Red Pine Exploration Inc.

Condensed Interim Consolidated Financial Statements

For the Three and Six Months Ended January 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

Notice to Reader of Condensed Interim Consolidated Financial Statements

Under National Instrument 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 the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated 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.

Red Pine Exploration Inc.
Condensed Interim Consolidated Statements of Financial Position

(Unaudited, expressed in Canadian Dollars)

	Note	**January 31, 2022**	**July 31, 2021**
Assets		*(Unaudited)*	*(Audited)*
Current			
Cash		**$ 10,155,019**	$ 2,167,354
Restricted cash	5	**315,000**	315,000
Marketable securities		**2,500**	2,500
Amount receivable	7	**210,736**	169,997
Prepaid expenses		**762,105**	1,009,069
Total current assets		**11,445,360**	3,663,920
Non-current assets			
Perpetual software licenses	3	**18,204**	18,204
Restricted cash	6	**315,000**	315,000
Buildings and equipment	3	**391,938**	30,353
Right of use asset	4	**184,470**	232,547
Leasehold improvement	3	**4,694**	16,732
Total non-current assets		**914,306**	612,836
Total assets		**$ 12,359,666**	$ 4,276,756
Liabilities			
Current			
Accounts payable and accrued liabilities		**$ 660,863**	$ 301,261
Lease liability	4	**102,155**	98,538
Deferred flow-through premium	9	**1,465,863**	647,077
Asset retirement obligation	6	**240,000**	290,000
Total current liabilities		**2,468,882**	1,336,876
Long term lease liability	4	**58,310**	111,532
Total liabilities		**2,527,192**	1,448,408
Shareholders' equity			
Share capital	8	**88,776,446**	77,965,726
Contributed surplus		**8,622,423**	8,353,340
Warrant reserve		**1,484,682**	1,888,622
Accumulated deficit		**(89,051,077)**	(85,379,340)
Total shareholders' equity		**9,832,474**	2,496,228
Total liabilities and shareholders' equity		**$ 12,359,666**	$ 4,276,756

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)

Approved on behalf of the board

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Paul Martin, Director Quentin Yarie, Director

Red Pine Exploration Inc.
Condensed Interim Consolidated Statements of Comprehensive Loss

(Unaudited, expressed in Canadian Dollars)

	Notes	Three months ended January 31 2022	Three months ended January 31 2021	Six months ended January 31 2022	Six months ended January 31 2021
Expenses					
Depreciation and amortization	3,4	$ 135,511	$ 24,029	**$ 174,356**	$ 48,057
Gain on disposal of equipment	3	(30,626)	-	**(30,626)**	-
Exploration expenditures	5	2,595,754	181,221	**4,300,471**	566,054
Exploration property sale proceeds	5	-	-	**(1,050,000)**	-
Foreign exchange loss (gain)		(228)	-	**465**	589
General and administrative		340,677	54,097	**484,778**	67,055
Interest expense (income)		1,891	(442)	**697**	(337)
Lease accretion	4	1,544	5,300	**5,605**	10,600
Payroll and professional fees		243,911	147,144	**378,205**	251,664
Share-based compensation	8	124,026	-	**269,083**	-
Total expense		3,416,459	384,159	**4,140,752**	889,303
Other income					
Flow-through share premium	9	527,916	27,190	**861,296**	54,380
Total other income		527,916	27,190	**861,296**	54,380
Net loss and comprehensive loss		$ (2,884,544)	$ (384,159)	**$(3,671,737)**	$ (889,302)
Basic and diluted loss per share		$ (0.03)	$ (0.01)	**$ (0.04)**	$ (0.02)
Weighted average number of common shares outstanding		110,589,114	47,722,239	**103,254,255**	47,722,239

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)

