REDSTAR GOLD CORP.

Management's Discussion & Analysis

FORM 51-102F1

For the Period Ended

December 31, 2010

The following management discussion and analysis of the financial position of Redstar Gold Corp. ("Redstar" or the "Company") and results of operations of the Company should be read in conjunction with unaudited statements for the period ending December 31, 2010 and the audited consolidated financial statements for the year ending March 31, 2010, including the notes thereto.

The accompanying unaudited consolidated financial statements and related notes are presented in accordance with Canadian generally accepted accounting principles. These statements, together with the following management discussion and analysis dated March 1, 2011 ("Report Date"), are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as potential future performance. The information in the MD&A may contain forward-looking statements. Please refer to the cautionary notices at the end of this MD&A, especially in regard to forward looking statements.

Additional information relating to the Company may be found on SEDAR at *www.sedar.com*.

Overall Performance

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

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 Nevada properties, and a program on its Red Lake property.

During the period ending December 31, 2010, the Company did not raise any funds through private placements.

Principal exploration completed during the period was on the Oasis project in Nevada by joint venture partner Centerra (U.S.) Inc. ("Centerra"). In total, $418,146 was spent by Centerra on geophysical and geological work.

On April 9, 2010, the Company signed an agreement with Centerra granting Centerra an option to earn a 75% interest in the Oasis Property .

In order to acquire the 75% interest, Centerra must make cash payments and incur expenditures on the Oasis as follows:

(i) Cash payments to the Company:
- US $40,000 on signing of the agreement (received);
- US $27,000 on or before April 29, 2011;
- US $30,000 on or before April 29, 2012;
- US $30,000 on or before April 29, 2013;
- US $40,000 on or before April 29, 2014; and
- US $60,000 on or before April 29, 2015.

(ii) Incur expenditures on the Property:
- US $500,000 on or before April 29, 2011;
- US $700,000 on or before April 29, 2012;
- US $800,000 on or before April 29, 2013;
- US $900,000 on or before April 29, 2014; and
- US $1,100,000 on or before April 29, 2015.

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 period and is based on Canadian GAAP (in Canadian dollars):

	Income (Loss)	Net Income (Loss) per share	Revenue $
December 31, 2010	**$(176,914)**	**$0.00**	**-**
September 30, 2010	(235,850)	0.00	-
June 30, 2010	(54,774)	0.00	-
March 31, 2010	(556,994)	(0.02)	-
December 31, 2009	736,273	0.02	-
September 30, 2009	(207,842)	0.00	-
June 30, 2009	(123,718)	0.00	-
March 31, 2009	(36,080)	0.00	-

Results of Operations

	For the Three Months ended December 31,		**For the Nine Months ended December 31,**	
	2010	**2009**	**2010**	**2009**
Operating expenses				
Contract wages	$ 102,168	$ 43,848	$ 270,616	$ 132,066
Investor relations	15,643	48,439	180,409	100,244
Stock-based compensation	108,393	0	179,743	75,848
Rent	20,114	17,426	63,662	61,096
Office and miscellaneous	10,101	9,413	31,536	28,920
Insurance	7,703	8,276	28,448	25,065
Professional fees	0	0	35,269	17,520
Consulting	5,300	5,300	15,900	15,900
Telephone	2,242	1,645	6,061	4,605
Regulatory fees	(1,939)	2,700	4,269	7,506
Transfer agent fees	1,845	1,732	4,564	4,443
Amortization	4,506	5,121	13,519	10,877
	276,076	143,900	833,996	484,090
Other expenses (income)				
Foreign exchange loss	1,048	2,049	1,975	3,223
Gain on sale of marketable securities	(108,618)	(11,350)	(393,790)	(21,819)
Gain on sale of mineral property interests	0	(934,000)	0	(934,000)
Mineral property interests (recovered)	0	(42,503)	0	(42,503)
Interest income	(17)	0	(22)	0
	(107,587)	(985,804)	(391,837)	(995,099)
Totals	$ 168,489	$ (841,904)	$ 442,159	$ (511,009)

Net Loss

The net loss for the quarter ended December 31, 2010 was $168,489 compared to an income of $841,904 in the same period of 2009. The 2009 period reflects a gain on sale of securities of $934,000 and a mineral properties interests recovery of $42,503 and there are no comparable items in the 2010 period.

