REDSTAR GOLD CORP.

Management's Discussion & Analysis

FORM 51-102F1

For the Period Ending
March 31, 2005

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 the audited financial statements including the notes thereto for the periods ending March 31, 2005 and March 31, 2004.

The accompanying audited financial statements and related notes are presented in accordance with Canadian generally accepted accounting principles. These statements, together with the following management's discussion and analysis dated July 27, 2005 ("Report Date"), are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to the potential future performance. The information in the MD&A may contain forward-looking statements. These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.

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

Overall Performance

The Company is a junior mining and 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. For the period ending March 31, 2005, the Company issued 2,570,000 units (including 40,000 commission units) at a price of $0.10 to raise gross proceeds of $253,000.

The funds raised from the private placement have been primarily spent on the Company's Red Lake and Atikokan properties. Capitalized exploration costs for the year on all of the Company's properties increased by $164,877, with $50,023 spent on the Red Lake and Biron Bay properties, $86,355 on the Atikokan properties, and $28,498 in Nevada. The Company also incurred $108,074 in acquisition costs. During the year, the Company elected not to continue its option on the Atikokan properties due to marginal exploration results. As a consequence, $120,626 in exploration and acquisition costs has been written off.

Administrative expenses during the year increased by 11.29% to $504,703 ($453,481 in 2004). Most of the increase is attributable to stock based compensation expenses ($133,149), a non-cash charge, that resulted from the granting of 2,100,000 incentive stock options (1,500,000 in October 2004 at $0.10 and 600,000 at $0.20 in February 2005). By comparison, stock based compensation in 2004 was $96,340. Most significant cash related expenses however, stayed at a similar level or decreased during the year. Related party expenses including management fees ($63,950) decreased by 31% as a result of a significant decrease in exploration related activity when compared to the previous year. During fiscal 2005 the company spent $164,877 whereas $748,187 was spent in fiscal 2004. The decrease in exploration activity was largely due to the Company's limited financing activities.

However, in the last quarter of fiscal 2005, the Company reached an agreement with Anglogold Ashanti Inc. and acquired an option to earn a 100% interest in the Anglogold Ashanti's entire Nevada geological database. As a result, the Company share price improved to enable the Company to complete a private placement, subsequent to the year end, to raise gross proceeds of $525,000.

Also in the last quarter, the Company issued 1,500,000 shares at the price of $0.15 per share to two creditors, to settle outstanding debt totaling $225,000.

Selected Annual Information

The following selected information has been taken from the Company's audited annual financial statements that have been prepared in accordance with accounting policies generally accepted in Canada. All dollar figures are expressed in Canadian currency.

The Company is an exploration stage company and currently does not generate any revenue from its operations. Instead the Company relies on equity financings to meet its exploration obligations and administrative costs. The loss for the period ending March 31, 2005 before mineral property write-downs and extraordinary items totaled $591,384 representing a basic loss per share of $0.03 and a 27% increase over fiscal 2004. The Company does not report earnings on a diluted loss per share basis due to the potential to understate the Company's loss on shares that may or may not be realized through the exercise of share purchase warrants or incentive stock options.

The significant increase in expenses over fiscal 2004 is the result of the adoption of The Canadian Institute of Chartered Accountants ("CICA") rule 3870 which requires the Company to expense stock-based payments, a non-cash charge, which include the issuance of incentive stock options. As previously mentioned, a total of 2,100,000 incentive stock options were granted during fiscal 2005. Total stock-based compensation expenses to employees and non-employees totaled $133,149 ($96,340 in 2004). Further information can be obtained from Item 2 (g) Stock Based Compensation in the notes of the Company's audited annual financial statements.

The Company's asset base grew 10% from $1,398,742 in fiscal 200, to $1,539,605 in fiscal 2005. The primary reason for the increase in assets is due to the capitalized expenditures resulting from the exploration programs on the Company's Red Lake properties.

The Company has no long term debt and does not pay out any dividends.

