the result of deep elevated sulfide content, provides additional support for drill-testing this new zone.

Catalina is planning to complete six to nine drill holes in the Main and Dinner zones in 2012. An exploration permit was approved in August, 2011, by the Bureau of Land Management for drill sites at the Main and Dinner gold zones.

Oasis Property

The Oasis Project consists of 122 staked unpatented mining claims and 2 leased claims in southwestern Nevada, 26 miles southwest of the Goldfield mining district (4 million ounces of gold produced). Oasis contains extensive low-grade, disseminated gold mineralization that is believed to represent a porphyry gold system. On April 22, 2010, the Company entered into agreement with Centerra (U.S.) Inc. ("Centerra"), whereby Centerra has an option to earn a 75% interest in the property.

Oasis is a unique porphyry gold system within the Walker Lane Province of western Nevada. Widespread low-grade disseminated gold mineralization at surface reaches 6.3 g/t, with the surface and subsurface gold zone at +0.1 g/t at least 1km by 0.8km. The system is centered on a multi-phase intrusive complex cutting Lower Paleozoic basement sedimentary rocks and overlying Tertiary andesitic volcanics which may be the same age as the host andesite in the Goldfield district; mineralization is hosted in all three units. Mineralization is coincident with potassic alteration, notably hydrothermal biotite, and sheeted A-type quartz veinlets, and gold correlates with copper, molybdenum, tin and potassium. The exposed and drilled portions of the system appears to represent the outer portions of a large porphyry Au-Cu system. Evidence for this includes a strong phyllic overprint to the potassic alteration, surface and near-surface mineralization coincident with elevated Mo and Zn, increasing copper with depth and a barren advanced-argillic (silica-alunite) cap.

By fiscal year end 2011, Centerra had completed an airborne geophysical survey, geological mapping and rock sampling, soil sampling and 16 reverse circulation drill holes totalling 4,843 metres. The drilling covered a broad area of approximately 1 km in diameter with holes spaced about 275m apart on average and results indicate the gold system extends beyond the area in several directions. Stronger mineralization is localized along the margins of the exposed gold system, possibly due to an

unrecognized structural control. Eleven of the sixteen holes yielded intersections of gold mineralization. Highlights of the drilling completed from Augist to October, 2010, include:

Hole 14: 96.lm of 0.26 g/t including 12.2m of 0.40 g/t
Hole 15: 7.6m of 0.80 g/t and 10.7m of 0.63 g/t
Hole 10: 13.7m of 0.49 g/t including 3.0m of 1.06 g/t.

Between September 25 and November 12, 2011, Centerra completed an additional eleven reverse-circulation drill holes for 2,447.5 metres. Drilling focused around the eastern and western edges of the known gold system where the 2010 drilling intersected stronger disseminated mineralization with possible structural control. Five of the 11 holes were terminated well short of target depth due to drilling problems. Highlights from the 2011 drilling include:

Hole 24: 169.2m of 0.22 g/t
Hole 26: 30.5m of 0.40 g/t including 10.7m of 0.91 g/t.

Drilling results show copper increasing with depth within the gold mineralization. However, the deepest drilling has tested to only 365m (1,200 feet) below surface, and many of the 2011 holes failed to reach targeted depths. The gold system remains open at depth and to the south and west, and Redstar believes there is potential for a significant porphyry Au-Cu deposit.

Centerra withdrew from the agreement on February 21, 2012, and the Company is seeking a partner to continue advancing the project.

