Red Pine Exploration Inc.

Consolidated Financial Statements

For the Years Ended July 31, 2023 and 2022

(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Red Pine Exploration Inc.. were prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities.

The Board of Directors exercises its responsibilities through the Audit Committee of the Board which meets to satisfy itself that management's responsibilities are properly discharged and with the external auditors to review the consolidated financial statements before they are presented to the Board of Directors for approval.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

The Audit Committee has met with the Company's independent auditor to review the scope and results of the annual audit and to review the consolidated financial statements and related financial reporting matters prior to recommending the consolidated financial statements be approved.

The Company's independent auditor, MNP LLP, has conducted an audit in accordance with generally accepted auditing standards in Canada, and their report follows.

Signed

"Quentin Yarie" *"Eric Josipovic"*

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Quentin Yarie	Eric Josipovic
Chief Executive Officer and Director	Chief Financial Officer

Independent Auditor's Report

To the Shareholders of Red Pine Exploration Inc.:

Opinion

We have audited the consolidated financial statements of Red Pine Exploration Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at July 31, 2023 and July 31, 2022, and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at July 31, 2023 and July 31, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company had an accumulated deficit as at July 31, 2023, which has been funded primarily by issuance of equity. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to

the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Blair Michael Mabee.

MNP LLP

Mississauga, Ontario | Chartered Professional Accountants

October 5, 2023 | Licensed Public Accountants

Red Pine Exploration Inc.
Consolidated Statements of Financial Position

(expressed in Canadian Dollars)

	Note	July 31, 2023	July 31, 2022
Assets			
Current			
Cash and cash equivalents		**$ 3,382,626**	$ 2,824,620
Marketable securities		**2,500**	2,500
Amount receivable	6	**271,726**	683,885
Prepaid expenses		**64,121**	173,030
Total current assets		**3,720,973**	3,684,035
Non-current assets			
Restricted cash	9,10	**315,000**	315,000
Property, plant and equipment	7	**105,656**	275,309
Right of use asset	8	**32,165**	136,374
Total non-current assets		**452,821**	726,683
Total assets		**$ 4,173,794**	$ 4,410,718
Liabilities			
Current			
Accounts payable and accrued liabilities		**$ 640,288**	$ 1,526,133
Lease liability	8	**-**	110,309
Deferred flow-through premium	13	**430,639**	35,942
Total current liabilities		**1,070,927**	1,672,384
Total liabilities		**1,070,927**	1,672,384
Shareholders' equity			
Share capital	12	**99,051,020**	88,776,446
Contributed surplus	12	**9,541,905**	8,953,311
Warrant reserve	12	**1,759,901**	1,484,684
Accumulated deficit		**(107,249,959)**	(96,476,107)
Total shareholders' equity		**3,102,867**	2,738,334
Total liabilities and shareholders' equity		**$ 4,173,794**	$ 4,410,718

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

Nature of operations and going concern (note 1)
Commitments (note 13)
Subsequent events (note 15)

Approved on behalf of the board

"Paul Martin" *"Quentin Yarie"*

Paul Martin, Director Quentin Yarie, Director

Red Pine Exploration Inc.
Consolidated Statements of Comprehensive Loss
(expressed in Canadian Dollars)

	Note	Year Ended July 31, 2023	Year Ended July 31, 2022
Expenses			
Amortization	7,8	**$ 327,310**	$ 361,978
Gain on disposal of equipment	7	**-**	(30,626)
Exploration expenditures	9	**8,946,942**	11,466,316
Exploration property sales and acquisitions	9	**-**	(784,000)
Foreign exchange loss (gain)		**(50)**	535
General and administrative		**744,881**	1,008,959
Interest (income)		**(59,059)**	(21,693)
Lease accretion	8	**4,540**	10,658
Payroll and professional fees		**996,406**	775,886
Share-based compensation	11,12	**588,594**	599,971
Total expense		**11,549,564**	13,387,984
Other income (expense)			
Flow-through share premium	12,13	**775,712**	2,291,217
Total other income		**775,712**	2,291,217
Net loss and comprehensive loss		**(10,773,852)**	(11,096,767)
Loss per share – basic and diluted		**$ (0.08)**	$ (0.10)
Weighted average number of common shares outstanding		**140,779,501**	110,290,179

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

Red Pine Exploration Inc.
Consolidated Statements of Cash Flows
(expressed in Canadian Dollars)