Expenses

For the quarter ended December 31, 2010, operating expenses were $276,076 compared to $143,900 in the same period of 2009. For the nine months ended December 31, 2010, these expenses were $833,996 compared to $484,090 in the same nine months of 2009. Included in the nine month totals is a non cash expense for stock based compensation of $179,743 in 2010 and $75,848 in 2009. After deducting this non cash item, expenses were $654,253 and $408,242 for the nine month periods in 2010 and 2009. This is an increase of $246,011 or 60.3%. Material variances over the nine month period are discussed below.

Contract wages

This expense is the overall charge by an internal management company for the costs of senior corporate management and support staff used by the Company on a cost sharing basis. In the current 2010 period, the Company has had to absorb additional costs due to a participating company no longer being part of the cost sharing arrangement.

Investor relations, travel and promotion

In the nine month periods ending December 31, direct investor relations expenses were $70,440 in 2010 and $52,908 in 2009. In 2010 an additional $15,000 in total fees were paid in April, May and June ($5,000 per month) to a group other than the party normally retained on an ongoing basis. This accounts for the main variance. Travel and direct promotional costs and related variances, are a function of management's decisions on where and how to best promote the Company.

Stock- based compensation

This non cash expense can have significant variances from time to time depending upon the warrants or options exercised and assumptions used in the calculations. The details of the amounts and related calculations are disclosed in Note 8 to the interim December 31, 2010 financial statements.

Professional fees

The variance in the professional fee expense is a function of timing on the fees recorded for the audit. Currently the Company has not accrued any amount toward the year end audit fee, and the amount in the expense to December 31, 2010 is principally the audit fee for the March, 2010 fiscal year end services.

Gain(s) on sale of securities and mineral properties

A significant variance can be the disposition of marketable securities for cash proceeds. Marketable securities with a gain of $393,790 were sold in the nine month period to December 31, 2010 with a comparable gain of $21,819 in the same nine months of 2009.

The disposition of mineral properties can likewise have a significant variance from period to period. The mineral property gain in the 2009 period was $934,000 while no gains were realized in the period ending December 31, 2010.

Financial Condition of the Company

The financial condition of the Company has not materially changed from the fiscal year end of March 31 2010 to the current date. Cash realized earlier from the sale of marketable securities has been used to fund operations. Most of the mineral exploration activities have been funded by joint venture partners

Mineral Properties of the Company

The Company has a number of projects underway, at various stages of exploration and partnership or joint venture involvement The discussion on these properties in this document covers the period since the corporate year end of March 31 2010. Management Discussion and Analysis as previously filed on SEDAR covers earlier periods and fiscal year ends.

Newman Todd Property, Red Lake

On April 15, 2010, the Company announced results from the on-going exploration program on the Newman Todd property in Red Lake, Ontario. The drill results continue to expand the highgrade gold zones on the property. The main structural corridor (Newman Todd Structural Zone) that hosts the high-grade gold zones has been traced for over two kilometres and to a depth of over 300 metres. A total of six drill holes have been completed in 2010, all holes intersected the gold bearing structure. Highlights include, 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).

On November 17, 2010 the Company announced that Central Resources would not proceed with the option on the Newman Todd property. On November 22, 2010 the Company announced a new option on the Newman Todd property with Confederation Minerals Ltd. Under the terms of the agreement Confederation has an option to earn an initial 50% interest in the project by funding $5.0 million in exploration expenditures, issuing to Redstar 500,000 shares of Confederation, and making $250,000 in cash payments over a three year period. After Confederation earns their initial interest, they have a second option to earn an additional 20% interest in the property, by issuing 500,000 shares to Redstar and funding a Preliminary Economic Assessment (PEA) on or before the sixth anniversary of this agreement.