Summary of Quarterly Results

	Income (Loss) before discontinued operations $	Net Income (Loss) per share $	Revenue $
March 31, 2005	(353,877)	(0.01)	-
December 31, 2004	(96,845)	0.00	-
September 30, 2004	(58,352)	0.00	51,864*
June 30, 2004	(82,300)	(0.01)	31,383*
March 31, 2004	(188,651)	(0.01)	-
December 31, 2003	(85,736)	(0.01)	-
September 30, 2003	(93,692)	(0.01)	-
June 30, 2003	(96,555)	(0.01)	-

*Option income.

Fluctuations in the Company's expenditures reflect the seasonal variations of exploration and the ability of the Company to raise capital for its projects. For example in June 2003, the Company completed an exploration program on the Red Lake properties and Atikokan properties, which in turn, raised costs associated with promotion, travel, and general expenses. The loss in the quarter ending March 31, 2004 and March 31, 2005 is significantly higher due to stock-based compensation expense associated with the exercise of 671,834 options and mineral properties that have been written off. In fiscal 2004, the Company's Sobel Lake properties were written off and in fiscal 2005, the Atikokan properties were written off.

Results of Operations

In fiscal 2004, the Company completed a mechanical stripping, mapping and surface sampling program on the Biron Bay property in Red Lake. Detailed sampling and mapping outlined a gold mineralized structural zone within mafic and felsic volcanic rocks and sulphidized iron formations. The zone has been exposed in a series of four stripped outcrops (L1 – L4) along a strike length of approximately 1.1 kilometres. Zones L1, L2 and L3 are interpreted to occur along a single mineralized structure whereas the L4 zone is hosted within sulphidized iron formations.

Anomalous gold values were collected along the entire strike of the exposed areas, with significant values as high as 22.10 grams per ton over 0.50 meters (see Table 1 for significant values.) A table of results from the L1, L2 and L3 zones are set out below:

Zone	Au g/t	Channel Length (m)
L1	19.25	0.60
L1	8.54	0.50
L1	8.04	0.50
L1	4.94	0.60
L1	4.60	0.50
L1	4.47	0.50
L2	22.1	0.50
L2	5.97	0.50
L2	3.56	0.50
L2	2.77	1.00
L3	1.15	1.00
L4	2.70	2.00
L4	1.18	1.00
L4	7.78	0.10

Field crews also completed a geochemical soil sampling program on the Pipestone North and Wolf Bay properties. The Pipestone North property is located immediately north of Biron Bay and the Wolf Bay property is adjacent to the Redstar/Rubicon/AngloGold held Newman Todd property.

In January and February 2004, the Company completed a 1,500 metre diamond drill program designed to test previously undrilled high-grade surface showings discovered on the Biron Bay and Pipestone North targets. Of the four drill holes that were completed, three holes tested the ledge showings on the Biron Bay properties and one hole tested the 991 showing on the Pipestone North property.

Biron Bay Drilling

The intersections in these holes are very similar to the mineralization observed on surface, and confirm the continuity of the Ledge showing at depth.

Hole WRL04-003 was drilled under the Ledge showing and intersected 7.66 g/t gold over 0.91 metres including 30.9 g/t gold over 0.14 metres. Hole WRL04-001 was drilled 200 metres along strike from WRL04-003 and intersected 3.25 g/t gold over 1.34 metres including 4.27g/t gold over 0.85 metres. This intersection is within a strongly biotite altered felsic volcanic unit with minor chalcopyrite bearing quartz veins. Drill hole WRL04-002 was drilled midway between holes 1 and 3 and encountered a mafic dyke unit at depth, and consequently no significant gold values were returned.