	Year Ended July 31, 2023	**Year Ended July 31, 2022**
Operating activities		
Net loss and comprehensive loss	**$ (10,773,852)**	$ (11,096,767)
Adjustment for non-cash items:		
Amortization	**327,310**	361,978
Flow-through share premium	**(775,712)**	(2,291,217)
Gain on disposal of equipment	**-**	(30,626)
Lease accretion	**4,540**	10,658
Share-based compensation	**588,594**	599,971
	(10,629,120)	(12,446,004)
Net changes in non-cash working capital:		
Restricted cash	**-**	315,000
Amount receivable	**412,159**	(513,888)
Prepaid expenses	**108,909**	836,039
Accounts payable and accrued liabilities	**(885,845)**	1,224,874
Payment of asset retirement obligations	**-**	(290,000)
Net cash used in operating activities	**(10,993,897)**	(10,873,978)
Investing activities		
Property, plant and equipment additions	**(53,448)**	(475,825)
Property, plant and equipment disposals proceeds	**-**	30,626
Net cash used in investing activities	**(53,448)**	(445,199)
Financing activities		
Proceeds from private placements	**13,263,159**	8,400,405
Proceeds from warrant exercise	**-**	4,299,814
Share issue costs	**(1,542,959)**	(613,356)
Lease payments	**(114,849)**	(110,419)
Net cash generated by financing activities	**11,605,351**	11,976,444
Net increase in cash	**558,006**	657,266
Cash and cash equivalents at the beginning of year	**2,824,620**	2,167,354
Cash and cash equivalents at end of year	**$ 3,382,626**	$ 2,824,620

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

Red Pine Exploration Inc.
Consolidated Statements of Changes in Shareholders' Equity
For the years ended July 31, 2023 and 2022

(expressed in Canadian Dollars)

	Number of Shares	Share Capital $	Contributed Surplus $	Warrant Reserve $	Accumulated Deficit $	Shareholders' Equity $
Balance, July 31 2022	117,442,720	88,776,446	8,953,311	1,484,684	(96,476,107)	2,738,334
Net loss for the year	-	-	-	-	(10,773,852)	(10,773,852)
Private placement	50,311,829	13,263,159	-	-	-	13,263,159
Fair value of flow through premium	-	(1,170,409)	-	-	-	(1,170,409)
Cost of issue	-	(1,542,959)	-	-	-	(1,542,959)
Fair value of broker warrants issued	-	(356,944)	-	356,944	-	-
Fair value of warrants issued	-	(1,214,379)	-	1,214,379	-	-
Share based compensation	-	-	588,594	-	-	588,594
Fair value of warrants expired	-	1,296,106	-	(1,296,106)	-	-
Balance, July 31, 2023	**167,754,549**	**99,051,020**	**9,541,905**	**1,759,901**	**(107,249,959)**	**3,102,867**
Balance, July 31 2021	95,919,397	77,965,726	8,353,340	1,888,622	(85,379,340)	2,828,348
Net loss for the year	-	-	-	-	(11,096,767)	(11,096,767)
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	-	-	599,971	-	-	599,971
Warrants exercised	8,599,623	4,817,683	-	(517,869)	-	4,299,814
Fair value of warrants expired	-	74,896	-	(74,896)	-	-
Balance, July 31, 2022	**117,442,720**	**88,776,446**	**8,953,311**	**1,484,684**	**(96,476,107)**	**2,738,334**

The accompanying notes are an integral part of these 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 Consolidated Financial Statements for the years ended July 31, 2023 and 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 July 31, 2023, the Company had cash of $3,382,626 (July 31, 2022: $2,824,620) and an accumulated deficit of $107,249,959 (July 31, 2022: $96,476,107) and for the year ended July 31, 2023 had net cash used in operating activities of $10,993,897 (year ended July 31, 2022: $10,873,978). Cash increased in the year primarily due to proceeds from a bought deal in September 2022 and a private placement in May 2023 (note 12), which were invested in the drilling campaign and corporate activities in 2023.

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.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that may be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These Financial Statements have been prepared in accordance 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 Financial Statements were approved by the Board of Directors on October 5, 2023.

2. BASIS OF PREPARATION (continued)

(b) Basis of Measurement

These Financial Statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for certain financial instruments that have been measured at fair value at the end of each reporting period as explained in the accounting policies.

(c) Basis of Consolidation

These Financial Statements include the accounts of the Company and its wholly owned subsidiaries, Augustine Ventures Inc. and Wawa GP Inc. All intercompany balances and transactions have been eliminated in full on consolidation.

