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**Red Pine Exploration Inc.**

**Unaudited Condensed Interim Consolidated Financial Statements**

For the Three-Month Periods Ended October 31, 2020 and 2019

(Expressed in Canadian Dollars)

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**Red Pine Exploration Inc.**  
**Condensed Interim Consolidated Statements of Financial Position (unaudited)**  
*(Expressed in Canadian Dollars)*

	<b>October 31, 2020</b>	<b>July 31, 2020</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 310,378	\$ 647,920
Marketable Securities	2,500	2,500
Amount Receivable (note 6)	181,184	430,488
Prepaid Expenses	31,356	51,423
<b>Total Current Assets</b>	<b>525,419</b>	<b>1,132,331</b>
Perpetual Software Licenses (note 3)	18,204	18,204
Right of Use Asset (note 4)	304,632	328,660
Leasehold Improvements (note 3)	28,769	28,769
<b>Total Assets</b>	<b>\$ 877,023</b>	<b>\$ 1,507,964</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Liabilities (note 6)	\$ 266,202	\$ 325,223
Lease liability (note 4)	93,350	91,682
Flow-Through Provision (note 7)	83,686	110,876
<b>Total Current Liabilities</b>	<b>443,238</b>	<b>527,781</b>
Rental Deposit (note 9)	-	17,281
Long Term Lease Liability (note 4)	184,874	208,846
<b>Total Liabilities</b>	<b>628,112</b>	<b>753,908</b>
<b>Shareholders' Equity</b>		
Share Capital (note 8)	60,085,002	59,993,157
Contributed Surplus	8,116,146	8,116,146
Warrant Reserve (note 8)	1,790,808	1,882,653
Accumulated Deficit	(69,743,045)	(69,237,900)
<b>Total Shareholders' Equity</b>	<b>248,911</b>	<b>754,056</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 877,023</b>	<b>\$ 1,507,964</b>

*The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.*

**Nature of Operations and Going Concern** (note 1)  
**Commitments** (note 9)

**Red Pine Exploration Inc.**  
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (unaudited)**  
*(Expressed in Canadian Dollars)*

	<b>Three-month period ended October 31, 2020</b>	<b>Three-month period ended 2019</b>
<b>Expenses</b>		
Exploration Expenditures (note 5)	\$ 384,833	\$ 1,012,174
General and Administrative (note 9)	12,959	113,115
Payroll & Professional Fees (note 6)	104,520	93,368
Depreciation and Amortization (note 3 and 4)	24,028	20,048
Interest Income	105	(1,998)
Lease accretion (gain) (note 4)	5,300	(34,342)
Change in flow-through provision (note 7)	(27,190)	
Foreign Exchange Loss (Gain)	589	-
<b>Total Expense</b>	<b>505,145</b>	<b>1,202,365</b>
<b>Loss and Comprehensive Loss for Period</b>	<b>\$ (505,145)</b>	<b>\$ (1,202,365)</b>
Loss per share - basic and diluted	\$ (0.00)	\$ (0.00)
Weighted average shares outstanding	477,222,387	369,230,323

*The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements*

## Red Pine Exploration Inc.

### Condensed Interim Consolidated Statements of Cash Flows (unaudited)

(Expressed in Canadian Dollars)

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

	Three-month period ended October 31, 2020	Three-month period ended October 31, 2019
<b>Operating Activities</b>		
<b>Loss for the Period</b>	\$ (505,145)	\$ (1,202,365)
Adjustment for non-cash items:		
Amortization and depreciation (notes 3 and 4)	24,028	20,048
Change in flow-through provision	(27,190)	-
Rental deposit	(17,281)	-
Lease accretion (note 4)	5,300	(34,342)
Change in working capital items:		
Amount receivable	249,304	570,050
Prepaid expenses	20,067	19,787
Accounts payable and accrued liabilities	(59,021)	255,105
<b>Net cash used in operating activities</b>	<b>(309,938)</b>	<b>(371,717)</b>
<b>Financing Activities</b>		
Lease payments (note 4)	(27,604)	-
<b>Net cash provided by financing activities</b>	<b>(27,604)</b>	<b>-</b>
<b>Cash and Cash Equivalents</b>		
Net (decrease) in cash and cash equivalents	(337,542)	(371,717)
Cash and cash equivalents - beginning of period	647,920	695,996
<b>Cash and cash equivalents - end of period</b>	<b>\$ 310,378</b>	<b>\$ 324,279</b>
<b>Supplemental Disclosures:</b>		
Interest received as cash	105	1,998