Baker (fka Baker Spring) Property
The Baker Project consists of 22 staked mineral claims covering an area of strong silicification twelve miles north of the Long Canyon gold deposit (Newmont Mining Corp.). It lies along the eastern range front of the Pequop Mountains, the same setting as Long Canyon, which is a sediment-hosted (Carlin-type) gold system containing a preliminary indicated and inferred resource of approximately 822,000 ounces of gold. Baker is a Carlin-type gold target containing multiple structurally-controlled zones of silicification (jasperoid) along north-northwest trending faults, an orientation similar to many of the productive gold deposits of northern Nevada. The jasperoids contain strongly-elevated mercury and other trace metals and locally contain disseminated pyrite and hydrothermal barite, features characteristic of productive Carlin-type gold deposits. Individual silicified fault zones are at least 1.2 km long and project into or are surrounded by valley-fill gravel (alluvium) along the northeast corner of the Pequop Range. Alluvial cover in the area appears to be thin, with jasperoids in some areas surrounded by more than 1 km of cover between outcrops. There are no records of previous drilling.

On May 19, 2011, the Company entered into a lease agreement with Newmont USA Limited, a subsidiary of Newmont Mining Corporation ("Newmont"), whereby Newmont will lease the property from Redstar, subject to a 2.5% net smelter royalty. Newmont has advised the Company that it has completed a program of surface sampling, geophysics and geologic mapping to define drill targets, and is planning a first-phase drilling program for 2012 at the property.

Seven Devils Property
The Seven Devils Project, located 55 miles south of Winnemucca, Nevada, consists of 54 staked claims and 16 leased claims. The project contains extensive volcanic-hosted, low-sulfidation epithermal gold mineralization, with surface values reaching 2.6 ppm (g/t).

The gold system lies along a regional, north-trending structural zone which contains important volcanic-hosted gold deposits north of the project, including the Sleeper, Sandman and Goldbanks deposits. This structural zone, the Western Nevada Rift, is parallel to and similar to the Northern Nevada Rift, which localizes a series of similar productive volcanic-hosted gold systems about 50 miles to the east, including the Mule Canyon, Fire Creek and Buckhorn gold deposits. These gold systems represent a class of productive gold deposits in the Great Basin region of Middle Miocene age hosted in Middle Miocene volcanic rocks. The deposits typically contain disseminated low-grade gold as well as high-grade, locally bonanza-grade veins.

The geology and gold mineralization at Seven Devils are similar to the Goldbanks deposit 37 km to the north (Resource of 2.3 million ounces gold reported in 2000). At Seven Devils, gold occurs in Middle Miocene volcanic conglomerate (values to 2.6 g/t), felsic ash-flow tuff (gold to 1.4 g/t) and basaltic intrusive rocks and is coincident with pervasive silicification, quartz veinlets, hydrothermal brecciation, and widespread anomalies in As, Sb and Hg, and locally Se and Mo. Fluorite occurs locally with gold mineralization. Minor gold mineralization is also hosted by silicified limestone underlying the volcanic rocks. Gold mineralization occurs over a strike length of at least 1.9 km, with strongly-anomalous trace elements covering 3.3 km of strike. Historic exploration drilling in the late 1980's was shallow (average depth of 350 feet in 29 holes) and largely tested the basement limestone with little attention to the overlying volcanic-hosted gold. A number of mineralized intervals were encountered with gold values to 2.52 ppm, but assays were by atomic absorption (AA) without fire assay. The AA analysis may have underestimated grade where gold is associated with disseminated sulfides. The historic exploration drilling also failed to adequately test the mineralized volcanic section, which Redstar believes is the principal target at Seven Devils.

The Company continues to pursue possible joint venture partners for the project.

Queens Property
The Queens project, consisting of 6 staked unpatented mining claims, is located 8 miles southeast of the world-class Round Mountain gold mine (>13 Moz production and reserves; Kinross Gold Corp, Barrick Gold Corp) and 5 miles northeast of the Manhattan gold district.

Like Round Mountain, Queens contains a disseminated gold system hosted in caldera-related volcanic rocks (ash-flow tuff). Preliminary sampling by Redstar has returned outcrop gold values to 0.587 ppm. Historic surface sampling during the early 1990's returned values to 1.95 ppm gold in outcrop and 6.98 ppm gold in soil sampling. Shallow (60 to 150 m) reverse-circulation drilling of sixteen holes in the early 1990's returned significant gold intersections: hole 91-2 yielded 0.793 g/t over 23m, including 1.18 g/t over 9m; hole 91-5 returned 0.462 g/t over 17m and 0.530 g/t over 45 14m. Local higher grades are present, reaching 6.8 g/t over 1.5m. Queens lies within a volcanic sequence within the 25 million year-old (Ma) Manhattan caldera, part of a complex of calderas which erupted between about 24 and 26 Ma and includes the caldera hosting the Round Mountain deposit.