A phase 1, $2,000,000 exploration program was initiated in late January 2011. The program includes approximately 5,000 metres of diamond drilling. Results are pending.

Dry Gulch Property, Nevada USA

As of the date hereof, the Company has dropped its Dry Gulch mineral property claim holdings.

Eagle Basin Property, Nevada USA

The Eagle Basin project consists of seventy-two unpatented mineral claims staked by the Company September, 2006 and is located in central Nevada. The project lies along a northerly-trending corridor encompassing, with few exceptions, the largest gold (±silver) deposits in Nevada (>>2 million ounces gold).

The extensive Eagle Basin alteration zone 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. 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.
As at the date hereof, the Company continues to pursue possible joint venture partners for the Eagle Basin property now consisting of 30 claims.

Painted Hills Property, Nevada USA

The Painted Hills Project consists of fifty unpatented claims (1.6 square miles) staked by the Company in September, 2006 and is located in northwestern Nevada, 83 miles northwest of Winnemucca. The project has important geologic similarities to multi-million ounce, high-grade gold deposits of 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.

Alteration and mineralization at Painted Hills are hosted in Middle Miocene volcanic rocks and are indicative of the shallow levels of an epithermal system similar to these other deposits. Mineralization and alteration exposed at Painted Hills include a mercury-bearing opal-chalcedony vein zone several hundred feet in width and strong kaolinite-opal alteration. Anomalous arsenic, antimony and gold are also present. All these features are consistent with the upper levels of an epithermal system. In these systems high-grade veins lie beneath the mercury-rich opaline alteration. This exploration model has been proven in several districts in Nevada, such as at Ivanhoe (Hollister) and Goldbanks. The Painted Hills veins and alteration are exposed along a range-front fault, and portions of the system may be concealed by the adjacent valley fill. This setting is very similar to the Sleeper deposit. There has been no previous gold-exploration drilling at Painted Hills.

International Tower Hill Mines Ltd elected not to continue work on the Painted Hill project however the Company continues to seek a new joint venture partner for the property now consisting of 79 claims.

Richmond Summit Property, Nevada USA

In February, 2006, the Company staked claims covering an area of gold mineralization on the central Carlin trend in Nevada.

The Richmond Summit project covers approximately 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 Richmond Summit project is reported to contain several areas of sediment-hosted, Carlin-type gold mineralization with surface values to 0.125 opt Au. Lower-plate carbonate rocks, which host most of the gold mineralization along the Carlin trend, have been mapped in the project area, although the known gold mineralization reportedly occurs in upper-plate rocks. In addition to the exposed gold mineralization, other geologic features indicate that the project is prospective. Late Eocene intrusive rocks are exposed on the project and in surrounding areas; these intrusions are known to be genetically and spatially related to gold deposits along the Carlin trend. The project lies at the southern corner of the Lynn Window of lower-plate carbonate rocks; gold deposits of the Carlin trend commonly occur along the margins of these lower-plate carbonate windows. The project also occurs on the southern projection of the Post fault, a structure which localizes significant gold mineralization in the Goldstrike/Meikle area of the northern Carlin trend.

On April 15, 2010, the Company was notified by Fronteer that it had elected not to continue exploring the Richmond Summit property.

As at the date hereof, the Company continues to pursue possible joint venture partners for the Richmond Summit property now consisting of 72 claims.

Root Spring Property, Nevada USA

In June, 2007, the Company staked claims consisting of a block of 62 unpatented claims covering a mineralized quartz-vein system that can be traced for at least 1300 metres. Surface rock-chip values reach 8.40 g/t gold (o.248 ounces per ton, opt) accompanied by high silver values reaching 854 g/t (24.9 opt). The project lies about 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.

