



REDSTAR GOLD CORP.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
SEPTEMBER 30, 2018

(Unaudited – Prepared by Management)

REDSTAR GOLD CORP.

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REDSTAR GOLD CORP.

NOTICE OF NO AUDITOR'S REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of Redstar Gold Corp. (the "Company") for the six months ended September 30, 2018 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

Under National Instruments 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

REDSTAR GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Presented in Canadian Dollars)

	Note	September 30, 2018	March 31, 2018
		(Unaudited)	(Audited)
Assets			
Current			
Cash and cash equivalents		\$ 1,749,026	\$ 2,132,353
Short-term investments	6	5,750	5,750
Marketable securities	7	896,037	25,465
Amounts receivable		3,217	15,787
Prepaid amounts and advances		45,910	57,761
		2,699,940	2,237,116
Non-current			
Investment in NV Gold	8	710,420	5,864,093
Reclamation bond	9	7,673	7,643
Exploration and evaluation assets	9	3,967,288	3,951,584
Intangible assets	10	3,021	3,554
Equipment	11	14,201	23,790
		4,702,603	9,850,664
		\$ 7,402,543	\$ 12,087,780
Liabilities			
Current			
Accounts payable and accrued liabilities		\$ 31,927	\$ 149,389
Due to related parties	14	35,719	85,357
		67,646	234,746
Shareholders' equity			
Share capital	13	32,419,456	32,419,456
Reserves		3,616,278	7,798,990
Deficit		(28,700,837)	(28,365,412)
		7,334,897	11,853,034
		\$ 7,402,543	\$ 12,087,780

These consolidated financial statements are authorized for issue by the Board of Directors on November 15, 2018. They are signed on the Company's behalf by:

/s/ Jacques Vaillancourt
Director

/s/ Ken Booth
Director

REDSTAR GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Presented in Canadian Dollars)
(Unaudited)

		Three months ended September 30		Six months ended September 30	
	Note	2018	2017	2018	2017
Exploration and evaluation					
Resource property expense	9	\$ 47,521	\$ 415,525	\$ 108,349	\$ 2,000,792
General and administrative					
Depreciation		1,425	2,899	2,851	5,797
Director fees	14	19,500	10,500	36,713	25,500
Insurance		7,298	6,514	14,859	20,754
Investor relations		47,402	82,033	51,120	151,599
Loss from investment in NV Gold	8	-	-	-	91,153
Management fees	14	31,250	76,250	62,500	152,500
Office operations		3,706	8,340	18,318	29,059
Professional fees		13,705	27,440	21,634	57,857
Regulatory fees		500	19,409	3,279	21,904
Rent		225	4,000	4,450	10,000
Share-based payments	13(c)	-	-	-	321,284
Transfer agent		4,598	1,863	5,750	3,232
Travel and promotion		-	17,195	-	17,584
Loss before the undernoted		177,130	671,968	329,823	2,909,015
Other (income) expense					
Foreign exchange loss		4,219	36,233	3,596	31,701
Interest (income)		(3,583)	(428)	(4,567)	(12,988)
Loss on disposal of equipment		-	-	6,573	-
		636	35,805	5,602	18,713
Net loss for the period		177,766	707,773	335,425	2,927,728
Other comprehensive income					
Realized loss on investment in NV Gold	8	-	-	59,154	-
Unrealized loss (gain) on investment in NV Gold	8	304,465	(497,664)	4,110,287	(497,664)
Unrealized loss (gain) on marketable securities		10,872	(9,350)	13,271	(8,930)
Comprehensive loss for the period		\$ 493,103	\$ 200,759	\$ 4,518,137	\$ 2,421,134
Basic and diluted loss per share		\$ 0.00	\$ 0.00	\$ 0.02	\$ 0.01
Weighted average number of common shares outstanding		300,050,293	298,015,510	300,050,293	297,663,408

REDSTAR GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Presented in Canadian Dollars)