**Red Pine Exploration Inc.**  
**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (unaudited)**  
*(Expressed in Canadian Dollars)*

	Shares #	Share Capital \$	Contributed Surplus \$	Warrant Reserve \$	Accumulated Deficit \$	Shareholders' Equity \$
<b>Balance – July 31, 2020</b>	<b>477,222,387</b>	<b>59,993,157</b>	<b>8,116,146</b>	<b>1,882,653</b>	<b>(69,237,900)</b>	<b>754,056</b>
Loss for the period	-	-	-	-	(505,145)	(505,145)
Fair Value of Stock Options Expired	-	91,845	-	(91,845)	-	-
<b>Balance – October 31, 2020</b>	<b>477,222,387</b>	<b>60,085,002</b>	<b>8,116,146</b>	<b>1,790,808</b>	<b>(69,743,045)</b>	<b>248,911</b>
<b>Balance – July 31, 2019</b>	<b>369,230,323</b>	<b>55,258,221</b>	<b>8,043,575</b>	<b>3,305,945</b>	<b>(65,292,120)</b>	<b>1,315,621</b>
Loss for the Period	-	-	-	-	(1,202,365)	(1,202,365)
Fair Value of Warrants Expired	-	15,393	-	(15,393)	-	-
<b>Balance – October 31, 2019</b>	<b>369,230,323</b>	<b>55,273,614</b>	<b>8,043,575</b>	<b>3,290,552</b>	<b>(66,494,485)</b>	<b>113,256</b>

*The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.*

**Red Pine Exploration Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements (unaudited)**  
*For the three-month periods ended October 31, 2020 and 2019*

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## **1. Nature of Operations and Going Concern**

Red Pine Exploration Inc. (the "Company" or "Red Pine") was founded in 1936 under the laws of Ontario, Canada for the acquisition, exploration, and development of mining properties. The Company's head office and primary location of its registered records is 145 Wellington Street West, Suite 1001, Toronto, Ontario, M5J 1H8. The Company is currently in the exploration stage and has not commenced any commercial operations.

The accompanying Condensed Interim Consolidated Financial Statements have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

As at October 31, 2020, the Company had a working capital surplus of \$82,181 (July 31, 2020: surplus \$604,550) and an accumulated deficit of \$69,743,045 (July 31 2020: \$ 69,237,900). The Company had a net loss from operations for the three-month period ended October 31, 2020 of \$505,145 (October 31, 2019: \$1,202,365).

In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company's ability to continue operations and fund its mining interest expenditures is dependent on management's ability to secure additional financing. Management is actively pursuing such additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. The Company is currently in the exploration stage and has not commenced commercial operations. These conditions cast significant doubt about the Company's ability to continue as a going concern.

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

These Condensed Interim Consolidated Financial Statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore need to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying Condensed Interim Consolidated Financial Statements. Such adjustments could be material.

**Red Pine Exploration Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements (unaudited)**  
*For the three-month periods ended October 31, 2020 and 2019*

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## **2. Basis of Presentation**

### ***(a) Statement of compliance***

These condensed interim consolidated financial statements have been prepared in accordance and comply with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) using accounting principles consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”). The accounting policies adopted are consistent with those of the previous financial year and the corresponding interim reporting period. Furthermore, the information on accounting standards effective in future periods and not yet adopted remains unchanged from that disclosed in the annual financial statements.

These condensed interim consolidated financial statements were approved by the Board of Directors on December 18, 2020.

### ***(b) Basis of presentation***

These condensed interim consolidated financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the financial statements for the year ended July 31, 2020.

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

### ***(c) Basis of consolidation***

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Augustine Ventures Inc. All intercompany balances and transactions have been eliminated.

### ***(d) Significant accounting judgements and estimates***

The preparation of these condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the reporting period.

Actual outcomes could differ from these estimates. The condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the interim condensed consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods. Significant accounting judgments, estimates and underlying assumptions are reviewed on an ongoing basis.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could have an effect on the amounts recognized in the interim condensed consolidated financial statements relate to the following:

#### *Going concern*

The preparation of the condensed interim consolidated financial statements requires management to make judgments regarding the going concern of the Company (note 1).

