

Message To Our Shareholders

Redstar is actively searching for a world class discovery in two of the world's highest profile gold camps.

The year 2008 was an extremely energetic year for Redstar in both Nevada and Red Lake, Ontario. We completed the most aggressive drilling program in company history on our 100% owned Newman Todd project in Red Lake and engaged joint venture partners on four of our Nevada projects. In total, Redstar spent approximately \$3.0 million on exploration of which \$2.1 million was contributed by our partners. In addition, Redstar's landmark acquisition of AngloGold Ashanti's Nevada database is now free and clear of any additional obligations.

The real strength of Redstar is our ability to recognize and acquire high quality projects. The unique and remarkable database compiled by AngloGold Ashanti contains proprietary information which gives Redstar a significant competitive advantage in identifying high priority properties and targets. Nine of the ten projects Redstar has secured in Nevada during the past three years have been directly or indirectly based on the information in this database. It has also been the inducement for trademark mining companies such as Goldfields and International Tower Hill to form partnerships with us.

Redstar's Newman Todd project in Red Lake is positioned in one of the highest grade gold camps in North America. Even during the current market conditions companies with assets in the Red Lake camp continue to be able to raise significant money and attract premium shareholders. Our results from the past two years of exploration have highlighted the potential for Newman Todd to become a very high profile Red Lake gold project. During the last two years, we have completed three phases of drilling and have defined a new gold bearing structure in the Red Lake camp with near surface values up to 61.02 g/t gold over 1.0 meter. Our technical staff has outlined a \$1.5 million drill program to follow up on these results.

I feel that there are two prerequisites to increase our shareholder value. The first is that Redstar can and will continue to generate projects and bring in quality partners to explore them. The second and most important is that Redstar be involved in a discovery. To this end we are endeavouring to give shareholders multiple opportunities at very little cost.

We believe that our model of acquiring high quality projects and advancing them through partnerships is very attractive in these market conditions by minimizing expense and maximizing exposure to as many exploration projects as possible. Currently we are actively seeking partners for our other five projects and continue to look for additional high quality projects. We expect to spend between \$3.0 and \$4.0 million in 2009 with over 90% of the funding coming from partners. This will put Redstar in the enviable position of being an extremely active explorer without spending its own capital.

Our focus going forward is to use our newly acquired database, our skilled geological team and joint venture model to continue exploring for a new discovery. In this market environment, innovative companies like Redstar continue to have an opportunity to excel. In short, we are looking at 2009 as being the busiest and most productive year yet for Redstar.

We would like to thank our shareholders for their continued support as we look forward to an exciting year ahead.

Scott Weekes

President and CEO