	Note	Share Capital		Reserves					Total Shareholders' Equity
		Number of shares	Amount	Warrants	Options	Accumulated other comprehensive income (loss)	Subtotal	Deficit	
Balance, March 31, 2017 (Audited)		296,950,293	\$32,171,664	\$1,056,181	\$3,026,268	\$ 8,629	\$ 4,091,078	\$(24,058,405)	\$ 12,204,337
Exercise of options	13(b)	1,600,000	107,000	-	-	-	-	-	107,000
Value of options exercised		-	26,041	-	(26,041)	-	(26,041)	-	-
Share-based payments		-	-	-	321,284	-	321,284	-	321,284
Unrealized gain on marketable securities		-	-	-	-	8,930	8,930	-	8,930
Unrealized gain on investment in NV Gold		-	-	-	-	497,664	497,664	-	497,664
Loss for the period		-	-	-	-	-	-	(2,856,244)	(2,856,244)
Balance, September 30, 2017 (Unaudited)		298,550,293	32,304,705	1,056,181	3,321,511	515,223	4,892,915	(26,914,649)	10,282,971
Exercise of options	13(b)	1,500,000	80,000	-	-	-	-	-	80,000
Value of options exercised		-	34,751	-	(34,751)	-	(34,751)	-	-
Share-based payments		-	-	-	-	-	-	-	-
Unrealized loss on marketable securities		-	-	-	-	(25,672)	(25,672)	-	(25,672)
Unrealized gain on investment in NV Gold		-	-	-	-	2,966,498	2,966,498	-	2,966,498
Loss for the period		-	-	-	-	-	-	(1,450,763)	(1,450,763)
Balance, March 31, 2018 (Audited)		300,050,293	32,419,456	1,056,181	3,286,760	3,456,049	7,798,990	(28,365,412)	11,853,034
Unrealized loss on marketable securities		-	-	-	-	(13,271)	(13,271)	-	(13,271)
Unrealized loss on investment in NV Gold		-	-	-	-	(4,110,287)	(4,110,287)	-	(4,110,287)
Realized loss on investment in NV Gold		-	-	-	-	(59,154)	(59,154)	-	(59,154)
Loss for the period		-	-	-	-	-	-	(335,425)	(335,425)
Balance, September 30, 2018 (Unaudited)		300,050,293	\$32,419,456	\$1,056,181	\$3,286,760	\$ (726,663)	\$ 3,616,278	\$(28,700,837)	\$ 7,334,897

REDSTAR GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Presented in Canadian Dollars)
(Unaudited)

	Six months ended September 30	
	2018	2017
Cash provided by (used in):		
Operating activities		
Loss for the period	\$ (335,425)	\$(2,927,730)
Items not affecting cash:		
Depreciation	2,851	5,797
Share-based payments	-	321,284
Unrealized loss (gain) on foreign exchange	(30)	491
Loss from investment in NV Gold	-	91,153
Loss on disposal of equipment	6,573	-
Net change in non-cash working capital		
Amounts receivable	12,570	(24,245)
Prepaid amounts and advances	11,851	(19,067)
Accounts payable and accrued liabilities	(120,079)	108,169
Due to related parties	(49,638)	21,408
Short-term investments	-	4,591,036
	(471,327)	2,168,296
Investing activities		
Acquisition of exploration assets	(13,087)	(15,707)
Disposal of equipment	700	-
Investment in marketable securities	(883,844)	-
Proceeds from investment in NV Gold	984,231	-
	88,000	(15,707)
Financing activities		
Shares issued for cash, net	-	107,000
	-	107,000
Change in cash and cash equivalents	(383,327)	2,259,589
Cash and cash equivalents, beginning of the period	2,132,353	1,414,971
Cash and cash equivalents, end of the period	\$ 1,749,026	\$ 3,674,560
Schedule of Non-cash Investing and Financing Transactions		
Fair value transfer on exercise of options	\$ -	\$ 26,041

REDSTAR GOLD CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 AND 2017
(Presented in Canadian Dollars)

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Redstar Gold Corp. (the “Company” or “Redstar”) is 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.

These condensed interim consolidated financial statements (the “Financial Statements”) have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

There are several adverse conditions that may cast significant doubt upon the soundness of this assumption. The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of exploration and evaluation expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties.