The Company continues to pursue possible joint venture partners for the project.

Opal Hill Property
The Opal Hill project, consisting of 6 staked unpatented claims, contains a large area of silicification at a range front about 29 miles northwest of the Round Mountain and Gold Hill gold deposits.

The silicification is enriched in mercury (to >100 ppm) and As (to 900 ppm), with moderately-elevated antimony (to 30 ppm), and these elements are concentrated in the western portion of the exposed opalite where it projects under valley cover. There is no record of previous modern drilling, nor is there any record of activity by major mining or exploration companies.

Opal Hill represents an undrilled, pristine exploration opportunity. The silicification is interpreted as a high-level or distal part of a potentially gold-mineralized system concealed along the range front and under the valley-fill alluvium to the west.

The Company continues to pursue possible joint venture partners for the project.

Larus Property
The Larus Project, consisting of 62 staked unpatented mining claims along the prolific Cortez gold belt in central Nevada, covers a sediment-hosted (Carlin-type) gold system about 23 miles northwest of Eureka, Nevada, site of Barrick Gold Corp's Ruby Hill gold mining operations, and 31 miles southeast of Barrick's Cortez Hills gold mining operations.

Gold mineralization at Larus occurs in silicified zones (jasperoids) and quartz veins in "lower-plate" limestone that locally contain stibnite (antimony sulphide), a common accessory mineral in productive Carlin-type gold deposits. Mineralization is also locally present in "upper plate" shale. Preliminary sampling completed by Redstar has returned significant gold in several widely-spaced areas, with values reaching 3.23 ppm (g/t); historic assays from previous exploration programs reach 7.6 ppm. Mineralization is known over a strike length of at least 1.2 km and is controlled by north-northwest trending faults, an important mineralized structural orientation in gold deposits along the Cortez gold belt.

The Company continues to pursue possible joint venture partners for the project.

Long Island
The Long Island project consists of 56 staked unpatented mining claims, approximately 20 kilometres southeast of the world-class Round Mountain gold deposit.

The Long Island project lies along the east edge of the Toquima Range, and contains extensive silicification within caldera-related volcanic rocks, that are similar in age to the volcanic rocks that host the ~15 million ounce Round Mountain disseminated gold deposit (operated by Barrick Gold and Kinross Gold). A 50 metre thick section of silicified volcanic rocks dips gently eastward into the range front and likely extends eastward under alluvial cover. Unoxidized zones are locally present within the silicification and contain fine-grained disseminated pyrite. The silicification is locally anomalous in gold, arsenic, antimony and mercury and is considered to represent the distal stratiform portion of a hydrothermal system that may be centered under alluvial cover to the east, where there has been minimal exploration.

The Company continues to pursue possible joint venture partners for the project.

Black Hawk Property
The Black Hawk project consists of 8 staked claims covering hydrothermally altered Tertiary volcanic rocks and basement limestone about 115 km east of Tonopah, Nevada. Historic prospects contain anomalous gold and mercury. The Company continues to pursue possible joint venture partners for the project.

Gold Cloud Property
The Gold Cloud project consists of 20 staked claims covering sediment-hosted (Carlin-type) gold mineralization along a range-front fault about 17 miles south of Barrick's Ruby Hill gold mining operations in the Eureka Mining District. The Project lies along the southeastern part of the Cortez gold belt.