(d) Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires that management make judgements, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities, profits and expenses. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The effect of a change in an accounting estimate is recognized prospectively by including it in income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Going Concern

The preparation of the Consolidated Financial Statements requires management to make judgments regarding the going concern of the Company. (Note 1)

Share-based payment transactions:

The Company measures the cost of equity-settled transactions with employees and applicable nonemployees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions 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 share option, risk-free interest rates, volatility and dividend yield and making assumptions about them. Expected volatility is generally based on the historical volatility of comparable companies. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 12.

2. BASIS OF PREPARATION (continued)

Deferred Taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred tax provisions or recoveries could be affected.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements except where noted.

(a) Foreign currencies

The presentation currency of the Company and the functional currency of the Company and its subsidiaries is the Canadian dollar.

(b) Financial instruments

IFRS 9 includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest. All financial instruments are initially recognized at fair value on the consolidated statement of financial position.

Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Financial instruments *(continued)*

Financial assets:	**IFRS 9 Classification**
Cash and cash equivalents	FVTPL
Restricted cash	Amortized cost
Amount receivable, excluding HST	Amortized cost
Marketable securities	FVTPL
Financial liabilities:	**IFRS 9 Classification**
Accounts payable and accrued liabilities	Amortized cost

Fair value hierarchy

The Company classifies its financial instruments according to a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 - Inputs for assets or liabilities that are not based on observable market data.

Cash and cash equivalents and marketable securities are classified within level 1 of the fair value hierarchy.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

(c) Mineral properties and exploration expenditures

The Company expenses all costs relating to the acquisition of, exploration for and development of mineral claims and credits all revenues received against the exploration expenditures. Such costs include, but are not limited to acquisition costs, geological, geophysical studies, exploratory drilling and sampling.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations.

Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Income taxes

Income tax comprises current and deferred tax expense. Income tax is recognized in profit or loss except to the extent they relate to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Provisions for 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 taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

(e) Share-based payment transactions

The stock option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using an appropriate option pricing model taking into account the terms and conditions upon which the options were granted. At each period end, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

In situations where equity instruments are granted to non-employees and same or all goods and services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payments. Otherwise, share-based payments are measured at the fair value of goods or services received.

The Company transfers to share capital the value of expired, forfeited or canceled warrants.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Asset retirement obligation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising for the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and charged to expenses as an exploration cost, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value. The related liability is adjusted each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

(g) Loss per share

The Company presents the basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. As at July 31, 2023 and 2022 all outstanding instruments would be anti-dilutive.

(h) Marketable securities

Marketable securities consist of equity securities over which the Company does not have control or significant influence.

(i) Equipment

Equipment is stated at cost less accumulated depreciation and any impairment losses. Depreciation is charged so as to expense the cost of assets over their estimated useful live, using the straight-line method after taking into account their estimated residual values. Depreciation begins when the equipment becomes available for use. Depreciation is charged to the Consolidated Statements of Comprehensive Loss.

The estimated useful lives, residual values and depreciation method are reviewed at each reporting period, with the effect of any changes in estimated accounted for on a prospective basis. The estimated useful lives of equipment are estimated as follows:

- The Company owns all-terrain vehicles and other exploration equipment, which are depreciated on a straight-line basis over an estimated useful life of three (3) years.
- The Company owns office furniture and equipment, which are depreciated on a straight-line basis over an estimated useful life of seven (7) years.

The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

Gains and losses on disposals are determined by comparing net proceeds with carrying amounts and are included in the Consolidated Statements of Comprehensive Loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Leasehold Improvements

Leasehold improvements are stated at cost less accumulated depreciation. Depreciation is charged so as to write off the cost of the leasehold improvements over their estimated useful live, using the straight-line method. Depreciation beings when the leasehold improvements are completed. Depreciation is charged to the Consolidated Statements of Comprehensive Loss.

The estimated useful lives and depreciation method are reviewed at each reporting period, with the effect of any changes in estimated accounted for on a prospective basis. The estimated useful lives of leasehold improvements are estimated as follows:

- The Company completed leasehold improvements at its principal office space, which is depreciated on a straight-line basis over the term of the lease of seven (7) years.

The carrying values of leasehold improvements are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

(k) Software Licenses

Software licenses exceeding one year are stated at cost less accumulated amortization. Amortization is charged so as to write off the cost of the software licenses over their estimated useful live, using the straight-line method. Amortization begins when the software licenses are acquired. Amortization is charged to the Consolidated Statements of Comprehensive Loss.