#### *Share-based compensation*

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share-based payment expense along with the assumptions and model used for estimating fair value for share-based compensation transactions are disclosed in Note 8.

**Red Pine Exploration Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements (unaudited)**  
*For the three-month periods ended October 31, 2020 and 2019*

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**2. Basis of Presentation (continued)**

*(d) Significant accounting judgements and estimates (continued)*

*Deferred Flow-Through Premium and Flow-Through Provision Estimates*

The assumptions and calculations used for estimating the value attributed to the flow-through premiums on flow-through financings and flow-through provisions as disclosed in Notes 7 and 8.

**3. Software and Leasehold Improvements**

The following table sets out the changes to the carrying value of software licenses and leasehold improvements:

	<b>Software Licenses</b>	<b>Leasehold Improvements</b>
<b>Balance July 31, 2019</b>	<b>18,204</b>	<b>86,297</b>
Additions	-	-4,794
Amortization	-	-
<b>Balance October 31, 2019</b>	<b>18,204</b>	<b>81,503</b>
<b>Balance July 31, 2020</b>	<b>18,204</b>	<b>28,769</b>
Additions	-	-
Amortization	-	-
<b>Balance October 31, 2020</b>	<b>18,204</b>	<b>28,769</b>

**4. Right of Use and Lease Liability**

	<b>Three-month period ended October 31, 2020 \$</b>	<b>Three-month period ended October 31, 2019 \$</b>
<b>Right of use asset</b>		
<b>Balance, opening</b>	328,660	420,206
<b>Amortization</b>	(24,028)	-
<b>Balance</b>	304,632	420,206
<b>Lease liability</b>		
<b>Balance, opening</b>	300,528	385,964
<b>Lease accretion</b>	5,300	-
<b>Lease payments</b>	(27,604)	-
<b>Balance, closing</b>	278,224	385,964
<b>Current portion</b>	(93,350)	(92,342)
<b>Long term portion</b>	184,874	293,622

On December 12, 2016, the Company signed an office space lease agreement for office space located at 145 Wellington Street West for seven (7) years from January 1, 2017 to December 31, 2023. The Company has a prepaid rent deposit totaling \$41,579, which is included in the right of use asset and amortized over the term of the lease.



**Red Pine Exploration Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements (unaudited)**  
*For the three-month periods ended October 31, 2020 and 2019*

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**5. Mineral Properties**

The Company has ownership interests in the several exploration projects. The Wawa Gold Project is the primary focus of exploration.

The following table summarizes the cumulative exploration and evaluation expenditures the Company has incurred on its mineral properties. The Wawa Gold property expenditures includes all amounts incurred by the joint-venture prior to any prorated recovery from the joint-venture partners.

	<b>Wawa Gold Property</b>	<b>Cayenne Property</b>	<b>Other Properties</b>	<b>Total Properties</b>
	\$	\$	\$	\$
<b>Balance July 31, 2019</b>	40,400,986	6,137,686	8,482,174	55,020,846
Property Acquisition Costs	-	-	-	-
Exploration Expenditures	1,012,174	-	-	1,012,174
<b>Balance – October 31, 2019</b>	41,413,160	6,137,686	8,482,174	56,033,020
Property Acquisition Costs	223,947	-	-	223,947
Exploration Expenditures	1,826,679	-	-	1,826,679
<b>Balance – July 31, 2020</b>	43,463,786	6,137,686	8,482,174	58,083,646
Property Acquisition Costs	-	-	-	-
Exploration Expenditures	384,833	-	-	384,833
<b>Balance – October 31, 2020</b>	43,848,619	6,137,686	8,482,174	58,468,479

During the three-month period ended October 31, 2020:

- a) The Company incurred total acquisition, exploration and evaluation expenditures of \$384,833 on the Wawa Gold property for the three month period ended October 31, 2020 (2019: \$1,012,174).
- b) During the period ended October 31, 2020, the Company’s joint venture partner on the Wawa Gold Project, Citibar L.P. (“Citibar”) did not participate in its share of contributions. Citibar’s participating interest in the project will be decreased proportionately based on a predetermined formula for its non-participation in its share of contributions down to a minimum of 25% at which point further provisions are triggered to account for their non-contribution. Their interest will be diluted further from the current 34.5% ownership interest as at July 31, 2020.