Gold Cloud contains extensive carbonate veins and silicification (jasperoids) within Devonian limestone that are exposed for a strike length of 2km following a northeast-trending range-front fault. Gold values obtained by Redstar reach 2.80 g/t. Valley-fill alluvial sediments (pediment) beyond the range-front fault appear to be thin, based on relatively detailed gravity data as well as the occurrence of north-northwest-trending outcrops of limestone outboard of the range front. The exposed carbonate vein system, the silicification and favorable geochemistry could represent the uppermost or distal portion of a large Carlin-type gold system yet to be identified, either beneath the exposed veins or outboard of the range front under pediment cover. Occurrences of native sulfur in the jasperoid also indicate a distal setting.

The Company continues to pursue possible joint venture partners for the project.

Alaska, USA
Unga Project
The Unga project covers portions of Unga and Popof Islands, 900km southwest of Anchorage Alaska, near the town of Sand Point, which has a commercial airport and port facilities. The 250 square-km land position comprises two properties:

Shumagin: Sixteen patented claims and six Alaska state mining claims on Unga Island covering the Shumagin vein, with a historic resource of 280,000 tons grading 0.8 opt Au*, and the historic Apollo-Sitka mines, which produced 150,000 ounces of gold at about 10 g/t between 1891 and 1922. Redstar can earn a 100% interest from a private company.

Unga-Popof: Native corporation lands on Unga and Popof Islands; contains mineralized extensions of the Shumagin and Apollo-Sitka vein systems; contains the Centennial disseminated gold deposit on Popof Island that has a preliminary resource of 4.8M tons @ 0.042 opt Au*, as well as the Zachary Bay porphyry copper-gold system on Unga Island. Redstar can earn a 75% interest from Full Metal Minerals Inc.

Redstar is the first exploration company to consolidate both properties, allowing for comprehensive district-scale exploration for the first time. There has been no exploration in the district since 1990. The Unga Project contains high-grade gold-silver vein systems and disseminated gold mineralization within an island-arc volcanic sequence of Late Eocene age; it also contains related intrusion-hosted porphyry copper-gold mineralization.

Unga Project: Shumagin Property

The Company is party to an option agreement with NGAS Production Co. ("NGAS"), a subsidiary of Magnum Hunter Resources Corp. ("Magnum"), to acquire, subject to underlying advance royalty payments , a 100% interest in the Shumagin Project, in consideration for making staged cash payments and share issuances to NGAS

The Shumagin property contains two northeast-trending, high-grade (>10 g/t gold) gold-silver vein systems, the Shumagin and the parallel Apollo-Sitka about 3km to the south. Mineralization along the Shumagin vein stockwork is known for at least 1.3km and is part of a district-scale mineralized fault system, the Shumagin trend, which includes other high-grade gold vein systems along its 9km strike length that lie on the Unga-Popof Property. The Apollo-Sitka vein system lies along the ~7km Apollo tend, with approximately 5km of the trend covered by patented claims of the Shumagin property. The remaining portions of the trend lie on the Unga-Popof Property. Mineralization along the Apollo-Sitka vein system is known for at least 3km within the Shumagin Property, but mineralization also occurs along the trend within the Unga-Popof Property.

Shumagin Vein System

The Shumagin vein, which has had no historic production, contains a resource of 254,000 tonnes (280,000 tons) grading 27.4 g/t (0.80 ounces per ton) gold and 127 g/t (3.7 opt) silver (SRK Consulting, 2000*). The resource is based on shallow drilling in the 1980's that was within about 150m (500 feet) of surface and one hole which intersected 5.5 metres of 16.1 g/t gold at a vertical depth of 335m. Results of this drilling included 365.2 g/t gold and 190.6 g/t Ag over 1.22m in hole 46 and 33.26 g/t Au over 3.2 m in hole 57. The vein is at least 1.3km long but remains open for exploration along strike and at depth. Limited drilling along strike from the resource block intersected locally high grades, including 37.7 g/t (1.1 opt) gold over 0.76m (2.5 feet). Mineralization occurs in a network of closely-spaced, multiple, steeply-dipping veins across widths of up to 70m, and there is potential for multiple ore shoots.