	For six months ended January 31	
	2022	**2021**
Operations		
Net loss and comprehensive loss	**$ (3,671,737)**	$ (889,303)
Adjustment for non-cash items:		
Depreciation and amortization	**174,356**	48,057
Change in deferred flow-through premium	**(861,296)**	(54,380)
Gain on disposal of assets	**(30,626)**	-
Lease accretion	**5,605**	10,600
Rental deposit	**-**	(17,281)
Stock-based compensation	**269,082**	-
	(4,114,616)	(902,307)
Net changes in non-cash working capital		
Amount receivable	**(40,739)**	320,289
Prepaid expenses	**246,964**	37,250
Accounts payable and accrued liabilities	**359,604**	89,391
Payment of asset retirement obligations	**50,000**	-
Net cash used in operating activities	**(3,598,787)**	(455,376)
Investing activities		
Building and equipment additions	**(475,825)**	-
Building and equipment disposals proceeds	**30,626**	-
Net cash used in investing activities	**(445,191)**	-
Financing activities		
Proceeds from private placements	**8,400,405**	-
Proceeds from warrant exercise	**4,299,812**	-
Share issue costs	**(613,356)**	-
Lease payments	**(55,210)**	(55,209)
Net cash generated (used) in financing activities	**12,031,651**	(55,209)
Net (Decrease) in cash	**7,987,665**	(510,136)
Cash at the beginning of period	**2,167,354**	647,920
Cash at end of period	**$ 10,155,019**	**$ 137,335**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Red Pine Exploration Inc.
Condensed Interim Consolidated Statements of Changes in Equity
As at January 31, 2022 and July 31, 2021

(Unaudited, expressed in Canadian Dollars)

	Shares[1] Number	Share Capital $	Contributed Surplus $	Warrant Reserve $	Accumulated Deficit $	Shareholders Equity $
Balance, July 31 2021	95,919,397	77,965,726	8,353,340	1,888,622	(85,379,340)	2,496,226
Net loss for the period	-	-	-	-	(3,671,737)	(3,671,737)
Private placement	12,923,700	8,400,405	-	-	-	8,400,405
Fair value of flow through premium		(1,680,081)	-	-	-	(1,680,081)
Cost of issue		(613,356)	-	-	-	(613,356)
Fair value of broker warrants issued		(188,827)	-	188,827	-	-
Share based compensation	-	-	269,083	-	-	269,083
Warrants exercised	8,599,623	4,817,683	-	(517,871)	-	4,299,812
Fair value of warrants expired		74,896	-	(74,896)	-	-
Balance, January 31, 2022	**117,442,720**	**88,776,446**	**8,622,423**	**1,484,682**	**(89,051,077)**	**9,832,474**
Balance, July 31 2020	**47,722,233**	**59,993,157**	**8,116,146**	**1,882,653**	**(69,237,900)**	**754,056**
Loss for the period					(889,303)	(889,303)
Fair value of warrants expired	-	1,276,217	-	(1,276,217)	-	-
Balance, January 31 2021	**47,722,233**	**77,965,726**	**8,116,146**	**606,436**	**(70,127,203)**	**135,247**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

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 for the six months ended January 31, 2022 (the "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 January 31, 2022, the Company had cash of $10,155,019 (July 31, 2021: $2,167,354) and an accumulated deficit of $89,051,077 (July 31, 2021: $85,379,340) and for the six months ended January 31, 2022 had net cash used in operating activities of $3,598,787 (six months ended January 31, 2021 - $455,376). Cash increased in the period primarily due to proceeds from a private placement in November 2021 and the exercise of warrants in November and December 2021.

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 identified economically recoverable minerals. These conditions indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory, environmental and social licensing requirements. The Company's assets may also be subject to increases in taxes and royalties and renegotiation of contracts.

The Company's operations and its ability to finance its operations could be significantly adversely affected by the effects of COVID-19. During the past two years, a number of mining operations and projects were suspended or delayed. The Government of Ontario announced further easing of COVID-19 restrictions effective March 21, 2022, which is expected to improve the operating environment and access to supplies and services. The Company cannot accurately predict the impact COVID-19 will have on its operations, including the ability of others to meet their obligations with the Company and government imposed restrictions to address COVID-19,

These 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 Financial Statements. Such adjustments could be material.

