



REDSTAR GOLD CORP.

**MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2017**

OVERVIEW AND INTRODUCTORY COMMENT

Redstar Gold Corp. (“Redstar” or the “Company”) is an exploration stage company engaged in the acquisition, exploration and development of mineral properties in North America. The Company is incorporated and domiciled in Canada under the Business Corporations Act (British Columbia), and its registered office is Suite 1710, 1177 West Hastings Street, Vancouver, BC, V6E 2L3. The Company is focused on High-Grade Gold Projects in the Americas with low geo-political risk, and currently advancing the Unga Gold Project in Alaska, USA. The Company is listed on the TSX Venture Exchange under the symbol “RGC”.

This MD&A is dated November 15, 2017 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed consolidated interim financial statements and the related notes for the six months ended September 30, 2017 and the Company's audited consolidated financial statements for the year ended March 31, 2017 and the related notes thereto.

Additional information relevant to the Company and the Company's activities can be found on SEDAR at www.sedar.com, and/or on the Company's website at www.redstargold.com.

MAJOR INTERIM PERIOD OPERATING MILESTONES

Unga Gold Project

2017 Spring/Summer Drill Program

On August 16, 2017 and on August 22, 2017, the Company announced the soil sampling and drill results from its 2017 Spring/Summer Exploration Program which included approximately 600 soil samples, the completion of a 15.5 line-km MAG and 8.7 line-km IP geophysical survey, and a twelve drill hole program totaling 2,287.8 m of HQ and NQ diamond drilling.

This drill program was designed to understand and to test an approximate (previously not drilled) 500m of strike extent within the SW Extension zone of the Shumagin gold zone. The program successfully traced out the Shumagin breccia system for an additional approximate 400 m along strike and encountered visible gold in hole 17SH032, but encountered lower-grade mineralization throughout a number of other drilled holes. Data from the southwest extension will be geologically modelled, noting the very similar nature and geological characteristics were encountered that previously yielded much higher grade in the Main Breccia and Bunker Hill areas within the Shumagin Gold Zone. Surface exposures and drilling data collectively indicate that the Shumagin gold zone is approximately 1.6 km in strike length and remains open, and a further understanding is required of what may exist below the recent holes drilled in the southwest.

The approximate 1,600 m Shumagin gold zone, as defined by surface mapping, surface geochemical sampling and drilling, is part of the approximate nine km long Shumagin trend, a major regional structure



responsible for the localization of epithermal mineralization along its exposed strike length. Geological mapping and sampling toward the southwest from Shumagin indicate a very strong expansion potential along strike for an additional approximate three km toward the Orange Mountain zone, the interpreted hydrothermal centre along the Shumagin trend. Geochemical trends observed within the footwall at Shumagin indicate a strong potential for additional hidden targets near the Shumagin gold zone and represent additional high-priority exploration zones.

2017 Fall Drill Program

On September 21, 2017, the Company announced that it would commence its 2017 fall diamond drilling program up to a total of 3,750 m at the Unga gold project.

The drill program was designed to target the extension of the main Shumagin gold zone at depth and along strike to the northeast toward the Bunker Hill and East Gold Zones. The Company reviewed additional priority drill targets located within the 240 km² land package on Unga Island in order to further understand the district-wide potential. Of the numerous identified drill targets on the Apollo-Sitka trend, the drill target included in the program was the Rising Sun Gold Zone. Rising Sun is located 500 m to the east-southeast of the former Apollo mine.

The Company completed the drill program on October 26th, and drilled 2,641 m in 13 drill holes and tested three targets within the Shumagin gold zone (Main breccia, Bunker Hill and East zone) and Rising Sun in the Apollo-Sitka gold trend.

The 2017 Fall drill program intersected Shumagin-style breccias at the Main breccia, Bunker Hill and East zones, as well as intersected colloform-textured carbonate breccias in all holes that reached the footwall portion within the vein structure, which historically have yielded positive drill assay results. In addition, preliminary drilling at the Rising Sun gold zone in the southern Apollo-Sitka trend intersected Shumagin-style breccias and stockwork. The Rising Sun Gold Zone is adjacent to the Apollo mine which produced gold from the oxide ore for about 30 years. This was the first step in confirming the district-scale nature of the Unga gold project. Multiple (more than 14 identified) gold zones remain to be tested within the district at the Unga gold project.