**Wawa Gold Project**

As at October 31, 2020, the Wawa Gold property consisted of 34 unpatented and mining claims and 164 patented and leased mining claims totaling 5,582 contiguous hectares and hosts several past producing mines. The project area is located approximately 2 kilometres east of the Town of Wawa in northern Ontario.

On August 7, 2015, the Company met the conditions to earn its initial 30% interest in the underlying joint venture (the “Wawa Gold JV”), which was owned 30% by Augustine and 40% by Citibar, whereby the Company became the operating manager of the JV. In the fall of 2015, all 34 unpatented mining claims were transferred to a 30/30/40 shared holding to reflect the satisfied earn in agreement. As operating manager:

- a) The Company is entitled to receive project management fees from the JV partners.
- b) The Company shall be reimbursed periodically by the JV partners on a pro rata basis for all exploration expenditures incurred for the benefit of the joint-venture, which are recognized as a reduction of exploration expenditures when invoiced to the JV partners.

**Red Pine Exploration Inc.**

**Notes to Condensed Interim Consolidated Financial Statements (unaudited)**

*For the three-month periods ended October 31, 2020 and 2019*

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On February 3, 2017, the Company completed a plan of arrangement whereby Augustine became a wholly-owned subsidiary resulting in an increase in the ownership to 60% of the Wawa Gold Property

**Red Pine Exploration Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements (unaudited)**  
*For the three-month periods ended October 31, 2020 and 2019*

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**5. Mineral Properties (continued)**

**Cayenne Property**

The Cayenne property consisted of 2 unpatented claims (2 claim units) and 1 lease (62.67 ha) in Genoa Township located approximately 110 kilometers southwest of Timmins, Ontario. The Company owns 100% of the property.

**Algoma-Talisman Property**

The Company has a 100% interest in an Ministry of Natural Resources Ontario patented land package covering approximately 65 square kilometers of fee simple patented mineral rights in Coppell and Newton Townships of the Porcupine Mining Division of Northern Ontario located approximately 110 km southwest of Timmins, Ontario.

**Mortimer Property**

The Company has a 100% interest in a block of 12 contiguous unpatented mining claims covering approximately 2.3 square kilometers in the Dore Township approximately 110 km southwest of Timmins, Ontario. The previous owners retain NSRs ranging between 0.2% and 2% on certain claims and the Company has the option to purchase a portion of these NSRs for various cash payments as specified in the original purchase agreements.

**Mount Logano Property**

The Company held a 100% interest in 1 unpatented mining claim (3 claim units) located approximately 11 km east of the Dome mine in Timmins, Ontario. The claim is subject to a 3% NSR for gold and a 2% NSR for other minerals mined in the Mt. Logano Property. The Company has the right at any time to buy back 50% of the NSR (or 1.50% NSR for gold and 1.00% NSR for all other minerals) for the sum of \$3,000,000.

**Moffatt Property**

The Company has a 100% interest in 4 unpatented mining claims covering 704 hectares located approximately 10 km northwest of Atikokan, Ontario.

**Net Smelter Royalties**

The Company retains a 1.5% Net Smelter Return ("NSR") on approximately 75 square kilometers of claims 20 km east of Goldcorp's Borden Gold project near Chapleau, Ontario. The underlying property package was sold to Probe Mines Ltd. in November 2012.

**Red Pine Exploration Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements (unaudited)**  
*For the three-month periods ended October 31, 2020 and 2019*

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**6. Related Party Transactions and Balances**

Related parties as defined by IAS 24 *Related Party Disclosures* include the members of the Board of Directors, key management personnel and any companies controlled by these individuals. Key management personnel include those persons having authority and responsibility for planning, directing and controlling activities of the Company. Key management personnel for the Company consist of the CEO and CFO.

	<b>Three months ended October 31,</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Short term benefits (1)	35,750	84,795
Share based payments (2)	-	-
	<u>35,750</u>	<u>84,795</u>

(1) Includes salary and professional fees.

(2) Represents the expense of stock options vested during the period

As of October 31, 2020, the following related party balances were outstanding:

Included in amounts receivable is an amount of \$74,963 (October 31, 2019, amount receivable: \$127,778) related to exploration, rent and general & administrative charges from companies under common management. The Companies share the services of certain senior officers along with other administrative services including office rental.

Insiders of the Company acquired a total of 5,546,427 units in the financing that closed December 31, 2019.