2. Significant Accounting Policies

(a) Statement of compliance

These Financial Statements have been prepared in accordance and comply with IAS 34, Interim Financial Reporting using accounting policies 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"). They do not include all information required for annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended July 31, 2021. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes to the Company's financial position and performance since the last audited annual consolidated financial statements.

The Financial Statements were approved by the Board of Directors on March 31, 2022.

(b) Basis of presentation

These 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 Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Basis of consolidation

These Financial Statements include the accounts of the Company and its wholly owned subsidiaries, Augustine Ventures Inc., 874253 Ontario Ltd., and Wawa GP. All intercompany balances and transactions have been eliminated.

(d) Significant accounting judgements and estimates

The preparation of the Financial Statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expense. In management's opinion, all adjustments considered necessary for a fair presentation have been included in the Financial Statements. Interim results are not necessarily indicative of the results expected for the financial year. Actual annual results may differ from interim estimates. The significant judgements made by management applied in the preparation of the Financial Statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended July 31, 2021, except for the change in accounting policy related to flow-trough shares described below. For a description of the Company's critical accounting estimates and assumptions, please refer to the Company's audited financial statements and related notes for the year ended July 31, 2021.

Change in Accounting Policy - Flow-Through Shares

Upon the issuance of flow-through shares ("FT Shares"), the Company records the initial proceeds to share capital, net of tax liability, if any. The flow-through share premium liability on the statement of financial position represents the premium of the financing price in excess of the market share price on the date of the flow-through share financing. As the Company incurs eligible Canadian Exploration Expenditure ("CEE")to meet flow-through requirements, a corresponding flow-through share premium recovery is recognized in the statement of loss. In prior financial statements, the Company deferred the recognition of the flow-through share premium until the CEE was renounced and after the CEE was incurred.

The retrospective change in accounting policy did not impact the three and six month periods ended January 31, 2021. The impact of the change in accounting policy for the remaining six months of the year ended July 31, 2021 and for the three months ended October 31, 2021 are summarized below:

Consolidated Statements of Financial Position	**Previously Reported at July 31, 2021 $**	**Policy Change Impact $**	**Adjusted at July 31, 2021l $**
Deferred flow-through premium	979,199	(332,122)	647,077
Accumulated deficit	(85,711,462)	332,122	(85,379,340)

Consolidated Statement of Loss and Comprehensive Loss	**Previously Reported Year Ended July 31, 2021 $**	**Policy Change Impact $**	**Adjusted Year Ended July 31, 2021 $**
Change in flow-through premium	110,876	332,122	442,998
Loss and comprehensive Loss	(16,473,562)	332,122	(16,141,440)

Consolidated Statement of Cash Flow	**Previously Reported Year Ended July 31, 2021 $**	**Policy Change Impact $**	**Adjusted Year Ended July 31, 2021 $**
Loss and comprehensive loss	(16,473,562)	332,122	(16,141,440)
Change in flow-through premium	110,876	332,122	442,998
Net cash used in operating activities	(16,768,862)	-	(16,768,862)

2. Significant Accounting Policies (continued)

(d) Significant accounting judgements and estimates (continued)

Consolidated Statements of Financial Position	Previously Reported at October 31, 2021 $	Policy Change Impact $	Adjusted at October 31, 2021 $
Deferred flow-through premium	979,199	(665,502)	313,697
Accumulated deficit	(85,711,462)	665,502	(86,166,534)

Consolidated Statement of Loss and Comprehensive Loss	Previously Reported 3 Months Ended October 31, 2021 $	Policy Change Impact $	Adjusted 3 Months Ended October 31, 2021 $
Change in flow-through premium	-	330,380	333,380
Loss and comprehensive Loss	(1,120,574)	330,380	(787,194)

Consolidated Statement of Cash Flow	Previously Reported 3 Months Ended October 31, 2021 $	Policy Change Impact $	Adjusted 3 Months Ended October 31, 2021 $
Loss and comprehensive loss	(1,120,574)	330,380	(787,194)
Change in flow-through premium	-	330,380	330,380
Net cash used in operating activities	(787,133)	-	(787,133)

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 Financial Statements relate to the following:

Going concern

The preparation of the 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.