INTERIM PERIOD FINANCIAL CONDITION

Capital Resources

During the six months ended September 30, 2017, 1,600,000 options were exercised for gross proceeds of \$107,000. Subsequent to September 30, 2017, 1,500,000 options were exercised for gross proceeds of \$80,000.

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company's current treasury and the future cash flows from equity issuances and the potential exercise of warrants and options, along with the planned developments within the Company will allow its efforts to continue throughout fiscal 2018. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

Liquidity

As at September 30, 2017, the Company had working capital of \$3,837,724 (March 31, 2017 – \$6,246,506). As at September 30, 2017, cash totaled \$3,674,560, an increase of \$2,259,589 from \$1,414,971 as at March 31, 2017. The increase was due to (a) cash provided by operating activities of \$2,168,296, including redeeming short-term investments of \$4,591,036 offsetting by the exploration



expenditures of \$2,000,792; (b) \$107,000 cash received from the exercise of options; (c) while being offset by acquisition of exploration assets of \$15,707.

Operations

For the six months ended September 30, 2017 compared with the six months ended September 30, 2016:

During the six months ended September 30, 2017, the Company incurred \$2,000,792 (2016 - \$352,306) in resources property expense as the Company had a spring/summer drill program at its Unga Gold Project in fiscal 2018.

Excluding the non-cash depreciation of \$5,797 (2016 - \$3,210) and share-based compensation of \$321,284 (2016 - \$1,116), the Company's general and administrative expenses amounted to \$509,656 (2016 - \$339,663), an increase of \$169,993. The change in the expenses was mainly due to increases in: (a) management fees \$122,500 (2016 - \$nil) and (b) investor relations \$151,599 (2016 - \$93,681). All such increases are a result of supporting the Company's ongoing corporate activities, which includes marketing and its exploration expenses to advance its Unga Gold Project during fiscal 2018.

During the six months ended September 30, 2017, the Company reported a loss of \$2,856,244 (2016 – net income of \$1,372,405), a decrease of \$4,228,649. This is a result of the Company's spring/summer drill program at its Unga Gold Project in fiscal 2018 as well as the Company selling its Nevada properties in fiscal 2017 for a gain of \$2,044,027.

For the three months ended September 30, 2017 compared with the three months ended September 30, 2016:

During the three months ended September 30, 2017, the Company incurred \$415,525 (2016 - \$164,808) in resources property expense as the Company had a spring drill program at its Unga Gold Project in fiscal 2018.

Excluding the non-cash depreciation of \$2,899 (2016 - \$1,606) and share-based compensation of \$nil (2016 - \$146), the Company's general and administrative expenses amounted to \$253,544 (2016 - \$227,766), a slight increase of \$25,778. The change in the expenses was mainly due to increases in: (a) management fee \$61,250 (2016 - \$nil) and (b) director fees \$10,500 (2016 - \$nil). All such increases are a result of supporting the Company's ongoing corporate activities, which in part relate to its exploration efforts to advance its Unga Gold Project during fiscal 2018.

During the three months ended September 30, 2017, the Company reported a loss of \$707,774 (2016 – net income of \$1,677,321), a decrease of \$2,385,095. This is a result of the Company's spring/summer drill program in its Unga Gold Project in fiscal 2018 as well as the Company selling its Nevada properties in fiscal 2017 for a gain of \$2,044,027.

SIGNIFICANT RELATED PARTY TRANSACTIONS

During the quarter, there were no significant transactions between related parties.

COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

As of the date of the MD&A, the Company has no outstanding commitments.



Other than disclosed in this MD&A – Quarterly Highlights, the Company does not have any commitments, expected or unexpected, or uncertainties.

RISK FACTORS

In our MD&A filed on SEDAR July 27, 2017 in connection with our annual financial statements (the “Annual MD&A”), we have set out our discussion of the risk factors which we believe are the most significant risks faced by Redstar. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company’s undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company’s outstanding share data:

	Issued and Outstanding	
	September 30, 2017	November 15, 2017
Common shares outstanding	298,550,293	300,050,293
Stock options	17,490,000	15,790,000
Warrants	19,565,200	19,565,200
Fully diluted common shares outstanding	335,605,493	335,405,493

QUALIFIED PERSON

Jesse C. Grady, MSc, CPG-11592, is the Company's qualified person, reviewing the exploration projects described throughout the MD&A and is responsible for the design and conduct of the exploration programs and the verification and quality assurance of analytical results.

Cautionary Statements

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.