Pipestone North Drilling

Drill hole WRL04-004 was drilled under the 991 showing, and intersected a 200 metre wide zone of strongly quartz and sericite altered felsic stratigraphy with pyrite and chalcopyrite stringer mineralization and anomalous gold values. The zone consists of numerous intersections of copper up to 0.23% over 5.5 metres with isolated gold values up to 228 ppb. This is the widest zone of anomalous copper mineralization observed on the property, and previous work has indicated a correlation between gold grades and copper mineralization. In order to establish a framework for future drilling, the hole was designed to test stratigraphy and therefore did not test the north-south oriented gold bearing quartz veins previously sampled on surface. Additional drilling is planned to test these veins, as the 200 metre wide zone confirms the presence of a large mineralized system.

In fiscal 2005, the Company completed minor exploration work on the Red Lake properties. Most of the exploration conducted pertained to the drill program that was completed in fiscal 2004. In total, only $50,023 was spent on the Red Lake and Biron Bay properties.

Atikokan Property

In late July, exploration crews began the Phase One program on the Sunshine Road project. The program, consisting of regional analysis, mapping, stripping and sampling was designed to follow up on historical work that included grab samples grading as high as 66.0 grams per tonne gold.

Approximately 400 vein and wall rock samples were taken over the three week program. While geologically interesting, the results of the sampling did not meet the high grade gold samples encountered in the historical samples. As a result, $120,626 in mineral property expenditures has been written off.

Red Lake Property Re-negotiation

In the last quarter of fiscal 2005, the Company renegotiated its option agreements with Rubicon and Anglogold Ashanti on the Red Lake and Newman Todd properties. To acquire a 51% interest the Red Lake properties, the Company must spend $1,100,000 in exploration, issue 325,000 shares, and make cash payments of $200,000 over a four year period. With respect to the Newman Todd property, the Company must issue 700,000 shares over a four year period to earn a 100% interest.

Liquidity

The financial statements are prepared on a 'going concern' basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2004, the Company had a working capital deficiency of $320,121 and an accumulated deficit of $5,361,379. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise additional funds or the attainment of profitable operations.

The Company also has the following share purchase warrants and incentive stock options as at the date hereof available for exercise:

Warrants

Number of Shares	Exercise Price	Expiry Date
1,261,700	$0.15	July 29, 2005
506,000	$0.15	July 29, 2005
3,260,000	$0.25 and $0.30	February 23, 2007
5,027,700		

Options

Number of Shares	Exercise Price	Expiry Date
130,000	$0.20	June 12, 2007
680,000	$0.12	April 4, 2008
712,500	$0.18	September 11, 2008
1,500,000	$0.10	October 1, 2009
600,000	$0.20	February 25, 2010
3,622,500		

The Company has no long-term liabilities. Outstanding obligations include rent of an office premise, which is in the second year of a six-year lease.

Capital Resources

The Company's primary capital assets are mineral property assets. The company capitalizes all costs related to the mineral properties until the properties are abandoned and written-off.

All of the Company's mineral property agreements are non-binding.

Red Lake Properties

Subject to regulatory approval, the Company renegotiated their letter option agreement to acquire a 51% interest in 51 mineral claims located in the Red Lake District of Ontario. To exercise the option the Company must make, in stages, cash payments of $200,000, issue 250,000 common shares, and issue $75,000 of common shares at market value to the optionor and incur $1,100,000 in exploration expenditures on the property as follows:

(i) Shares and cash payments

- 250,000 common shares on regulatory approval and $25,000 on or before February 28, 2005
- $25,000 worth common shares at market value and $25,000 on or before February 28, 2006
- $25,000 worth common shares at market value and $50,000 on or before February 28, 2007
- $25,000 worth common shares at market value and $100,000 on or before February 28, 2008

(ii) Work expenditures

- $200,000 on or before February 28, 2007
- $500,000 (aggregate) on or before February 28, 2008
- $1,100,000 (aggregate) on or before February 28, 2009

An additional 9% interest can be earned by incurring $3,000,000 in exploration expenditures on the property on or before February 28, 2013.

Certain of the mineral claims are subject to a 2% net smelter return royalty.