Consistent with other companies in the sector of mineral exploration, the Company has incurred operating losses since inception, has limited sources of revenue, is unable to self-finance operations and has significant cash requirements to meet its overhead and maintain its mineral interests.

For the Company to continue to operate as a going concern it must continue to obtain additional financing to maintain operations; although the Company has been successful in the past at raising funds, there can be no assurance that this will continue in the future.

If the going concern assumption were not appropriate for these Financial Statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used and such adjustments could be material.

	September 30,		March 31,	
	2018		2018	
Rounded to 000's				
Working capital surplus	\$	2,632,000	\$	2,002,000
Accumulated (deficit)	\$	(28,701,000)	\$	(28,365,000)

2. BASIS OF PREPARATION – STATEMENT OF COMPLIANCE

These Financial Statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and related IFRS Interpretations Committee (“IFRICs”) as issued by the International Accounting Standards Board (“IASB”). The Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

Since the unaudited Financial Statements do not include all disclosures required by IFRS for annual consolidated financial statements, they should be read in conjunction with the Company’s audited annual consolidated financial statements for the year ended March 31, 2018.

The policies set out were consistently applied to all the periods presented unless otherwise noted below. The preparation of condensed interim financial statements in accordance with IAS1 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company’s accounting policies.

The preparation of the Financial Statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in preparing these Financial Statements are the same as those followed in preparing the most recent audited annual financial statements. For a complete summary of significant accounting policies, please refer to the Company’s audited annual consolidated financial statements for the year ended March 31, 2018.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of the Company’s accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following are the critical judgments and areas involving estimates, that management have made in the process of applying the Company’s accounting policies and that have the most significant effect on the amount recognized in the Financial Statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

a) Key sources of estimation uncertainty

Share-based payments

Management assesses the fair value of stock options granted in accordance with the accounting policy stated in note 3. The fair value of stock options granted is measured using the Black-Scholes option pricing model, which was created for use in estimating the fair value of freely tradable, fully transferable options. The Company's stock options have characteristics significantly different from those of traded options, and changes in the highly subjective input assumptions can materially affect the calculated values. The fair value of stock options granted using the Black-Scholes option pricing model do not necessarily provide a reliable measure of the fair value of the Company's stock option awards.

Impairment

Judgment is involved in assessing whether there is any indication that an asset may be impaired. This assessment is made based on the analysis of, amongst other factors, changes in the market or business environment, events that have transpired that have impacted the asset, and information from internal reporting.

Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

Decommissioning provision

The value of decommissioning liabilities depends on estimates of current risk-free interest rates, future restoration and reclamation expenditures and the timing of those expenditures.

b) Key sources of judgment uncertainty

Determination of functional currency

In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management determined that the functional currency of the Company and its wholly owned subsidiaries is the Canadian dollar.

Going concern evaluation

As discussed on note 1, these Financial Statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate for these Financial Statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used and such adjustments could be material.

The Company reviews the going concern assessment at the end of each reporting period. There were no material changes to the assessment as at September 30, 2018.

Exploration and evaluation assets

The carrying value of the Company's exploration and evaluation assets is reviewed by management quarterly, or whenever events or circumstances indicate that its carrying amount may not be recovered. Management considers certain impairment indicators such as market capitalization of the Company, metal price changes, plans for the properties and the results of exploration to date.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

Investment in NV Gold

With the dilution of the Company's investment in NV Gold, management continues to monitor its percentage interest and other quality factors such as representation on the board of directors. At July 1, 2017, the Company determined that its ability to exercise significant influence over the investment in NV Gold has reduced and concluded that it no longer has significant influence over NV Gold.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the Condensed Interim Consolidated Statement of Financial Position are carried at amortized cost with the exception of marketable securities and investment in NV Gold, which are carried at fair value.

The fair value of the Company's marketable securities and investment in NV Gold are quoted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy.

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company's marketable securities and investment in NV Gold have been assessed on the fair value hierarchy described above and classified as Level 1.