3. Buildings and equipment, Perpetual Software Licenses and Leasehold Improvements

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

	Buildings and Equipment $	Perpetual Software Licenses $	Leasehold Improvements $	Total $
Cost				
Balance, July 31 2020	67,743	18,204	134,238	220,185
Additions	33,133	-	-	33,133
Balance, July 31, 2021	100,876	18,204	134,238	**253,318**
Additions	475,825	-	-	475,825
Disposals	(35,138)	-	-	(35,138)
Balance, January 31, 2022	**541,563**	**18,204**	**134,238**	**694,005**
Accumulated depreciation and amortization				
Balance, July 31 2020	(67,743)	-	(105,470)	(173,213)
Depreciation and amortization	(2,780)	-	(12,036)	(14,817)
Balance, July 31, 2021	(70,523)	-	(117,506)	(188,029)
Depreciation and amortization	(10,327)	-	(12,038)	(22,365)
Disposals	35,138	-	-	35,138
Balance, January 31, 2022	**(149,625)**	**-**	**(129,544)**	**(279,169)**
Net book value				
As at July 31, 2021	30,353	18,204	16,732	65,289
As at January 31, 2022	**391,938**	**18,204**	**4,694**	**414,836**

In the three months ending January 31, 2022, the Company disposed of a fully depreciated vehicle and received insurance proceeds of $30,626.

4. Right of Use Asset and Lease Liability

The following table sets out the changes to the carrying value of right of use asset and lease liability:

	Six months ended January 31, 2022	Year ended July 31, 2021
Right of use asset		
Balance, opening	**$ 232,547**	$ 328,660
Amortization	**(48,077)**	(96,113)
Balance period end	**184,470**	232,547
Lease liability		
Balance, opening	**210,070**	300,527
Lease accretion	**5,605**	19,961
Lease payments	**(55,210)**	(110,418)
Balance, period end	**160,465**	210,070
Current portion lease liability	**102,155**	98,538
Long term portion lease liability	**58,310**	111,532

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 future lease payments of $170, 057 and a prepaid rent deposit of $41,579, which is included in the right of use asset and amortized over the term of the lease.

5. Mineral Properties

The Company has ownership interests in 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 prior to any prorated recovery from the previous joint-venture partner.

	Wawa Gold Property $	Cayenne Property $	Other Properties $	Total Properties $
Balance, July 31 2020	43,463,786	6,137,686	8,482,174	58,083,646
Property acquisition costs	12,424,315	-	-	12,424,315
Exploration expenditures	2,654,250	-	-	2,654,250
Balance, July 31, 2021	**58,542,351**	**6,137,686**	**8,482,174**	**73,162,211**
Property acquisition costs	-	-	-	-
Property sales			(1,050,000)	(1,050,000)
Exploration expenditures	4,300,471	-	-	4,300,471
Balance, January 31, 2022	**62,842,822**	**6,137,686**	**7,432,174**	**76,412,682**

5. Mineral Properties (continued)

The following table summarizes the exploration expenditures:

Exploration expenditures	Three Months Ended January 31, 2022	Six Months Ended January 31, 2022	Year Ended July 31, 2021
Camp costs	101,513	227,960	447,047
Closure costs, including asset	20,290	-	335,645
Compensation	526,440	861,092	558,786
Drilling, assays and analysis	1,649,225	2,585,394	821,685
Equipment costs	222,634	419,633	213,503
Land management	75,652	186,102	277,584
Exploration Expenditures[a]	2,595,754	4,300,471	2,654,250

- *Excludes property acquisitions and sales*

During the six months ended January 31, 2022, the Company incurred total exploration and evaluation expenditures, excluding property sales and acquisitions, of $4,300,471 on the Wawa Gold property (six months ended January 31, 2021: $566,054).

