REDSTAR GOLD CORP.

Management's Discussion & Analysis

FORM 51-102F1

For the Period Ending
September 30, 2004

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 unaudited and audited financial statements including the notes thereto for the periods ending September 30, 2004 and March 31, 2004, respectively.

The accompanying unaudited 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 November 25, 2004 ("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 the Red Lake and Atikokan regions in northwestern Ontario. For the period ending September 30, 2004, 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 costs on the Red Lake properties increased $47,375 to $1,443,655 while $34,720 in acquisition costs and $85,615 in exploration costs were spent on the Atikokan properties. Monies that were received from the private placement will not be sufficient to achieve the Company's planned exploration program and administrative expenses. As at the date thereof, the Company has a working capital deficiency of $230,494.

Administrative expenses during the period ($110,216) represent at 18% increase over the same period last year ($93,692). The increase is primarily due to an overall increase in corporate activity associated with the addition of administrative staff and business promotion. The Company anticipates that administrative expenses in Fiscal 2005 will not change materially from current levels.

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.

As at the date hereof, the Company has not completed any additional exploration on the Red Lake properties. At the period ending June 30, 2004, the Company has spent a total of $1,443,655 in exploration on its Red Lake properties and to date has met the work expenditures as outlined in the agreement between the Company and Rubicon Minerals Corp. On or before September 1, 2004, the Company is required to make cash payments of $201,000 pursuant to underlying agreements with respect to the Red Lake properties and spend $650,000 in exploration by May 6, 2005. Pursuant to an amending agreement between the Company and Rubicon, the Company has been granted an extension until December 31, 2004 to make the cash payments.

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. Geologists are currently evaluating the potential for other areas of the Sunshine Road property. The total cost of the Phase One exploration program was $85,615.

Summary of Quarterly Results

	Income (Loss) before discontinued operations $	Net Income (Loss) per share $	Revenue $
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)	-
March 31, 2003	(86,015)	(0.01)	-
December 31, 2002	(72,796)	(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 and September 2004, the Company had exploration programs on the Red Lake properties and Atikokan properties, which in turn, raises costs associated with promotion, travel, and general expenses. In addition, expenditures in these periods are also higher due to fund raising activities. The loss in the quarter ending March 31, 2004 is significantly higher due to stock-based compensation expense associated with the exercise of 671,834 options.

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 September 30, 2004, the Company has a working capital deficiency of $230,494 and an accumulated deficit of $5,264,534. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise equity financing and 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
723,000	$0.20	October 22, 2004
45,000	$0.25	October 22, 2004
1,285,000	$0.15	July 29, 2005
506,000	$0.15	July 29, 2005
2,559,000		

Options

Number of Shares	Exercise Price	Expiry Date
10,834	$0.20	March 5, 2005
260,000	$0.20	June 12, 2007
680,000	$0.12	April 4, 2008
712,500	$0.18	September 11, 2008
1,663,334		

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

To maintain its interest in the Red Lake properties, the Company must commit to the following:

(i) Shares and cash payments

- 125,000 common shares and $15,000 upon regulatory approval (issued and paid)
- 125,000 common shares and $35,000 on or before May 6, 2003 (issued and paid)
- 125,000 common shares and $35,000 on or before May 6, 2004 (issued, payment extended to December 31, 2004)
- 125,000 common shares and $50,000 on or before May 6, 2005
- 150,000 common shares on amended agreement (issued)

(ii) Work expenditures

- $450,000 on or before May 6, 2003 (expended)
- $600,000 on or before May 6, 2004 (expended)
- $650,000 on or before May 6, 2005
- $875,000 on or before May 6, 2006

In addition the Company is responsible for the cash payments applicable to the underlying agreements in respect of the claims as follows:

- $ 46,000 on or before September 1, 2002 (paid)
- $ 94,000 on or before September 1, 2003 (paid)
- $201,000 on or before September 1, 2004 (extended to December 31, 2004)
- advance royalties of $40,000 per year thereafter.

Atikokan

To maintain its interests in the Atikokan Property, the Company must commit to the following:

- 75,000 common shares and $15,000 upon regulatory approval; (issued and paid)
- 60,000 common shares and $25,000 on or before April 30, 2005;
- 60,000 common shares and $30,000 on or before April 30, 2006;
- 55,000 common shares and $50,000 on or before April 30, 2007; and
- 100,000 common shares and $100,000 on or before April 30, 2008.

Work expenditures

- $450,000 on or before April 30, 2005;
- $600,000 on or before April 30, 2006;
- $650,000 on or before April 30, 2007; and
- $875,000 on or before April 30, 2008.

Transactions with Related Parties

- The Company conducts the majority of its exploration activities through an exploration services contractor in which a director is a principal. The Company paid that contractor $84,350 for exploration costs and $101,501 to reimburse office and administrative costs including $25,300 for management fees. As at September 30, 2004, the Company owed $271,004 to that contractor.

- Management fees of $15,000 and $15,776 for rental of shared office premises was paid to a company in which a director is a principal; as at September 30, 2004, the Company owed that company $8,027.

- As at September 30, 2004, the Company owed $4,393 to a company with two directors in common.

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.