From September 6th to October 4th, 2011, the Company completed its first round of drilling at the Shumagin vein, with ten holes totaling 2,062 metres. The results confirmed a high-grade, bonanza type gold system and included 21 metres of 4.02 g/t gold containing a bonanza-grade interval of 1.0 metre of 43.90 g/t gold in hole 7, and 30 metres of 14.98 g/t gold containing 738 g/t gold over 0.55 metres in hole 10; visible gold is common. The Company is planning an aggressive drilling exploration program at the Shumagin vein for the summer of 2012, to expand the known mineralization at depth and along strike.

Apollo-Sitka Vein System

Historic mining from 1891-1922 along the Apollo-Sitka vein system produced approximately 150,000 ounces of gold at an average grade of 10.3 g/t (0.3 opt) gold, and mineralization is known to cover a vertical extent of at least 400m. There were inadequate methods for recovering gold from base-metal bearing sulfidic ore encountered at deeper levels, and mining was terminated. There has been very limited modern exploration along the trend. In 2011, Redstar collected several samples from the area of the historic Sitka shaft and obtained high-grade Au-Ag values across the vein of 13.2 g/t Au and 398 g/t Ag over 2 metres in outcrop that includes a sulfide vein separate which assayed 94.7 g/t Au and 1840 g/t Ag. There was minimal historic mining at Sitka owing to the presence of shallow sulfides. The width of vein mineralization at Apollo was up to 12m wide in the mined zones, and evidence at Sitka indicates a vein system that may be as wide as 50m. At Sitka, historic reports document shallow high-grade gold mineralization, including 2,000 tons grading 18.6 g/t gold above the 60-foot level and 8,150 tons grading 4

g/t gold between the 150 and 250 foot levels. These tonnages are based upon limited drifting of less than 750 feet along the vein. The width of the mineralization is not known; however, an extensive quartz-stockwork vein zone is exposed in a series of trenches indicating a minimum width of at least 50 metres. Modern exploration work at Sitka is limited to an early 1980's program which reported high-grade mineralization, including 31.82 g/t gold over 1.8 metres on the 150 level, 15.08 g/t gold over 1 metre in one of the trenches and 22.63 g/t gold over 0.6 metres in a drillhole from the 150 level (*The Mining Record*, July 7, 1982 and September 7, 1983). The Company has not been able to verify these results, but they are consistent with the Company's limited sampling completed in 2011. Gold-bearing veins with historic sampling to 147 g/t gold also occur at the California prospect 1.5 km southwest of the Apollo mine.

Unga Project: 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 making staged cash payments, staged share issuances and incurring minimum exploration expenditures on the property. The Company has the option of earning an additional 15% interest by producing a Bankable Feasibility Study and issuing additional shares of the Company to Full Metal. The property is subject to 3 underlying agreements, as to mineral and surface rights. Mineral rights are held by Full Metal Minerals Inc. under a lease agreement with Aleut Corporation (an Alaska Native Regional Corporation), and the surface rights are held by the Unga Corp. and Shumagin Corp. (both native village corporations).

The Unga-Popof property includes the extensions of the Shumagin and Apollo-Sitka high-grade vein systems defined on the Shumagin property as well as other gold and copper-gold occurrences.

Shumagin Trend Veins

Numerous gold occurrences have been identified along the Shumagin trend within the Unga-Popof Property beyond the Shumagin vein. For example, the Aquila vein field is approximately 6 km along strike from the Shumagin vein and has been traced through trenching and drilling for over 2 km with a width of up to 700m. Shallow exploration in the early 1980's identified high-grade gold, including 11.5 g/t over 3.6m in a trench and 113 g/t over 0.45m at base of 49m core hole (hole terminated due to broken ground). There has been no drilling since 1981. The Bloomer Ridge target closer to the Shumagin Vein contains surface samples in veins to 5.3 g/t.