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash and cash equivalents, short-term investments, marketable securities, amounts receivable, reclamation bond, investment in NV Gold, accounts payable and accrued liabilities, and due to related parties. As at September 30, 2018 and March 31, 2018, the carrying value of cash and cash equivalents approximates fair value due to its short-term nature. Marketable securities and investment in NV Gold are marked to fair value at each financial statement reporting date. Amounts receivable, reclamation bond, accounts payable and accrued liabilities, and due to related parties approximate their fair value due to their short-term nature.

c) Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company is not exposed to significant market risk.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(Continued)*

d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with major banks in Canada and the United States; accordingly, the Company believes it not exposed to significant credit risk.

e) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to significant interest rate risk.

f) Currency risk

The Company's main property interest in Alaska, USA make it subject to foreign currency fluctuations which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and the US Dollar. The Company does not invest in foreign currency contracts to mitigate the risks. The Company has net monetary assets of approximately \$50,000 dominated in US dollars. A 1% change in the absolute rate of exchange in US dollars would affect its net loss by approximately \$1200.

g) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. As at September 30, 2018, the Company had a cash balance of \$1,749,026 to settle current liabilities of \$67,646.

h) Other price risk

The Company is exposed to equity price risk as a result of its investment in NV Gold. The Company does not actively trade its investment. The equity prices of long term investments are impacted by various underlying factors including commodity prices. Based on the Company's investment in NV Gold as at September 30, 2018, a 10% increase (decrease) in the equity price would increase (decrease) other comprehensive income by \$71,042.

6. SHORT-TERM INVESTMENTS

As at September 30, 2018, the Company pledged \$5,750 (March 31, 2018 - \$5,750) as collateral for a credit card.

REDSTAR GOLD CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 AND 2017
(Presented in Canadian Dollars)

7. MARKETABLE SECURITIES

September 30, 2018		Shares	Cost	Accumulated Realized and Unrealized Gain (Loss)	Total
New Tech Lithium Corp.	(ii)	11,443	\$ 5,722	\$ (5,321)	\$ 401
Brocade Metals Corp.		320,000	4	(4)	-
Confederation Minerals Ltd.		65,000	56,250	(42,600)	13,650
Fremont Gold Ltd.	(i)	4,166	30,000	(29,458)	542
True Grit Resources Ltd.		20,000	70,400	(69,800)	600
Sprott Phys Gold&Sim		32,500	500,625	(10,525)	490,100
Ishares Silver Trust	(iii)	22,000	383,219	7,526	390,745
			\$1,046,220	\$ (150,183)	\$ 896,037

March 31, 2018		Shares	Cost	Accumulated Realized and Unrealized Gain (Loss)	Total
New Tech Lithium Corp.	(ii)	11,443	\$ 5,722	\$ (4,978)	\$ 744
Brocade Metals Corp.		320,000	4	(4)	-
Confederation Minerals Ltd.		65,000	56,250	(33,175)	23,075
Fremont Gold Ltd.	(i)	4,166	30,000	(29,354)	646
True Grit Resources Ltd.		20,000	70,400	(69,400)	1,000
			\$ 162,376	\$ (136,911)	\$ 25,465

- (i) Formerly, Palisades Ventures Inc. (post 4:3 share consolidation)
- (ii) Formerly, American Potash Corp
- (iii) Ishares Silver Trust is traded in US dollars

As at September 30, 2018, the Company had an accumulated unrealized loss of \$21,384 (March 31, 2018 – \$8,113) on marketable securities recorded in accumulated other comprehensive income.

8. INVESTMENT IN NV GOLD CORPORATION

On September 1, 2016, the Company entered into a purchase and sale agreement with NV Gold Corporation and its subsidiary, NV Gold Corporation (USA) ("NV Gold"), a Canadian junior exploration company trading on the TSX Venture Exchange. As part of this agreement, NV Gold acquired the right to a 100% ownership of Great Basin Database and 100% interest in eleven Nevada Properties. On September 29, 2016, the Company completed the sale of Nevada Properties for consideration of 29.9% of the outstanding common shares of NV Gold.