On August 20, 2021, the Company sold its Algoma-Talisman property located in Northern Ontario to Newton Gold Corp. (“Newton”) for $1,050,000 in cash, which was payable in two installments. A $550,000 installment was received in August, 2021 and the balance was received on October 28, 2021. In addition, Newton granted a net smelter royalty of 1.5% (the “Royalty”) from mineral production on the Property to Red Pine, which can be repurchased by Newton for CAD $500,000.

Wawa Gold Project

This property, comprised of over 6,800 hectares, hosts several former smaller scale mining operations which is located approximately 2 kilometers east of the Town of Wawa in northern Ontario.

On March 30, 2021, the Company completed the consolidation of the Wawa Gold Project. As a result, Red Pine now holds a 100% ownership interest in the Wawa Gold Project.

As part of the 100% consolidation of the Wawa Gold Project, the Company’s previous joint venture partner retained a 2% net smelter return royalty on production from the Wawa Gold Project, of which 1.5% of the 2% NSR is subject to a buyback for a total cost of $1.75 million. The Company also had to put in placed an environmental bond of $315,000 which was previously provided by Citibar L.P. Until such time as the Government of Ontario accepts the Company’s environmental bond the Company has secured the current environmental bond placed by Citibar L.P. with an equivalent amount of cash, included as restricted cash.

5. Mineral Properties (continued)

Cayenne Property

The Cayenne property consists of 2 cell claims (70.1 ha) and 1 lease (62.67 ha) in Genoa Township located approximately 110 kilometers southwest of Timmins, Ontario. The Company owns 100% of the property.

Mortimer Property

The Company has a 100% interest in a block of 12 cell claims covering approximately 284.77 ha 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.

Fern Elizabeth Property

The Company has a 100% interest in 55 cell claims covering 1,075 hectares located approximately 10 km northwest of Atikokan, Ontario.

Rand Garrison

The Company has a 100% interest in 22 cell claims covering 277 hectares located approximately 46 kilometers west of Matheson and 50 kilometers north of Kirkland Lake.

Net Smelter Royalties

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

6. Asset retirement obligation

The present value of restoration liabilities relating to the Company's Wawa gold property was estimated at $240,000 at January 31, 2022 ($290,000 at July 31, 2021). This amount represents the gross amount expected to be incurred and given the estimated timing of incurring the expenditure is less than one year, the amount has not been discounted. $50,000 was paid in January 2022 towards the restoration. The amounts are subject to measurement uncertainty with respect to estimated costs and the actual timing of reclamation.

Related to the restoration liabilities, the Company was also obligated to issue a Letter of Credit in favour of the Government of Ontario in the amount of $315,000 which has been which has been secured with cash and recorded as long term restricted cash.

7. 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.

7. Related Party Transactions and Balances (continued)

	Three months ended January 31, 2022	Three months ended January 31, 2021	Six months ended January 31, 2022	Six months ended January 31, 2021
Compensation(1)	$230,089	$35,749	$344,312	$71,499
Share based compensation(2)	82,595	-	182,291	-
Total	**$312,684**	**$35,749**	**$526,603**	**$71,499**

(1) Includes professional fee, salary, and health benefits and severance paid to a former officer.

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

As of January 31, 2022, the following related party balances were outstanding:

Included in amount receivable is $27,990 (July 31, 2021, $3,512) related to exploration, rent and general & administrative charges from a company with a shared director. The companies also share the services of certain senior officers along with other administrative services including office rental.

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 January 31, 2022, the Company had 117,442,720 issued and outstanding common shares (July 31, 2021: 95,919,403). All issued and outstanding common shares are fully paid.

The Company received, from October 31, 2021 through December 31, 2021, notice of the exercise of 8,599,623 warrants at the exercise price of $0.50 per common share, resulting in the issuance of 8,599,623 common shares for gross proceeds of $4,299,812 and the reclassification of $517,871 from warrant reserve to share capital. On December 31, 2021, 1,334,322 warrants expired.