Centennial Disseminated Gold

Centennial is a shallow, bulk tonnage gold system on Popof Island. In the late 1980's, Battle Mountain Gold Corp completed 59 drill holes and defined a non 43-101 compliant resource of 4.8 million tons with an average grade of 1.5g/t gold to a depth of 50m. The disseminated replacement-style low-grade gold mineralization contains local high-grade (+3 g/t gold) zones/structures that have yet to be fully explored. Historic drillholes were very shallow (94m average length) and steep, thereby not allowing for an opportunity to intersect steeply-dipping higher-grade structures. Analysis of the historic results indicates that the disseminated mineralization is open for expansion and that there is potential to delineate high-grade mineralized feeder structures. Results from the historic trenches include: 1.82 g/t over 72.5m containing 7.53 g/t over 10.8m (containing 18.1 g/t over 3m) in Trench 5, and 0.83 g/t over 36.6m in Trench 10. Results from historic drillholes include: 1.07 g/t over 61.3m containing 3.17 g/t over 5.6m in CENT-1, 0.74 g/t over 39.6m in CENT-34 and 1.52 g/t over 10.7m containing 4.45 g/t over 3m in CENT-20.

Apollo Trend Veins

Historic data indicate that significant hydrothermal alteration and anomalous gold occur along the Apollo trend on the Unga-Popof Property, and these areas represent important exploration targets for additional Apollo-Sitka style veins.

Zachary Bay Porphyry Copper-Gold System

The Zachary Bay porphyry copper-gold target is 7 km northwest of the Shumagin vein. Surface rock-chip sampling in 1974 returned 46 metres of 0.36% copper and 0.550 g/t gold. Four shallow (<120 metre) drillholes completed in 1975 by Quintana Minerals Corp and Duval Corp intersected disseminated Cu-Au mineralization in intrusive rocks. The deepest drillhole (Z1, 117 metres) was mineralized over its entire

length, with 107 metres grading 0.11% copper and 0.280 g/t gold. These assays were completed by Resource Associates of Alaska in 1981, who re-assayed the original core. Abundant disseminated hydrothermal biotite, magnetite and chalcopyrite within a quartz-diorite intrusion with pink potassium feldspar phenocrysts are consistent with classic porphyry copper-gold mineralization. The strong correlation between copper and gold is also indicative of a porphyry system. There has been no exploration at Zachary Bay since 1975.

Other Vein Occurrences
Numerous other mineralized veins occur on the Unga-Popof property on both Unga and Popof Islands and have seen minimal historic exploration.

Unga Project: Company's Plans and General Comments
The Company is planning an aggressive exploration program for 2012 that is expected to include additional drilling on the Shumagin Vein to extend high-grade mineralization at depth and along strike, first-phase drilling at the Sitka vein, first-phase drilling at the Zachary Bay porphyry copper-gold system, surface work and first-phase drilling at the Centennial deposit and surface work and possible first-phase drilling at the Aquila vein system and other mineralized occurrences.

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

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

Liquidity

As at June 30, 2012, the Company has a working capital deficit of $72,292 (March 31, 2012: working capital of $275,991), and an accumulated deficit of $13,280,734 (March 31, 2012: $12,663,997).

Outstanding contractual obligations include rent of Nevada office space, at US$1,650 per month until April 30, 2013, and rent of Vancouver office space for which the lease terminates on March 31, 2013. The cost of these premises is shared among the Company and other companies. The Company's proportionate share of minimum annual rental payments under this arrangement is of approximately $92,625 for calendar year 2012 and $23,160 for the three months ending March 31, 2013. Commitments in respect of consideration to be paid for the acquisition of interest in mineral properties are detailed in the Company's Audited Consolidated Financial Statements for the year ended March 31, 2012, including the notes thereto. Payments, issuance of securities or exploration expenditures in respect of properties acquired by way of option agreements entered into by the Company are made at the election of the Company in order that the agreement remain in good standing.