From September 29, 2016 to June 30, 2017, the Company accounted for its investment in NV Gold using the equity method of accounting as the Company had significant influence over NV Gold with its share ownership and directorship.

REDSTAR GOLD CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 AND 2017
(Presented in Canadian Dollars)

8. INVESTMENT IN NV GOLD CORPORATION *(Continued)*

Under the equity method of accounting, the investment in NV Gold was initially recognized at cost and adjusted thereafter for the post-acquisition change in the net assets. The Company was not exposed to any additional losses beyond its initial investment amount. No dividends or cash distributions were received by the Company from NV Gold during the period.

March 31, 2017	\$	1,991,095
Proportionate share of net loss		(91,153)
June 30, 2017	\$	1,899,942

The Company recorded an equity loss of \$91,153 for the three months ended June 30, 2017 which represented the proportionate share of NV Gold's net loss for the three months ended May 31, 2017 and additional adjustments due to the difference in reporting dates between the Company and NV Gold. Since NV Gold has an August fiscal year end, it was impractical to prepare financial statements to June 30, 2017.

The following is a summary of the consolidated financial information of NV Gold on a 100% basis as at and for the nine months ended May 31, 2017, which is the most recent publicly available information for NV Gold. These amounts are presented in Canadian dollars.

		May 31, 2017
NV Gold Corporation		
Total current assets	\$	1,043,785
Total non-current assets		3,010,374
Total current liabilities		(36,548)
Total non-current liabilities		-
Loss before other items		848,797
Other items		2,516
Total loss and comprehensive loss		851,313

Effective July 5, 2017, the Company accounted for its investment in NV Gold by using the fair value of the NV Gold shares as the Company determined that it no longer had significant influence over NV Gold. The Company remeasures the investment in NV Gold to fair value at each financial statement reporting date and any gains or losses arising from changes in fair value is recognized in other comprehensive income (loss). In April 2018, the Company sold 1,098,300 shares of NV Gold for proceeds of \$984,231 with a realized loss of \$59,154. As at September 30, 2018, the investment in NV Gold consisted of 5,074,430 NV Gold shares with a fair value of \$710,420 (March 31, 2018 – 6,172,730 NV Gold shares with a fair value of \$5,864,093) and the Company recognized an accumulated unrealized loss of \$646,126, which was recorded in the accumulated other comprehensive income account.

The closing share price of the remaining 5,074,430 shares held in NV Gold was \$0.14 at September 30, 2018 (March 31, 2018 - \$0.95).

REDSTAR GOLD CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 AND 2017
(Presented in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS

The Company has the following interests in mineral properties at September 30, 2018:

Property acquisition costs	March 31, 2018	Acquisition costs	September 30, 2018
Alaska			
Unga project	\$ 3,951,584	\$ 15,704	\$ 3,967,288
Total	\$ 3,951,584	\$ 15,704	\$ 3,967,288

The Company incurred the following exploration expenditures during the six months ended September 30, 2018 and 2017:

	Alaska	
Exploration expenditures	Unga	Total
Assaying	\$ 10,231	\$ 10,231
Camp	13,800	13,800
Fuel & transportation	572	572
Geological	81,939	81,939
Maps and reports	1,025	1,025
Supplies and materials	7	7
Travel and accommodation	775	775
Period ended September 30, 2018	\$ 108,349	\$ 108,349

	Alaska	
Exploration expenditures	Unga	Total
Assaying	\$ 140,589	\$ 140,589
Camp	518,158	518,158
Drilling	396,458	396,458
Equipment rental	1,494	1,494
Fuel & transportation	119,094	119,094
Geological	350,940	350,940
Geophysical	84,399	84,399
Helicopter	325,046	325,046
Maps and reports	4,756	4,756
Supplies and materials	16,544	16,544
Transportation and surface access	19,561	19,561
Travel and accommodation	23,753	23,753
Period ended September 30, 2017	\$2,000,792	\$ 2,000,792

9. EXPLORATION AND EVALUATION ASSETS *(Continued)*

(a) Unga Project, Alaska, USA

The Unga Project is approximately 250 sq. kms and is comprised of patented and Alaska State claims and Alaskan Native Corporation lands. The Company owns 100% of the patented claims and the state claims in the Unga Project.