Mineralization at Root Spring consists of northwest-trending low-angle quartz veins and quartz-vein stockworks hosted within a poorly-exposed section of volcanic rocks which may be equivalent to the host volcanic section at the Rochester mine. The gently west-dipping veins and host volcanics are adjacent to a Triassic granitic pluton and within a northwest-trending alluvial-filled valley corridor along a range front which may mark a major structural zone. The vein system is partly concealed by alluvium and is likely to extend significantly along strike beyond the limited vein exposures. Individual veins are up to 5 metres thick, with two parallel veins exposed, separated by about 90 metres. Larger veins are surrounded by poorly-exposed silicified rocks containing quartz-vein stockworks. The highest gold/silver grades occur within thick veins, but poorly exposed wallrocks also carry mineralization. Given the limited exposures, it is possible that additional massive veins exist in the system.

As at the date hereof, the Company continues to pursue possible joint venture partners for the Root Spring property now consisting of 54 claims.

Cooks Creek Property, Nevada USA

In November, 2007, the Company staked claims consisting of a block of 168 unpatented claims covering approximately 5 square miles miles of an area of outcropping sediment-hosted gold mineralization about 8 miles west of the Pipleline Mine. The Cooks Creek property lies along the Battle Mountain-Eureka mineral belt, also referred to as the Cortez trend. The main gold zone at Cooks Creek covers an area of at least 2900 by 2500 feet with surface rock-chip assays reaching 1.26 g/t gold. The project lies about 27 miles south of the town of Battle Mountain in central Nevada.

As at the date hereof, the Company continues to pursue possible joint venture partners for the Cooks Creek property now consisting of 114 claims.

Oasis Property, Nevada, USA

The Oasis Project consists of 50, 100% Redstar-owned, unpatented mining claims in southwestern Nevada, 26 miles southwest of the Goldfield mining district (4 million ounces of gold produced). Extensive low-grade, disseminated gold mineralization occurs in strongly-altered andesitic volcanic rocks.

Surface samples collected by exploration programs in the early 1980's returned gold values to 2.55 ppm, and Redstar's sampling has returned gold values to 5.41 ppm. The overall tenor of the disseminated gold zone at surface is in the 0.3 to 1.5 g/t range, and the zone is at least 2,000 feet in diameter. Mineralization is locally concealed by post-mineralization rocks and a silica cap, providing for significant expansion potential. Characteristics of the gold system are consistent with a porphyry gold system, and include disseminated gold in rocks containing hydrothermal biotite, "A-type" quartz-vein stockworks and elevated molybdenum and copper contents.

In April 2010, the Company signed an exploration and option agreement granting Centerra (U.S.) Inc. ("Centerra) an option to earn a 75% interest in the Oasis Property (the "Property").
In order to acquire the 75% interest, Centerra must make cash payments and incur expenditures on the Property as follows:

(i) Cash payments to the Company:
- US $40,000 on signing of the agreement (received);
- US $27,000 on or before April 29, 2011;
- US $30,000 on or before April 29, 2012;
- US $30,000 on or before April 29, 2013;
- US $40,000 on or before April 29, 2014; and
- US $60,000 on or before April 29, 2015.

(ii) Incur expenditures on the Property:
- US $500,000 on or before April 29, 2011;
- US $700,000 on or before April 29, 2012;
- US $800,000 on or before April 29, 2013;
- US $900,000 on or before April 29, 2014; and
- US $1,100,000 on or before April 29, 2015.

By year end 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 include hole 14 (96.1 metres of 0.26 g/t including 12.2 metres of 0.40 g/t), hole 15 (7.6 metres of 0.80 g/t and 10.7 metres of 0.63 g/t) and hole 10 (13.7 metres of 0.49 g/t including 3.0 metres of 1.06 g/t). A detailed report from Centerra on all work completed on the project is expected before the end of Q1, 2011. This report will include detailed drill logs, geophysical results, surface geochemical results, geological mapping and alteration mineralogy studies.