Capital Resources

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

Off balance Sheet Transactions

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

The Company conducts the majority of its exploration activities through an exploration services contractor in which a director is a shareholder. For the three month period ended June 30, 2012 and 2011, the Company was charged $47,341 (2011: $23,347) for exploration costs; $Nil (2011: $1,074) for capital assets; and $213,594 (2011: $175,748) to reimburse office and administrative costs as follows:

	June 30, 2012 ($)	June 30, 2011 ($)
Contract wages*	121,856	85,728
Travel and promotion	17,532	45,235
Investor relations	40,320	18,480
Rent	26,076	15,841
Office and miscellaneous	6,650	9,207
Telephone	1,160	1,257
	213,594	175,748

* incl. $63,000 compensation for the CEO & a Director (2011: $45,000 for the CEO)

As at June 30, 2012, the Company owed $399,258 (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.

Compensation of key management personnel for the periods ending June 30, 2012 and 2011 follows:

	June 30, 2012 ($)	June 30, 2011 ($)
Management fees for the CEO, CFO and a director	73,500	54,000

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the periods ended June 30, 2012 and 2011. At June 30, 2012, $8,400 was owed to those parties (March 31, 2012: $3,360).

Proposed Transactions

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

Disclosure Controls and Procedures

Current securities policies in Canada require that management of the Company certifies that it has assessed the effectiveness of the Company's disclosure controls and procedures at period ends. Management has concluded that the disclosure controls as at June 30, 2012 were effective in ensuring that all material information required to be filed has been provided to it in a timely manner, and that the information was recorded, processed and reported within the time period necessary to prepare the filings.

Risks Related to the Company's Business

Overview

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

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

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

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

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

Aboriginal land claims. Canadian and US Aboriginal rights may be claimed on properties or other types of tenure with respect to which mining rights have been conferred. The Company is aware of the mutual benefits afforded by cooperative relationships with indigenous people in conducting exploration activity and is generally supportive of measures established to achieve such cooperation. The risk of unforeseen aboriginal title claims also could affect existing exploration activities as well as potential development projects and possible future acquisitions and transfer of properties. While there is, to the Company's knowledge, no existing claim in respect of any of its properties, the advent of any future aboriginal land claims and the outcome of any aboriginal land claims negotiations cannot be predicted.

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

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide

fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

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

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

Foreign Countries and Regulatory Requirements. Currently, the Company's only non-Canadian properties are located in the United States. Consequently, the Company is subject to certain risks associated with foreign ownership, including currency fluctuations, inflation, and political risk. Mineral exploration and mining activities and production activities in foreign countries may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to community rights, restrictions on production, price controls, export controls, restriction of earnings, taxation laws, expropriation of property, environmental legislation, water use, labour standards and workplace safety. The Company maintains the majority of its funds in Canada and only forwards sufficient funds to meet current obligations.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties.

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

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

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

Legal proceedings. As at June 30, 2012 and the date of this document, there were no legal proceedings against or by the Company.

Other MD&A Disclosure Requirements

Information available on SEDAR

As specified by National Instrument 51-102, Catalina advises readers of this MD&A that important additional information about the Company is available on the SEDAR website http://www.sedar.com.

Subsequent events

Subsequent to June 30, 2012, incentive stock options allowing for the purchase of up to 400,000 common shares in the capital of the Company at $0.20 per share until July 26, 2017 were granted.

Disclosure by venture issuer without significant revenue

An analysis of the material components of the Company's general and administrative expenses is disclosed in the financial statements to which this MD&A relates. An analysis of the material components of the acquisition and deferred exploration costs of the Company's mineral properties is disclosed in Note 6 to the financial statements.

Outstanding Share Data

Common shares, stock options and share purchase warrants issued and outstanding as at the quarter end are described in detail in Note 10 to the financial statements dated June 30, 2012, which as of the Report Date are as follows:

Common shares	67,419,215
Stock options	7,760,000
Warrants	7,158,042
Fully diluted	82,337,257

On Behalf of the Board,
REDSTAR GOLD CORP.

"*R. Bob Singh*"
R. Bob Singh, President and CEO