On February 18, 2014, the Company signed a Letter of Intent ("LOI") with Full Metal Minerals Ltd ("FMM"), to take an assignment of FMM's interest in its agreement with The Aleut Corporation ("TAC") and to acquire a 100% interest in six Alaskan State Mineral claims. Under the terms of the LOI, the Company could acquire a 100% undivided interest in the property, upon issuance of 4,000,000 shares and payment of a total of US\$50,000 (US\$10,000 paid) to FMM, subject to regulatory approval, completion of a definitive agreement including the consent of TAC to the assignment, and satisfying the Underlying Agreements. The LOI supersedes all other agreements with FMM in respect of the TAC lands and the state claims.

On September 8, 2014, the Company announced that, together with FMM and TAC it signed an Assignment and Novation Agreement in respect to the TAC lands, which replaced the LOI signed on February 18, 2014, whereby all rights and interests held previously by FMM were assigned to Redstar. Pursuant to the Agreement, Redstar is required to complete the following:

	Cash (CAD\$)	Cash (US\$)	Shares issued to Full Metal	Exploration Expenditure on the Property (US\$)
On signing of the agreement	\$ 125,000 ⁽ⁱ⁾	50,000 ⁽ⁱ⁾	750,000 ⁽ⁱ⁾	\$ -
January 1, 2015	-	55,000 ⁽ⁱ⁾	-	400,000 ⁽ⁱⁱ⁾
January 1, 2016	-	60,000 ⁽ⁱ⁾	-	500,000 ⁽ⁱⁱ⁾
January 1, 2017	-	60,000 ⁽ⁱ⁾	-	500,000 ⁽ⁱⁱ⁾
January 1, 2018	-	-	-	1,000,000 ⁽ⁱⁱ⁾
January 1, 2019	-	-	-	1,000,000 ⁽ⁱⁱ⁾
	<u>\$ 125,000</u>	<u>225,000</u>	<u>750,000</u>	<u>\$ 3,400,000</u>

⁽ⁱ⁾ Paid or issued

⁽ⁱⁱ⁾ Incurred

(b) Other, USA

As at September 30, 2018, the Company had a reclamation bond of US\$5,927 (\$7,673) (March 31, 2018 – US\$5,927 (\$7,643)) related to a property in Nevada that was sold to NV Gold.

9. EXPLORATION AND EVALUATION ASSETS *(Continued)*

(c) Newman Todd Property, Red Lake District, Ontario, Canada

In 2007, the Company acquired a 100% interest in the Newman Todd area properties ("Todd Properties") (comprised of several properties) by issuing 700,000 common shares to the vendor. The mineral claims are subject to a 1% net smelter return ("NSR") royalty provided that the total NSR royalties payable on any claims within the property does not exceed 2.75%. Should a mine be placed into production, the Company is required to issue common shares with a value in the aggregate of \$1,000,000. Should production exceed 250,000 ounces of gold, the Company is required to issue additional common shares with a value of \$1,000,000.

On November 19, 2010, the Company entered into an option agreement with Confederation Minerals Ltd. ("Confederation") whereby Confederation could earn up to a 70% undivided interest in the Company's 100% owned Todd Properties in Red Lake, Ontario by making certain cash payments and share issuances to the Company. On March 24, 2015, Confederation fulfilled the requirements for its 70% earn in on the Todd Properties.