Newman Todd Property

The Company has signed a letter agreement with AngloGold Ashanti giving the Company the option to earn a 100% interest in all of AngloGold Ashanti's Red Lake properties. The properties consist of 26-patented claims and 13 staked claims in the West Red Lake area of northern Ontario and include the Newman Todd property where previous work has outlined 3 zones of gold mineralization.

Under the terms of the agreement, Redstar will issue 700,000 shares to AngloGold Ashanti over a three-year period as well as a retained royalty. In addition Redstar will convey to AngloGold Ashanti $1,000,000 worth of shares if a mine is put into production within the property. An additional $1,000,000 worth of shares will be issued once production exceeds 250,000 ounces of gold.

Nevada Geological Database

The Company and AngloGold Ashanti North America Inc. ("AngloGold Ashanti") have signed a letter agreement outlining the terms of an exploration partnership to explore within Nevada. The terms are subject to the completion of a formal agreement.

The agreement will give the Company exclusive rights to the AngloGold Ashanti database for a period of 18 months in exchange for 100,000 shares of the Company. AngloGold Ashanti will retain a back-in right on any property interest Redstar acquires in Nevada. Once Redstar has spent a total of $750,000 on any particular project AngloGold Ashanti will have the one time right to back into the project for a 60% interest by spending $1,500,000 within three years. The agreement is renewable on both parties consent for additional one-year terms. Once Redstar has spent $2,000,000 on Nevada exploration they will acquire a full copy of the database and the agreement will be terminated.

Transactions with Related Parties

a) The Company conducts the majority of its exploration activities through an exploration services contractor in which a director is a principal. The Company paid or accrued amounts due to that contractor of $161,578 for exploration costs and $176,115 to reimburse office and administrative costs. As at March 31, 2005, the Company owed $104,767 to that contractor.

b) Management fees of $26,000 (2004 - $30,000) and $27,187 (2004 - $17,936) for rental of shared office premises was paid to a company in which a director is a principal; as at March 31, 2005, the Company owed that company $5,881.

c) During the year, the Company issued 1,500,000 shares to settle $225,000 with companies in which a director is a principal.

d) As at March 31, 2005, the Company owed $3,033 to a company with two directors in common.

Fourth Quarter

Adjustments or events in the fourth quarter affecting the Company's expenses include a stock-based compensation expense of $133,149, which represents the fair value of options granted during the year ending March 31, 2005.

Changes in Accounting Policies and Initial Adoption

Effective April 1, 2003, the Company adopted CICA 3870 "Stock-Based Compensation and Other Stock-Based Payments" for accounting for stock-based compensation expense. Under this standard, stock-based payments to non-employees and employee awards that are direct awards of stock, call for settlement in cash or other assets, or stock appreciation rights that call for settlement by issuance of equity instruments, granted on or after April 1, 2003, are accounted for using the fair value based method and are recorded as an expense in the period the stock-based payment are vested or the awards or rights are granted.

During 2003, the CICA released amendments to Section 3870, which require an expense to be recognized in the financial statements for all forms of employee stock-based compensation, including stock options, commencing on January 1, 2004. The Company has elected for the early adoption of the amendments during the fourth quarter of fiscal 2004. Prior to the adoption, no compensation expense was recognized when stock options were granted to directors and employees if the exercise price of the stock options granted were at market value. However, the effects of accounting for stock-based compensation to directors and employees as compensation expense, using the fair-value based method, was disclosed as pro-forma information in the notes to the financial statements.

Risks and Uncertainties

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has no significant source of operating cash flow and no revenues from operations. None of the Company's mineral properties currently have reserves. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish ore reserves.

The property interests owned by the Company, or in which it has an option to earn an interest are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. Exploration of the Company's mineral exploration may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Subsequent Events

Subsequent to the year ending March 31, 2005, the Company issued 250,000 share and paid $9,000 cash to one vendor in connection with the West Red Lake property agreement. The Company also incorporated a wholly owned subsidiary called Redstar Gold Corp. USA Inc.