Additional Property Holdings

As of the date hereof, the Company has acquired by staking and maintains the following additional properties :

Rosebush Property, Nevada, USA

The Rosebush Property consisted of 16 staked mineral claims in Ladner County, Nevada. In the summer of 2010 additional information was obtained on the property that down graded its potential and the claims were allowed to lapse in September.

Seven Devils Property, Nevada, USA

The Seven Devils Project is 55 miles south of Winnemucca, Nevada, and consists of fifty-four 100% Redstar-owned claims and sixteen leased claims. The project contains extensive volcanic-hosted, low-sulfidation epithermal gold mineralization, with surface values reaching 2.6 ppm (g/t) in preliminary sampling, as well as mineralization in underlying sedimentary rocks.

Gold mineralization is coincident with pervasive silicification, quartz veinlets, hydrothermal brecciation, widespread anomalies in As, Sb and Hg, and locally Se and Mo. Fluorite occurs locally with gold mineralization;

fluorite is a common late-stage mineral in the high-grade veins at Midas. Gold mineralization occurs over a strike length of at least 6,200 feet, with strongly-anomalous trace elements covering 11,000 feet of strike. Structural controls to mineralization are not conspicuous, but evidence points to a north-northwest district-scale control.

As at the date hereof, the Company continues to pursue possible joint venture partners for the project.

Baker Spring Property, Nevada, USA

The Baker Spring Project consists of 22 staked mineral claims and covers an area of strong silicification twelve miles north of the Long Canyon gold deposit. 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 Spring 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 characterisitic of productive Carlin-type gold deposits. Individual silicified fault zones are at least 4,000 feet 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 3,000 feet of cover between outcrops. There are no records of previous drilling.

As at the date hereof, the Company continues to pursue possible joint venture partners for the project.

Queens Property, Nevada, USA

The Queens project consist of 6 100% Redstar-owned unpatented mining claims. The project is 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.

Shallow (200 to 500 feet) reverse-circulation drilling of sixteen holes in the early 1990's returned significant gold intersections (Hole 91-2 yielded 0.023 opt Au (0.793 ppm) over 75 feet (220-295 ft), including 0.034 opt (1.18 ppm) over 30 feet; hole 91-5 returned 0.013 opt (0.462 ppm) over 55 feet (105-160 ft) and 0.015 opt (0.530 ppm) over 45 (220-265 ft).

As at the date hereof, the Company continues to pursue possible joint venture partners for the project.

Opal Hill Property, Nevada, USA

The Opal Hill project consists of 6 100% Redstar unpatented claims with no underlying obligations. The project 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.

As at the date hereof, the Company continues to pursue possible joint venture partners for the project.

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Larus Property, Nevada, USA

The Larus Project consists of 100% Redstar-owned unpatented mining claims along the prolific Cortez gold belt in central Nevada. The project 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 4,000 feet (1,200 m).

As at the date hereof, the Company continues to pursue possible joint venture partners for the project.

Long Island, Nevada, USA

The Long Island project consists of unpatented mining claims, 100% owned by Redstar, about 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 beds, dips gently eastward into the range front and likely extends eastward under alluvium. 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.

As at the date hereof, the Company continues to pursue possible joint venture partners for the project.

Liquidity

As at December 31, 2010, the Company had a working capital deficit of $20,517 (2009 – $727,874 working capital) and an accumulated deficit of $10,382,872 (2009 - $ 9,358,337). The Company had share capital of $11,664,177.

Commitments are the lease of office premises, which is in the third year of a six-year lease ending March 31, 2013. The cost of the premises is shared primarily between the Company and three other companies. In addition, the Company has a lease, renewable yearly, for the rental of office premises in Reno, Nevada. The Company's proportionate share of minimum annual rental payments under these arrangements are as follows: 2011 - $53,359, 2012 – $34,922 and 2013 - $33,246.

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 review of the properties and any decisions toward impairment. If the property is considered impaired, accumulated costs are expensed at that time.

All of the Company's mineral property agreements are non-binding and to date, the Company has spent and capitalized $2,414,284.