10. INTANGIBLE ASSETS

	Computer software
Cost or deemed cost	
Balance - April 1, 2017	\$ 10,986
Additions	-
Balance - March 31, 2018	10,986
Additions	-
Balance - September 30, 2018	\$ 10,986
Accumulated depreciation	
Balance - April 1, 2017	\$ 5,909
Depreciation	1,523
Balance - March 31, 2018	7,432
Depreciation	533
Balance - September 30, 2018	\$ 7,965
Carrying amounts	
As at March 31, 2018	\$ 3,554
As at September 30, 2018	\$ 3,021

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11. EQUIPMENT

	Computers	Equipment	Vehicles	Total
Cost or deemed cost				
Balance - April 1, 2017	\$ 77,911	\$ 34,226	\$ 51,497	\$ 163,634
Additions	-	-	-	-
Balance - March 31, 2018	77,911	34,226	51,497	163,634
Additions	-	-	-	-
Disposals	(77,911)	(30,026)	-	(107,937)
Balance - September 30, 2018	\$ -	\$ 4,200	\$ 51,497	\$ 55,697
Accumulated depreciation				
Balance - April 1, 2017	\$ 74,114	\$ 24,468	\$ 31,826	\$ 130,408
Depreciation	1,139	1,952	6,345	9,436
Balance - March 31, 2018	75,253	26,420	38,171	139,844
Depreciation	-	319	1,999	2,318
Depreciation on Disposals	(75,253)	(25,413)	-	(100,666)
Balance - September 30, 2018	\$ -	\$ 1,326	\$ 40,170	\$ 41,496
Carrying amounts				
As at March 31, 2018	\$ 2,658	\$ 7,806	\$ 13,326	\$ 23,790
As at September 30, 2018	\$ -	\$ 2,874	\$ 11,327	\$ 14,201

12. CAPITAL MANAGEMENT

The Company's capital consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing, selling assets, and incurring debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

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13. SHARE CAPITAL

(a) Authorized:

At September 30, 2018, the authorized share capital was comprised of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

(b) Share issuances:

- i. During the year ended March 31, 2018, 3,100,000 options were exercised for total proceeds of \$187,000.

(c) Share Purchase Option Compensation Plan:

The Company has established a stock option plan whereby the Company may grant options to directors, officers, employees and consultants of up to 10% of the common shares outstanding at the time of grant. The exercise price, term and vesting period of each option are determined by the board of directors within regulatory guidelines.

Stock option transactions and the number of stock options for the six months ended September 30, 2018 are summarized as follows:

Expiry date	Exercise price	March 31, 2018	Granted	Expired / Exercised	Cancelled	September 30, 2018
September 30, 2018	\$ 0.10	540,000			(540,000)	-
April 30, 2019	\$ 0.06	450,000				450,000
September 10, 2019	\$ 0.06	600,000			(600,000)	-
October 29, 2019	\$ 0.06	400,000				400,000
May 4, 2020	\$ 0.06	1,400,000			(100,000)	1,300,000
January 25, 2021	\$ 0.05	2,500,000			(2,500,000)	-
March 2, 2021	\$ 0.05	4,000,000			(700,000)	3,300,000
December 20, 2021	\$ 0.16	3,000,000			(2,500,000)	500,000
April 11, 2022	\$ 0.14	2,900,000			(850,000)	2,050,000
Options outstanding		15,790,000	-	-	(7,790,000)	8,000,000
Options exercisable		16,590,000	-	-	-	8,000,000
Weighted average exercise price	\$ 0.09	\$ -	\$ -	\$ -	\$ 0.10	\$ 0.08

As of September 30, 2018, the weighted average contractual remaining life is 2.45 years (March 31, 2018 – 2.98 years).

The fair value of options vested during the six months ended September 30, 2018 were Nil (2017 - \$321,284).

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13. SHARE CAPITAL (Continued)

(c) Share Purchase Option Compensation Plan (Continued):

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	September 30, 2018	March 31, 2018
Expected dividend yield	Nil	0.00%
Expected stock price volatility	Nil	135.53%
Risk-free interest rate	Nil	1.08%
Forfeiture rate	Nil	0.00%
Expected life of options	Nil	5.0 years

The Black-Scholes Option Pricing Model was created for use in estimating the fair value of freely tradable, fully transferable options. The Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the highly subjective input assumptions can materially affect the calculated values, management believes that the accepted Black-Scholes model does not necessarily provide a reliable measure of the fair value of the Company's stock option awards.