On November 18, 2021, the Company closed a private placement consisting of 12,923,700 flow-through shares of the Company (the "FT Shares") at a price of C$0.65 per FT Share, such FT Shares qualifying as "flow-through shares" (within the meaning of subsection 66(15) of the Income Tax Act (Canada)), for aggregate gross proceeds of C$8,400,405. The flow through premium over the market price of $0.52 per common share on the closing date was $1,680,081.

In connection with the FT Shares financing, the Company paid agents commission of 6% of the gross proceeds and it issued 647,952 compensation options to the agent. Each agent compensation option is exercisable to acquire one common share at a price of C$0.50 per unit for a period of 24 months. The agent consideration options had an estimated value of $188,827 using Black-Scholes model with the following assumptions: risk-free rate, 0.98%, dividend yield 0%, expected volatility of 85% and an expected life of 2 years. The value of the flow-through share premium was $1,680,081 and share issuance costs were $613,356.

Effective March 15, 2021 the Company completed a 10:1 share consolidation resulting in the issuance of one new Common Share to replace every ten old common shares. The Company continues to trade under the symbol “RPX” on the TSX Venture Exchange (the “TSXVE”). Prior to the Consolidation there were 477,222,387 Common Shares outstanding. After giving effect to the Consolidation there were 47,722,239

8. Share Capital (continued)

a) Common Shares (continued)

Common Shares outstanding. The 10:1 share consolidation was applied retrospectively to the number of the Company's common shares, warrants and stock options.

On March 23, 2021, the Company completed by way of a subscription receipts financing on March 23, 2021, for gross proceeds of $20.0 million (net proceeds of $18.6 million) per the terms of a definitive securities purchase agreement to acquire the remaining 36.69% interest in the Wawa Gold Project that it did not own and to fund working capital and exploration funding (the "Transaction"). The proceeds were placed in escrow with the Company's transfer agent and were released on March 31, 2021 upon satisfaction of the escrow release conditions. On March 30, 2021, 37,567,400 subscription receipts of the Company were each automatically exercised for one common share of the Company at a price of $0.40 and 5,555,212 tranche 1 flow-through subscription receipts of the Company at a price of $0.45 (the "Tranche 1 FT Subscription Receipts") and 4,496,404 tranche 2 flow-through subscription receipts of the Company at a price of $0.556 (the "Tranche 2 FT Subscription Receipts" and together with the Tranche 1 FT Subscription Receipts, the "FT Subscription Receipts") were each automatically exercised for the right (each, a "Right") to subscribe for one common share of the Company that qualifies as "flow through" share within the meaning of the *Income Tax Act* (Canada) pursuant to subscription and renunciation agreements entered into by the Company and the subscribers of the FT Subscription Receipts following the issuance of the Rights. Following the transactions described above, a total of 47,619,016 common shares have been issued in connection with the Financing. Total gross proceeds raised was $20,026,805 with $979,199 allocated to the flow-through provision. A portion of the net proceeds of the financing were used to satisfy the cash portion of the Purchase Price of the Transaction (note 5). In connection with the financing, the Company issued compensation warrants equal to 6% of the securities sold in the Offering, or 2,825,640 compensation warrants with a fair value of $1,296,106, to the agents in the Offering with each such compensation warrant being exercisable to acquire one common share of the Company for a period of 24 months following the issuance thereof at a price of $0.40 per share and paid cash commissions of a total of $1,189,008 to the agents and share issue costs of $230,237.

In connection with the Transaction, the Company paid a cash fee of $400,000 and issued 226,244 common shares at a price of $0.65 per share for a fair value of $147,059 based on the market price on date of issuance pursuant to a financial advisory services agreement. The cash fee and common shares issued were expensed on the consolidated statement of loss and comprehensive loss for the year ended July 31, 2021.

