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Redstar Gold Announces $3.0M Investment by Eric Sprott

August 22, 2016: Redstar Gold Corp. (TSX.V: RGC, US: RGCTF, FRA: RGG) ("Redstar" or the "Company") is pleased to announce that Eric Sprott has agreed to acquire 30.0 million common shares of Redstar Gold in part through a private placement ("the Financing") of up to 41.0 million shares at $0.10.

Redstar Gold has filed for the Financing of up to 41.0 million common shares at $0.10 per share. This Financing is a non-brokered equity private placement. The Financing will be composed of two (2) tranches. In the first tranche of 20.4 million shares at C$0.10 is expected to close this week. In the second tranche, the Company will issue up to 20.6 million shares at C$0.10, or C$2.06 million. The full financing is expected to close on, or before, August 31, 2016. Upon final and full closing of the Financing, Mr. Sprott will control approximately 30.0 million shares, or 12.1% of the Company. Jacques Vaillancourt, Chairman of Redstar will also invest in this private placement. No warrants will be offered in respect to the Financing.

"*Mr. Sprott is a highly respected and well known leader in the resource investment community and one of the world's premiere gold and silver investors. The Company will begin plans to initiate its next drilling program on the high-grade Shumagin Gold Zone at our 100% controlled Unga Gold Project in Alaska*," **commented Peter A. Ball, President & CEO of Redstar Gold.**

The proceeds from the Financing will be used to commence drilling at the Shumagin Gold Zone, continue exploration across other known gold zones at the Company's Unga Gold Project, complete a NI 43-101 Technical Report at the Unga Gold Project, and for general working capital. The closing of the Financing is expected to occur on or before August 26, 2016 and is subject to the completion of formal documentation and receipt of regulatory approvals, including the approval of the Toronto Stock Exchange.

Mr. Sprott is acquiring the shares for investment purposes. Mr. Sprott has a long-term view of the investment and may acquire additional shares either on the open market or through private acquisitions or sell the shares either on the open market or through private dispositions in the future depending on market conditions, reformulation of plans and/or other relevant factors. A copy of Mr. Sprott's early warning report will appear on the Company's profile on SEDAR and may also be obtained by calling (416) 362-7172 (200 Bay Street, Suite 2600, Royal Bank Plaza, South Tower, Toronto, Ontario M5J 2J2).

The Common Shares issued pursuant to the Financing shall be subject to a four-month hold period from the closing date of the Financing in accordance with applicable securities legislation.

Shumagin Gold Zone

The Shumagin prospect is characterized by multi-episodic gold-silver bearing quartz-adularia-rhodochrosite breccia bodies that occur within structurally controlled dilation zones along the

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>1,200-meter-long Shumagin Scarp. High-grade gold-silver mineralization is open at depth within the main breccia body at Shumagin. Multiple dilation zones and coincident gold-silver bearing breccia bodies exist along strike of the Shumagin Scarp and remain to be fully drill tested.

About The Unga Gold Project

The 100% controlled Unga Gold Project covers key strategic portions of adjacent Unga and Popof Islands, approximately 900 kilometers southwest of Anchorage, Alaska. Redstar controls a 240 square kilometer land package that is host to numerous structurally controlled, volcanic hosted intermediate-sulfidation epithermal high-grade vein, breccia, stockwork and disseminated gold-silver occurrences.

The Unga Project has excellent infrastructure, including direct daily flights from Anchorage, a deep-sea port and a temperate climate. The former Apollo-Sitka gold mine, located on the southern Apollo-Sitka Trend, was Alaska's first underground gold mine and the site of historic high-grade gold production.

Selected drill highlights from the Shumagin Gold Zone:

Hole#	From (meters)	To (meters)	Length* (meters)	Gold Grade (g/t)	Silver Grade (g/t)
DDH-26	49.07	49.83	0.76	37.7	20.6
DDH-28	44.81	46.02	1.22	16.5	55.5
DDH-35	77.27	77.88	0.61	192.6	5403.4
DDH-42	132.59	134.11	1.52	30.96	35.0
DDH-46	153.62	154.84	1.22	365.35	190.6
DDH-51	156.06	156.67	0.61	182.02	88.5
DDH-57	38.1	39.62	1.52	59.59	50.05
BMS-01	272.8	278.28	5.49	24.02	19.4
11SH007	223.0	224.0	1.00	43.9	18.5
11SH009	210.1	211.0	0.9	43.1	37.2
11SH010	259.25	259.8	0.55	738.0	408.0
15SH011	60.1	62.0	1.90	202.0	82.0
15SH012	64.0	66.0	2.00	35.3	209.0
15SH012	82.0	85.0	3.00	16.95	183.0
15SH012	89.0	89.7	0.70	133.0	422.0
15SH013	144.0	145.0	1.00	17.45	122.0
15SH013	146.0	147.0	1.00	20.9	232.0
15SH014	187.0	188.0	1.00	19.9	16.0
15SH018	196.0	197.0	1.00	41.2	130.0

*True widths of the mineralized intervals are close to 70-80% of Core Length
**DDH-26, 28, 35, 42, 46, 51, 57 & BMS-01 are historic in nature and are not reported herein as new drill results
**11SH007-010 and 15SH011-018 have been previously disclosed and may be viewed on Redstar's Website at www.redstargold.com/s/NewsReleases.asp

* Stated lengths are core width as drilled

Jesse C. Grady, MSc, CPG-11592, is a Qualified Person as defined by NI 43-101. Mr. Grady has prepared and approved the technical information contained within this release.

About Redstar Gold Corp

Redstar is a junior exploration company focused on high-grade gold exploration in North America. In Alaska, the Company is exploring the 100% controlled high-grade Unga Gold Project. In Nevada, Redstar is currently seeking suitable partners to advance its portfolio of eleven (11) 100% owned properties located along and within many of the major gold producing trends. Redstar also owns 30% of the Newman Todd Gold Project, in Red Lake, Ontario, Canada. Newman Todd is a high-grade gold discovery along a 1.8 km corridor within the Newman Todd Structure (NTS).

On Behalf of the Board of Directors,

Peter A. Ball, President and CEO

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Forward-Looking Information This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address events or developments that Redstar Gold Corporation (the "Company") expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.