**Red Pine Exploration Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements (unaudited)**  
*For the three-month periods ended October 31, 2020 and 2019*

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**7. Provision for Flow-Through Shares**

During the year ended July 31, 2015, the Company recorded a contingent provision of \$200,000 to recognize the obligation to flow-through subscribers of the 2011 series, which was calculated using a 35% combined rate applied against the estimated CEE shortfall.

Based on the results of a CRA audit completed in March 2016 of qualified CEEs incurred during the years ended December 31, 2011 and 2012, it was determined there was a shortfall of \$227,592 and \$526,743 for the 2011 and 2012 F/T series, respectively. As a result, the total provisions for the obligations to flow-through subscribers were increased by \$64,000 during the year ended July 31, 2016.

The following table sets out the changes to the provision for the obligation to flow-through subscribers:

<b>Financing Series</b>	<b>2010 F/T Series with CEE Commitments to the Calendar Year Ending December 31, 2011 \$</b>	<b>2011 F/T Series with CEE Commitments to the Calendar Year Ending December 31, 2012 \$</b>	<b>Total Provision</b>
<b>Balance – October 31, 2019 and July 31, 2020</b>	<b>42,429</b>	<b>68,447</b>	<b>110,876</b>
Change in flow-through provision	(10,405)	(16,785)	(27,190)
<b>Balance –October 31, 2020</b>	<b>32,024</b>	<b>51,662</b>	<b>83,686</b>

During the three-month period ended October 31, 2020 and 2019, \$nil settlements occurred.

**Red Pine Exploration Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements (unaudited)**  
*For the three-month periods ended October 31, 2020 and 2019*

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## **8. Share Capital**

### *a) Common Shares*

The authorized share capital consists of an unlimited number of common shares. The common shares have no par value. As at October 31, 2020, the Company had 477,222,387 issued and outstanding common shares (July 31, 2019: 369,230,322). All issued and outstanding common shares are fully paid.

On December 31, 2019 the Company sold an aggregate of (i) 25,892,850 units (the “FT Units”) comprised of one “flow-through” common share (a “FT Share”) of the Company and one-half of one non-flow-through common share purchase warrant (each whole warrant, a “Warrant”) at a price of C\$0.035 per FT Unit for gross proceeds of C\$906,250 and (ii) 82,099,214 non-flow-through units of the Company (the “Non-FT Units” and together with the FT Units, the “Securities”) with each Non-FT Unit being comprised of one common share (issued on a non-“flow-through” basis) and one whole Warrant, at a price of C\$0.035 per Non-FT Unit for gross proceeds of C\$2,873,472, for aggregate gross proceeds to Red Pine in the Offering of C\$3,779,722. Each whole Warrant is exercisable to acquire one common share at a price of C\$0.05 per share for a period of 24 months following the closing date of the Offering. Each FT Share partially comprising the FT Units has been issued on a “flow-through” basis within. A total of 95,045,639 warrants were issued with an estimated value of \$532,256 using Black-Scholes model with the following assumptions: risk-free rate, 2.01%, dividend yield 0%, expected volatility of 47.82% and an expected life of 2 years. In connection with the financing, the Company issued 6,479,523 compensation options to the agent. Each agent compensation option is exercisable to acquire one Non-FT Unit at a price of C\$0.05 per unit for a period of 24 months. The agent consideration options had an estimated value of \$72,571 using Black-Scholes model with the following assumptions: risk-free rate, 2.01%, dividend yield 0%, expected volatility of 47.82% and an expected life of 2 years. The value of the flow-through share premium was \$72,500 and share issuance costs were \$323,008.

**Red Pine Exploration Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements (unaudited)**  
*For the three-month periods ended October 31, 2020 and 2019*

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**8. Share Capital (continued)**

*(b) Stock Options*

The Company has a stock option plan (the “Plan”) pursuant to which the Company’s Board of Directors may grant incentive stock options to directors, officers, employees and consultants at the discretion of the Board of Directors. The exercise price and vesting period of any option is fixed by the Board of Directors on the date of grant, in accordance with applicable stock exchange or other regulatory requirements, if applicable. The maximum aggregate number of common shares under option at any time under the Plan cannot exceed 10% of the issued shares.

All outstanding stock options vested immediately upon issuance.