On December 31, 2019 the Company sold an aggregate of (i) 2,589,285 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$0.35 per FT Unit for gross proceeds of C$906,250 and (ii) 8,209,921 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$0.35 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$0.50 per share for a period of 24 months following the closing date of the Offering, or by December 31, 2021. Each FT Share partially comprising the FT Units has been issued on a "flow-through" basis within.

8. Share Capital (continued)

b) Common Shares (continued)

A total of 9,504,564 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 647,952 compensation options to the agent. Each agent compensation option is exercisable to acquire one Non-FT Unit at a price of C$0.50 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.

(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.

Options granted on April 14, 2021 and thereafter are exercisable for a period of five years from the date of the grant and vest at a rate of 1/36 per month for 36 months until the options are fully vested.

The following schedule details stock options outstanding as of January 31, 2022:

Expiry Date	Exercise Price	Options Outstanding	Remaining Life in Years	Options Exercisable
April 6, 2022	$ 1.20	102,500	0.18	102,500
April 11, 2022	1.20	212,800	0.19	212,800
June 20, 2022	0.60	546,250	0.38	546,250
August 10, 2023	0.60	159,000	1.52	159,000
April 14, 2026	0.73	2,292,221	4.20	573,055
June 1, 2026	0.76	150,000	4.33	29,167
October 1, 2026	0.60	100,000	4.67	8,333
December 15, 2026	0.52	150,000	4.87	4,167
January 25, 2027	0.47	1,869,000	4.99	-
Balance, January 31, 2022	**$0.646**	**5,581,771**	**3.06**	**1,635,272**

8. Share Capital (continued)

(b) Stock Options (continued)

Movements in the stock options are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, July 31 2020	1,718,250	$ 0.72
Granted	2,620,000	0.73
Exercised	(50,000)	0.60
Cancelled	(460,000)	0.85
Expired	(187,500)	0.55
Balance, July 31, 2021	**3,640,550**	$ 0.692
Granted	2,119,000	0.48
Cancelled	(177,779)	0.73
Balance, January 31, 2022	**5,581,771**	**$ 0.646**

On April 14, 2021, 2,470,000 stock options were granted to certain directors, officers, and employees of the Company. Each option vests 1/36 on each month starting one month from grant date until the number of stock options are fully vested. The fair value of the 2,470,000 options granted was $856,801. The options have been valued using Cox, Ross, and Rubenstein binomial tree with the following assumptions: expected dividend yield of 0%; share price of $0.72; expected volatility of 60.43%; risk free rate of 0.95% and a forfeiture rate of 2%. The stock options are being expensed over the 36-month vesting period.

On June 1, 2021, 150,000 stock options were granted to directors and consultants of the Company. Each option vests 1/36 on each month starting one month from grant date until the number of stock options are fully vested. The fair value of the 150,000 options granted was $38,699. The options have been valued using Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; share price of $0.76; expected volatility of 60%; risk free rate of 0.91% and a forfeiture rate of 0%. The stock options are being expensed over the 36-month vesting period.

On October 1, 2021, 100,000 stock options were granted to a director of the Company. Each option vest 1/36 on each month starting one month from grant date until the number of stock options are fully vested. The fair value of the 100,000 options granted was $31,183. The options have been valued using Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; share price of $0.61; expected volatility of 60%; risk free rate of .1.07% and a forfeiture rate of 0%. The stock options are being expensed over the 36-month vesting period.

On December 15, 2021, 150,000 stock options were granted to an officer of the Company. Each option vest 1/36 on each month starting one month from grant date until the number of stock options are fully vested. The fair value of the 150,000 options granted was $40,010. The options have been valued using Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; share price of $0.52; expected volatility of 60%; risk free rate of 1.21% and a forfeiture rate of 0%. The stock options are being expensed over the 36-month vesting period.