The estimated useful lives and amortization method are reviewed at each reporting period, with the effect of any changes in estimated accounted for on a prospective basis. The estimated useful lives of software licenses are estimated as follows:

- The Company has acquired software licenses for exploration software packages that are amortized on a straight-line basis over an estimated useful life of five (5) years and the amortization is reported in Exploration Expenditures on the Consolidated Statements of Comprehensive Loss.

The carrying values of software licenses are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

(l) Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) *Lease liability, right of use assets*

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company has recognized right-of-use assets and lease liabilities. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term. The Company is using an incremental borrowing rate of 7.5% and is depreciating the right-of-use asset on a straight-line basis over 4.5 years (Note 8).

(n) Exploration and Evaluation Expenditures

The Company expenses exploration and evaluation expenditures as incurred. The potential benefit derived from exploration and evaluation expenditures is dependent on the discovery of economic reserves, the ability of the Company to obtain financing to complete development of the properties, and future production or proceeds from disposition, and is based on assumptions about future events and circumstances.

(o) Rehabilitation Provisions

The Company records management's best estimate of the present value of the future cash requirements of any rehabilitation or asset retirement obligation as a liability in the period in which the related environmental disturbance occurs based on the net present value of the estimated future costs. This obligation is adjusted at each period end to reflect the passage of time, any costs incurred and any changes in the estimated future costs underlying the obligation. In determining this obligation, management must make a number of assumptions about the amount and timing of future cash flows and discount rate to be used. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held with banks. Cash and cash equivalents have a term to maturity of three months or less from the date of acquisition.

4. FINANCIAL INSTRUMENTS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The Company does not use derivative financial instruments for purposes other than risk management. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up to date market information.
Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The Company may use derivative financial instruments such as foreign exchange contracts and interest rate swaps to manage certain exposures. These market risks are evaluated by monitoring changes in key economic indicators and market information on an ongoing basis.

4. FINANCIAL INSTRUMENTS (Continued)

Commodity Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company monitors commodity prices as they relate to gold and the stock market to determine the appropriate course of action to be taken.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears interest at market rates. In the event that the Company held interest bearing debt, the Company could be exposed to interest rate risk.

The Company does not have any interest-bearing debt. Other current financial assets and liabilities are not exposed to interest rate risk because of their short-term nature.

Liquidity Risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main source of liquidity is derived from its common stock issuances. These funds are primarily used to finance working capital, operating expenses, capital expenditures and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash. There is no certainty of the Company's ability to complete additional financings.

As at July 31, 2023 the Company held current assets of $3,720,973 (July 31, 2022 - $3,684,035) to settle current liabilities of $640,288 (July 31, 2022 - $1,636,442), exclusive of non-cash flow-through premium liability.

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 the going concern discussion in note 1.

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. Financial instruments that potentially subject the Company to credit risk consist of cash. The Company has reduced its credit risk by investing its cash with large Canadian chartered banks The accounts receivable is primarily HST due from the Canadian government.

The Company's financial assets and liabilities as at July 31, 2023 and 2022 were as follows:

4. FINANCIAL INSTRUMENTS (Continued)

	Amortized Cost	FVPL	Total
July 31, 2023			
Financial assets:			
Cash and cash equivalents	$ -	$3,382,626	$3,382,626
Marketable securities	-	2,500	2,500
Amount receivable, net of HST	27,246	-	27,246
Restricted cash – environmental bond	315,000	-	315,000
Financial liabilities:			
Accounts payable and accrued liabilities	640,288	-	640,288

	Amortized Cost	FVPL	Total
July 31, 2022			
Financial assets:			
Cash and cash equivalents	$ -	$2,824,620	$2,824,620
Marketable securities	-	2,500	2,500
Amount receivable, net of HST	42,496	-	42,496
Restricted cash – environmental bond	315,000	-	315,000
Financial liabilities:			
Accounts payable and accrued liabilities	1,526,133	-	1,526,133
Lease liability	110,309	-	110,309

The fair values of these financial instruments approximate their carrying values because of their short-term nature.

5. CAPITAL MANAGEMENT

The Company defines capital management as the manner in which it manages its shareholders' equity As at July 31, 2023, the Company's shareholders' equity was $3,102,867 (July 31, 2022 - $2,738,334). There were no changes in the Company's approach to capital management during the years ended July 31, 2023 and 2022 and the Company is not subject to any externally imposed capital requirements.

The Company's objective in managing capital is to maintain the entity's ability to continue as a going concern, support the Company's normal operating requirements and to continue the exploration and evaluation of its mineral properties. The Board of Directors does not establish a quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt or equity or similar instruments to obtain additional financing.