Off balance Sheet Transactions

There are no transactions that would be characterized as off balance sheet.

Transactions with Related Parties

(a) The Company conducts a portion of its exploration activities through an exploration services contractor in which a director is a shareholder. The Company paid or accrued amounts to that contractor of $ 87,739 (2009 - $33,534) for exploration costs; $1,689 (2009 - $807) for capital assets; and $480,207 (2009 - $288,866) to reimburse office and administrative costs as follows:

	2010	2009
Contract wages	$ 270,616	$ 132,066
Investor relations	127,990	82,858
Rent	47,755	43,752
Office and miscellaneous	29,756	26,682
Telephone	4.090	3,508
	$ 480,207	$ 288,866

As at December 31, 2010, the Company owed $371,409 (2009 - $775,264) to that contractor.

(b) As at December 31, 2010, the Company owed $2,146 (2009 - $2,146) to a company with one director in common.

The amounts due to related parties are without interest and are 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.

Proposed Transactions

The Company does not have any proposed transactions that have been approved by the board of directors.

Change of Auditors

Smythe Ratcliffe LLP Chartered Accountants (the "Former Auditors") resigned effective February 1, 2011. Accordingly the directors appointed Morine and Company Chartered Accountants as Auditors for the Company. There was no reservation in any Former Auditors report, no qualified opinion or denial of opinion in connection with the audit of the Company for the two most recently completed fiscal years, or for any subsequent period. There was no reportable event cited by the Former Auditors and the Company is not aware of any reportable events and is of the opinion that none exist. The resignation of the Former Auditors as auditors of the Company has been approved by the Company's audit committee and its board of directors.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

International Financial Reporting Standards ("IFRS") Implementation Plan

The Canadian Accounting Standards Board has confirmed that IFRS will replace current Canadian GAAP for publicly accountable enterprises, effective for fiscal years beginning on or after January 1, 2011. Accordingly, the Company will report interim and annual financial statements (with comparatives) in accordance with IFRS beginning with the quarter ended March 31, 2011. The Company has commenced the development of an IFRS implementation plan to prepare for this transition, and is currently in the process of analyzing the key areas where changes to current accounting policies may be required. While further analysis will be required for all current accounting policies, the initial key areas of assessment have included:

- Exploration and development expenditures;
- Property, plant and equipment (measurement and valuation);
- Provisions, including asset retirement obligations;
- Stock-based compensation;
- Accounting for joint ventures;
- Accounting for income taxes; and
- First-time adoption of International Financial Reporting Standards (IFRS 1).

As the analysis of each of the key areas progresses, other elements of the Company's IFRS implementation plan will also be addressed, including: the implication of changes to accounting policies and processes; financial statement note disclosures; information technology; internal controls; contractual arrangements; and employee training. The Company expects to be ready for the transition to IFRS

Commencing with the March 31, 2010 financial statements, and for the quarterly financial statements throughout the fiscal year ended March 2011, an additional financial statement as at those dates will be required to be prepared in accordance with IFRS. These statements will not be filed on SEDAR nor issued to the public, and will be for management purposes only. It is expected that all relevant IFRS reporting matters will be determined in the course of preparing these management financial statements. The audit committee will be involved in this process. Upon commencement of reporting under IFRS at March 2011, these management financial statements will be the basis for disclosure of comparative financial results.

As listed above, a number of accounting areas have been identified where IFRS differs from current GAAP, which are expected to have an impact on the Company's financial statement. These key areas are explained below. It would appear that IFRS will require more extensive disclosure and analysis of balances and transactions in the notes to the financial statements, financial reporting systems and controls.

IFRS 1, First-time Adoption of IFRS

IFRS1 provides entities adopting IFRS for the first time with a number of exemptions in certain areas, to the general requirements for full retrospective applications of IFRS. The purpose of these options is to provide relief to companies and simplify the conversion process by not requiring them to recreate information that may not exist or may not have been collected at the inception of the transaction. We have analyzed the various exemptions available and are working towards implementing those most appropriate in our circumstances.