8. Share Capital (continued)

(b) Stock Options (continued)

On January 25, 2022, 1,869,000 stock options were granted to a director of the Company. Each option vest 1/36 on each month starting one month from grant date until the number of stock options are fully vested. The fair value of the 1,869,000 options granted was $587,613. The options have been valued using Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; share price of $0.47; expected volatility of 84.5%; risk free rate of 1.54% and a forfeiture rate of 0%. The stock options are being expensed over the 36-month vesting period.

c) *Warrants*

Movements in the warrants, which are linked to common share issues described above, are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, July 31 2020	13,537,716	$ 0.63
Granted	2,825,640	0.40
Exercised	(218,571)	0.50
Expired	(3,385,200)	1.02
Balance, July 31, 2021	**12,759,585**	$ 0.48
Granted	647,952	0.50
Exercised	(8,599,623)	0.50
Expired	(1,334,322)	0.50
Balance, January 31, 2022	**3,473,592**	**$ 0.42**
Warrants expiring on March 23, 2023	2,825,640	$0.40
Warrants expiring on November 18, 2023	647,952	$0.50
Balance, January 31, 2022	**3,473,592**	**$0.42**

9. Commitments

Flow through shares

As part of the March 2021 financing, the Company committed to incur, on a best-efforts basis, by December 31, 2022, $4,999,845 in Canadian exploration expenditures ("CEE") pursuant to a private placement for which flow-through proceeds have been received. The Company renounced the $4,999,845 expenditures as at December 31, 2021 and had incurred all such CEE by January 31, 2022. There is no remaining commitment related to the March 2021 financing.

As part of the November 2021 private placement for which flow-through proceeds have been received, the Company committed to incur CEE, on a best-efforts basis, by December 31, 2023, in the amount of $8,400,405. The Company renounced the $8,400,405 in CEE as at December 31, 2021.

For the six months ended January 31, 2022, the Company had incurred $4,376,604 of the CEE commitment, resulting in the commitment remaining of $7,327,817, which relates to the FT shares issued in November 2021 (July 31, 2021 – CEE incurred $1,695,830; CEE commitment remaining $3,304,016).

9. Commitments (continued)

The change in the flow-through share CEE commitment and the change in deferred flow-through premium is summarized below:

Flow-Through Share Canadian Exploration Expenditure Commitment	Three months ended January 31, 2022	Six months ended January 31, 2022	Six months ended January 31, 2021
CEE commitment - beginning(1)	$ 1,601,760	$ 3,304,016	-
CEE commitment - additions(2)	8,400,405	8,400,405	-
	10,002,165	11,704,421)	-
CEE spending in period(3)	(2,674,348)	(4,376,604)	-
CEE commitment – period end	**$ 7,327,817**	**$ 7,327,817**	-

Deferred Flow-through Premium	Three months ended January 31, 2022	Six months ended January 31, 2022	Six months ended January 31, 2021
Deferred FT premium - beginning(1)	$ 313,698	$ 647,078	-
Deferred FT premium - additions(2)	1,680,81	1,680,081	-
	1,993,779	2,237,159	-
Change in FT premium in period(4)	(527,916)	(861,296)	-
Deferred FT premium **– period end**	**$ 1,465,863**	**$ 1,465,863**	-

(1) CEE commitment beginning and the deferred FT premium beginning resulted from the flow-through financing on March 23, 2021, as described above.
(2) CEE commitment additions and the deferred FT premium additions resulted from the flow-through financing on November 18, 2021, as described above.
(3) CEE spending in period represents qualifying Canadian exploration expenditures incurred, which the Company had renounced or intended to renounce pursuant to the Income Tax Act of Canada.
(4) Change in deferred FT premium in period represents the amount recognized as income in the period as determined by the CEE spending in the period relative to the proceeds of the related original flow-through shares issued.

10. Capital Management

As at January 31, 2022, the Company had a working capital surplus of $8,976,479 (July 31, 2021: $1,994,922) and for the period ended January 31, 2022, had net cash used in operating activities of $3,598,787 (January 31, 2021: $455,376). Working capital is a non-GAAP measure calculated as total current assets less total current liabilities.

There were no changes in the Company's approach to capital management during the period ended January 31, 2022.