(d) Warrants:

The continuity of warrants for the six months ended September 30, 2018 is as follows:

Expiry date	Exercise price	March 31, 2018	Issued	Exercised	Expired	September 30, 2018
September 13, 2018	\$ 0.20	480,000	-	-	(480,000)	-
April 29, 2019	\$ 0.14	19,085,200	-	-	-	19,085,200
Outstanding		19,565,200	-	-	(480,000)	19,085,200
Weighted average exercise price	\$ 0.14	\$ -	\$ -	\$ -	\$ 0.20	\$ 0.14

As of September 30, 2018, the weighted average contractual life is 0.58 years (March 31, 2018 – 1.06 years).

The fair value of each warrant issued is estimated on the date of issuance using the Black-Scholes option-pricing model with the following weighted average assumptions:

	September 30, 2018	March 31, 2018
Expected dividend yield	Nil	Nil
Expected stock price volatility	Nil	Nil
Risk-free interest rate	Nil	Nil
Forfeiture rate	Nil	Nil
Expected life of warrants	Nil	Nil

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14. RELATED PARTY TRANSACTIONS

Name and principal position	Fiscal period	Remuneration or fees ⁽ⁱ⁾	Share-based compensation	Amounts payable
Ariston Capital Corp., a company controlled by the former CEO ⁽ⁱⁱ⁾ - management fees	2018	\$ -	\$ -	\$ -
	2017	\$ 90,000	\$ 51,820	\$ -
Director and Chairman of the Board - management fees	2018	\$ 32,500	\$ -	\$ 5,417
	2017	\$ 32,500	\$ 77,730	\$ 10,833
Clearline Chartered Professional Accountants, a company of which the former CFO is a director - management fees	2018	\$ -	\$ -	\$ -
	2017	\$ 10,937	\$ -	\$ -
Pacific Opportunity Capital Ltd., a company controlled by the CFO - accounting fees	2018	\$ 30,000	\$ -	\$ 5,288
	2017	\$ 30,000	\$ 41,456	\$ -
Directors' fees ⁽ⁱⁱⁱ⁾	2018	\$ 36,713	\$ -	\$ 25,014
	2017	\$ 25,500	\$ 253,918	\$ 10,575
Total	2018	\$ 99,213	\$ -	\$ 35,719
	2017	\$ 188,937	\$ 424,924	\$ 21,408

(i) Remuneration or fees were paid or accrued to the related party.

(ii) Effective March 7, 2018, Peter Ball resigned from being the CEO but remained as a director of the Company and Jacques Vaillancourt, the Chairman of the Company, was appointed as the interim CEO. \$15,000 severance payment was accrued as of March 31, 2018 and was paid out in May 2018.

(iii) Effective June 6, 2018, Peter Ball resigned from being a director of the Company and Susan J. Mitchell was appointed as a director.

The above transactions are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to related parties are unsecured, non-interest bearing and have no fixed term of repayment.

15. SEGMENTED DISCLOSURE

The Company has one reportable segment being the exploration and evaluation of mineral properties. The company's assets and liabilities are held within Canada and the US as follows:

<i>Rounded to 000's</i>	Canada	United States	Total
September 30, 2018			
<i>Current assets</i>	\$ 2,632,000	\$ 68,000	\$ 2,700,000
<i>Non-current assets</i>			
Reclamation bond	-	8,000	8,000
Investment in NV Gold	710,000	-	710,000
Exploration and evaluation assets	-	3,967,000	3,967,000
Intangible assets	3,000	-	3,000
Equipment	-	14,000	14,000
<i>Current liabilities</i>	\$ 48,000	\$ 20,000	\$ 68,000
March 31, 2018			
<i>Current assets</i>	\$ 2,155,000	\$ 82,000	\$ 2,237,000
<i>Non-current assets</i>			
Reclamation bond	-	8,000	8,000
Investment in NV Gold	5,864,000	-	5,864,000
Exploration and evaluation assets	-	3,952,000	3,952,000
Intangible assets	4,000	-	4,000
Equipment	7,000	17,000	24,000
<i>Current liabilities</i>	\$ 136,000	\$ 99,000	\$ 235,000