The following schedule details stock options outstanding as at October 31, 2020:

<b>Expiry</b>	<b>Exercise Price</b>	<b>Outstanding October 31, 2020</b>	<b>Remaining life (years)</b>
April 5, 2021	0.080	150,000	0.43
April 6, 2022	0.120	2,475,000	1.43
April 11, 2022	0.120	3,420,000	1.44
February 9, 2021	0.070	300,000	0.28
August 10, 2023	0.060	2,650,000	2.78
June 20, 2022	0.060	6,312,500	1.64
December 31, 2021	0.050	6,479,523	1.17
Balance, October 31, 2020	0.074	21,787,023	1.55

Below is a summary of changes to stock options for the period ended October 31, 2020:

	<b>Number</b>	<b>Weighted average exercise price</b>
<b>Outstanding, July 31, 2020</b>	23,662,023	\$ 0.072
<b>Granted</b>	-	-
<b>Exercised</b>	-	-
<b>Expired</b>	(1,875,000)	(0.055)
<b>Outstanding, October 31, 2020</b>	21,787,023	\$ 0.074

Below is a summary of changes to stock options for the period ended October 31, 2019:

	<b>Number</b>	<b>Weighted average exercise price</b>
<b>Outstanding, July 31, 2019</b>	18,262,500	\$ 0.072
<b>Granted</b>	-	-
<b>Exercised</b>	-	-
<b>Expired</b>	-	-
<b>Outstanding, October 31, 2019</b>	18,262,500	\$ 0.072

**Red Pine Exploration Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements (unaudited)**  
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**8. Share Capital (Continued)**

The following is a continuity schedule for the warrants outstanding as at October 31, 2020:

<b>Expiry</b>	<b>Exercise Price</b>	<b>Outstanding</b>	<b>Remaining life (years)</b>
December 29, 2020	0.150	12,360,000	0.16
December 29, 2020	0.105	1,014,000	0.16
December 19, 2020	0.075	2,380,000	0.13
December 20, 2020	0.075	6,170,000	0.14
December 21, 2020	0.075	5,200,000	0.14
December 28, 2020	0.075	4,940,000	0.16
February 11, 2021	0.075	500,000	0.28
December 12, 2020	0.050	105,000	0.12
December 12, 2020	0.050	910,000	0.12
December 19, 2020	0.050	7,000	0.13
December 19, 2020	0.050	32,200	0.13
December 7, 2020	0.050	163,800	0.10
December 12, 2020	0.050	70,000	0.12
December 31, 2021	0.050	95,045,639	1.17
Balance, October 31, 2020	0.064	128,897,639	0.90

Below is a summary of changes to warrants for the period ended October 31, 2020:

	<b>Number</b>	<b>Weighted average exercise price</b>
<b>Outstanding, July 31, 2020</b>	128,897,639	\$ 0.06
<b>Granted</b>	-	-
<b>Exercised</b>	-	-
<b>Expired</b>	-	-
<b>Outstanding, October 31, 2020</b>	128,897,639	\$ 0.06

Below is a summary of changes to warrants for the period ended October 31, 2019:

	<b>Number</b>	<b>Weighted average exercise price</b>
<b>Outstanding, July 31, 2019</b>	70,409,933	\$ 0.06
<b>Granted</b>	-	-
<b>Exercised</b>	-	-
<b>Expired</b>	(121,600)	0.07
<b>Outstanding, October 31, 2019</b>	70,288,333	\$ 0.06



**Red Pine Exploration Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements (unaudited)**  
*For the three-month periods ended October 31, 2020 and 2019*

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**9. Commitments**

**(a) Lease and Sublease Commitments**

The Company had an office space lease agreement located at 141 Adelaide Street West from August 15, 2014 to August 14, 2019 and signed a sublease agreement with a third-party tenant whereby the Company received sublease payments for the period from March 1, 2015 to March 1, 2020. The sublease payments are recognized as a reduction of General and Administrative expenses on the Condensed Interim Consolidated Statements of Loss and Comprehensive Loss. A security deposit totalling \$17,281 representing the last months rent was received from the subtenant and was reported as a long-term liability on the Condensed Interim Consolidated Statements of Financial Position. As the sublease agreement has now expired, the rental deposit repaid representing the last months rent.

**(b) Flow through shares**

The Company committed to incur, on a best-efforts basis, by December 31, 2020, \$906,250 in qualifying resource expenditures pursuant to a private placement for which flow-through proceeds have been received. The Company filed its renunciation forms in December 2019. As at October 31, 2020, the Company had incurred its expenditure commitment.