5. CAPITAL MANAGEMENT (continued)

As at July 31, 2023, the Company had a working capital surplus of $2,650,046 (July 31, 2022: $2,011,651) and for the year ended July 31, 2023, used net cash in operating activities of $10,993,897 (July 31, 2022: $10,873,978). Working capital is a non-GAAP measure calculated as total current assets less total current liabilities.

6. AMOUNT RECEIVABLE

	Year ended July 31, 2023	Year ended July 31, 2022
Harmonized sales tax receivable	**$ 244,480**	$ 641,389
Amounts receivable	**27,246**	42,496
Balance year end	**$ 271,726**	$ 683,885

Included in amounts receivable is $27,246 (July 31, 2022, $42,496) related to rent, exploration and administrative charges from a company with a shared senior executive. The companies also share administrative services including office rental.

7. PROPERTY, PLANT AND EQUIPMENT

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

	Equipment	Software Licenses	Leasehold Improvements	Total
Cost				
Balance, July 31, 2021	$ 136,015	$ 18,204	$ 134,238	**$ 288,457**
Additions	475,825	-	-	475,825
Disposals	(35,139)	-	-	(35,139)
Balance, July 31, 2022	**576,701**	**18,204**	**134,238**	**729,143**
Additions	53,448	-	-	53,448
Balance, July 31, 2023	**$630,149**	**$ 18,204**	**$ 134,238**	**$ 782,591**
Accumulated amortization				
Balance, July 31, 2021	$ (105,663)	$ -	$ (117,506)	$ (223,169)
Amortization	(230,868)	(18,204)	(16,732)	(265,804)
Disposals	35,139	-	-	35,139
Balance, July 31, 2022	**(301,392)**	**(18,204)**	**(134,238)**	**(453,834)**
Amortization	(223,101)	-	-	(223,101)
Balance, July 31, 2023	**$ (524,493)**	**$ (18,204)**	**$ (134,238)**	**$ (676,935)**
Net book value, July 31, 2022	$ 275,309	$ -	$ -	$ 275,309
Net book value, July 31, 2023	**$ 105,656**	**$ -**	**$ -**	**$ 105,656**

7. PROPERTY, PLANT AND EQUIPMENT (continued)

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

8. 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:

		Year ended July 31, 2023		Year ended July 31, 2022
Right of use asset				
Balance, opening	**$**	**136,374**	$	232,547
Amortization		**(104,209)**		(96,173)
Balance year end		**32,165**		136,374
Lease liability				
Balance, opening		**110,309**		210,070
Lease accretion		**4,540**		10,658
Lease payments		**(114 849)**		(110 419)
Balance, year end	**$**	**-**	$	110,309
Current portion lease liability		**-**		110,309
Long term portion lease liability	**$**	**-**	$	-

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 $nil 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.

9. 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 Project expenditures includes all amounts incurred prior to any prorated recovery from the previous joint-venture partner.

9. MINERAL PROPERTIES (continued)

	Wawa Gold Project $	Other Properties $	Total Properties $
Balance, July 31, 2021	**58,542,351**	**14,619,860**	**73,162,211**
Property acquisition costs	266,000	-	266,000
Property sales	-	(1,050,000)	(1,050,000)
Exploration expenditures	11,466,316	-	11,466,316
Balance, July 31, 2022	**70,274,667**	**13,569,860**	**83,844,527**
Exploration expenditures	8,946,942	-	8,946,942
Balance, July 31, 2023	**79,221,609**	**13,569,860**	**92,791,469**

The following table summarizes the exploration expenditures:

Exploration expenditures	**Year Ended July 31, 2023**	**Year Ended July 31, 2022**
Camp and other costs	**$ 929,093**	$ 892,581
Closure costs, including asset	**-**	47,307
Compensation	**2,499,647**	2,004,874
Drilling, assays and analysis	**4,904,966**	7,568,853
Equipment costs	**384,394**	663,285
Land management	**228,842**	289,416
Exploration Expenditures[(a)]	**$ 8,946,942**	$ 11,466,316

(a)Excludes property acquisitions and sales

During the year ended July 31, 2023, the Company incurred total exploration and evaluation expenditures, of $8,946,942, excluding net property sales and acquisitions of $nil on the Wawa Gold property(year ended July 31, 2022: $11,466,316, excluding net property sales and acquisitions of $784,000).

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.