Mineral Properties, Exploration and Development Costs

IFRS currently allows exploration and evaluation expenses to be either capitalized or expensed. The Company expects to continue to capitalize its exploration and evaluation expenses.

Impairment of Mineral Properties

Canadian GAAP provides for a two step test with no impairment being required if the undiscounted future expected cash flows relating to an asset are higher than the carrying value of the asset. Under IFRS, the undiscounted cash flows are not considered and an impairment is recorded when the recoverable amount (defined as the higher of the 'value in use' and 'fair value less costs to sell') is below the asset's carrying value.

Write-down to net realizable value can be reversed under IFRS if the conditions of impairment cease to exist. This difference in approach between Canadian GAAP and IFRS could result in potentially significant volatility in future earnings.

Stock-Based Compensation

Under IFRS, each installment is to be treated as a separate share option grant with graded-vesting features, forfeitures are to be estimated at the time of grant and revised if actual forfeitures are likely to differ from previous estimates and options granted to parties other than employees are measured on the date the goods or services received. The concept of employees and others providing similar services is a broader concept under IFRS. The Company is currently recording the stock-based compensation expenses on a straight line basis over the vesting period and forfeitures as they occur. The transition to IFRS may result in more variability in the compensation expenses.

The Company continues to monitor IFRS standards development as issued by the International Accounting Standard Board and the regulators which may affect the timing, nature and disclosure of the Company's adoption of IFRS.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, receivables, reclamation bonds and accounts payable and accrued liabilities. The fair value of these financial instruments other than cash and cash equivalents approximates their carrying values due to the short term nature of these investments. Cash and cash equivalents are measured at fair value using Level 1 inputs.

The Company's credit risk is primarily attributable to financial assets including cash and cash equivalents, receivables, mineral exploration tax credit recoverable and reclamation bonds. The Company's total exposure to credit risk is $139,740. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents with high-credit quality Canadian financial institutions. Receivables from government usually bear minimal risk.

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 the 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 to face by the Company.

Exploration risk. 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 risks. 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 risks. The Company's exploration projects seek copper and gold in Canada and gold and silver in Mexico. While each of 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.

Aboriginal accommodation risks. In Canada Aboriginal title claims and rights to consultation and accommodation may affect our existing operations as well as potential development projects. Governments in many jurisdictions must consult with aboriginal peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of aboriginal people may require accommodations, including undertakings regarding employment and other matters in impact and benefit agreements. This may affect our ability to assure within a reasonable time frame effective mineral titles in these jurisdictions, including in some parts of Canada in which aboriginal title is claimed, and may affect the timetable and costs of exploration and, if warranted, development of mineral properties in these jurisdictions. The risk of unforeseen aboriginal title claims also could affect existing exploration activities as well as potential development projects and possible future acquisitions. These legal requirements may affect our ability to expand or transfer existing projects or acquire possible new projects.

Financing risks. 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. In particular, the per share price on the TSX Venture Exchange of the Company's common stock fluctuated from a high of $.37 to a low of .05 in the period beginning March 1, 2009 and ending on the date of this Management Discussion and Analysis. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Key personnel risks. 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, political instability and political risk. Both 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. Its deficit as of December 31, 2010 was $10,382,872•. 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 risks. 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.

OTHER MD&A DISCLOSURE REQUIREMENTS

Information available on SEDAR

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

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 5 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 6 to the financial statements dated December 31, 2010, which as of March 1, 2011 are as follows:

	Number of shares	**Number of options**	Exercise price	Expiry date
Issued and outstanding:	52,958,341	4,620,000	$0.15-0.25	2012-2015

Cautionary Notices

The Company's consolidated financial statements for the period ending December 31, 2010, and this accompanying 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" 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" 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.

On Behalf of the Board,
REDSTAR GOLD CORP.

"*Scott Weekes*"

Scott Weekes
President