**Red Pine Exploration Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements (unaudited)**  
*For the three-month periods ended October 31, 2020 and 2019*

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## **10. Capital Management**

As at October 31, 2020, the Company had a working capital surplus of \$82,181 (July 31, 2020: surplus \$604,550) and an accumulated deficit of \$69,743,045 (July 31 2020: \$ 69,237,900). The Company had a net loss from operations for the three-month period ended October 31, 2020 of \$505,145 (October 31, 2019: \$1,202,365).

There were no changes in the Company's approach to capital management during the three-month period ended October 31, 2020.

In managing liquidity, the Company's primary objective is to ensure the entity can continue as a going concern while raising additional funding to meet its obligations as they come due. The Company's operations to date have been funded by issuing equity. The Company expects to improve the working capital position by securing additional financing.

The Company's investment policy is to invest excess cash in very low risk financial instruments such as term deposits or by holding funds in high yield savings accounts with major Canadian banks. Financial instruments are exposed to certain financial risks, which may include currency risk, credit risk, liquidity risk and interest rate risk.

The Company's mineral property interests are all in the exploration stage, as such the Company is dependent on external financing to fund its exploration activities and administrative costs. Management continues to assess the merits of mineral properties on an ongoing basis and may seek to acquire new properties or to increase ownership interests if it believes there is sufficient geologic and economic potential.

Management mitigates the risk and uncertainty associated with raising additional capital in current economic conditions through cost control measures that minimizes discretionary disbursements and reduces exploration expenditures that are deemed of limited strategic value.

The Company manages the capital structure (consisting of shareholders' deficiency) on an ongoing basis and adjusts in response to changes in economic conditions and risks characteristics of its underlying assets. Adjustments to the Company's capital structure may involve the issuance of new shares, assumption of new debt, acquisition or disposition of assets, or adjustments to the amounts held in cash, cash equivalents and short-term investments.

The Company is not subject to any externally imposed capital requirements other than flow-through spending commitments (note 9).

## **11. Financial Instrument Risk Factors**

The following disclosures are to enable users of the condensed interim consolidated financial statements to evaluate the nature and extent of risks arising from financial instruments at the end of the reporting period:

### ***a) Credit risk***

The Company's credit risk is the risk of counterparty default on cash and cash equivalents held on deposit with financial institutions. The Company manages this risk by ensuring that deposits are only held with large Canadian banks and financial institutions. The amount receivable is primarily HST due from the Canadian government and receivables from related parties (see note 6).

### ***b) Liquidity risk***

The Company's liquidity risk is the risk that the Company has insufficient funds to settle its contractual financial liabilities. The Company manages this risk through a budgeting process that ensures sufficient funds are available as contractual cash flows become due.

As at October 31, 2020, the Company had a cash and cash equivalents balance of \$310,378 (July 31, 2020: \$647,920) to settle current liabilities of \$443,238 (July 31, 2020: \$527,781).

While the Company has been successful in obtaining required funding in the past, there is no assurance that future financings will be available. Refer to going concern note 1.

## **11. Financial Instrument Risk Factors (continued)**

### *c) Market risks*

The Company's market risk arises from changes in interest rates and commodity prices that could have an impact on profit and loss. This includes:

- Interest rate risk, is the sensitivity of the fair value or of the future cash flows of a financial instrument to changes in interest rates. The Company does not have any financial assets or liabilities that were subject to variable interest rates.
- Commodity price risks, particularly with respect to gold, is the sensitivity of the fair value of, or of the future cash flows, from mineral assets. The Company manages this risk by continually monitoring base and precious metal prices and commodity price trends to determine the appropriate timing for funding the exploration or development of its mineral assets, or for the acquisition or disposition of mineral assets. The Company does not have any mineral assets at the development or production stage carried at historical cost. The Company has expensed the acquisition and exploration costs of its exploration stage mineral assets.
- Marketable securities risk, is the sensitivity of the fair value of marketable securities to supply and demand for marketable securities. The Company manages this risk by continually monitoring the market pricing and trends of its portfolio of securities to determine the appropriate timing to complete any acquisitions or dispositions. The Company has determined the marketable securities risk at period-end is minimal.
- Currency risk, is the sensitivity of the fair value or of the future cash flows of financial instruments to changes in foreign exchange rates. The Company does not have any financial assets or liabilities that were subject to variable foreign exchange rates and as such the Company is not subject to currency risk.