In May 2022, the Company completed the acquisition of the surface rights for properties, whereby on June 1, 2017 the Company had acquired the mineral rights (the “2017 Agreement”) and entered into a royalty agreement and road access agreement with the same vendor. The properties are identified with Property Identifier Numbers SSM4479, SSM4478, SSM4480 and SSM4481 and are located west of the Surluga Deposit within the Wawa Gold Project. The cash purchase price for the properties, including the cancellation of the royalty agreement and the road access agreement was $266,000.

9. MINERAL PROPERTIES (continued)

Wawa Gold Project

The Wawa Gold Project covers over 7,182 hectares, including 308 claims covering 4,950 ha.; 17 leases covering 790 ha; and 105 patents covering 1,442 ha. The Wawa Gold Project hosts several former smaller scale mining operations and 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 (refer to note 15). The Company also had to put in placed an environmental bond of $315,000 which was previously provided by Citabar 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 Citabar L.P. with an equivalent amount of cash, included as restricted cash. The Government of Ontario accepted the Company's environmental bond resulting in the $315,000 being released from escrow and received by the Company on July 13, 2022.

Other Properties
The Company owns four other properties including 81 claims and 1 lease covering 1,456 ha in Northern Ontario.

Cayenne Property
The Cayenne property consists of 4 cell claims covering 70.1 ha and 1 lease covering 62.67 ha (total 133 ha) in Genoa Township located approximately 110 kilometers southwest of Timmins, Ontario. The Company owns 100% of the property.

Fern Elizabeth Property
The Company has a 100% interest in 55 cell claims covering 1,046 ha located approximately 10 km northwest of Atikokan, Ontario.

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

9. MINERAL PROPERTIES (continued)

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.

In addition, the Company issued a 2.0% NSR on the properties acquired as part of the consolidation of the Wawa Gold project in February 2021. 1.5% of the 2% NSR is subject to a buyback for a total cost of $1,750,000 (refer to note 15).

10. ASSET RETIREMENT OBLIGATION

In the year ended July 31, 2023, the Company incurred $nil restoration costs. The Company incurred $337,307 in restoration costs in the year ended July 31, 2022 related to the Mackay Pit area of the Wawa Gold Project. The amount incurred exceeded the $290,000 asset retirement obligation estimated at July 31, 2021, resulting in closure costs expensed in the year ended July 31, 2022 of $47,307. No specific additional restoration costs were estimated in the year (July 31, 2022 - $nil), resulting in the asset retirement obligation at July 31, 2023 to be nil (July 31, 2022 - $nil).

As a result of the March 30, 2021 consolidation of the Wawa Gold Project, the Company is obligated to issue and maintain a Letter of Credit in favour of the Government of Ontario in the amount of $315,000 related to potential restoration liabilities, which has been secured with cash and recorded as long term restricted cash.

11. 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.

		Year ended July 31, 2023		Year ended July 31, 2022
Compensation(1)	$	564,693	$	667,177
Share based compensation(2)		504,263		310,062
Total	**$**	**1,068,956**	**$**	**997,239**

(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 July 31, 2023, the following related party balances were outstanding:

Included in amount receivable is $27,246 (July 31, 2022, $42,496) related to exploration, rent and general & administrative charges from a company with a shared senior executive. The companies also share administrative services including office rental.

12. 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 July 31, 2023, the Company had 167,754,549 issued and outstanding common shares (July 31, 2022: 117,442,720). All issued and outstanding common shares are fully paid.

On September 29, 2022 the Company closed a bought deal financing, including partial exercise of the over-allotment option, comprised of (i) 7,693,000 common shares of the Company (the "Offered Shares") at a price of $0.26 per Offered Share (the "Offered Share Price"), and (ii) 11,726,599 flow-through common shares of the Company (the "FT Shares" and together with the Offered Shares, the "Offered Securities") at a price of $0.30 per FT Share, for aggregate gross proceeds to the Company of $5,518,160 (the "Offering").

The Offering was conducted on a "bought deal" basis by a syndicate of underwriters led by Haywood Securities Inc. ("Haywood"), as lead underwriter and sole bookrunner, and including Canaccord Genuity Corp, and Laurentian Bank Securities Inc. (together with Haywood, the "Underwriters"). In consideration for their services, the Underwriters received a cash commission equal to 6.0% of the gross proceeds of the Offering and non-transferable broker warrants equal to 6.0% of the number of Offered Securities sold in the Offering or 1,165,175 broker warrants. Each broker warrant is exercisable to purchase one common share of the Company at an exercise price of $0.26 until September 29, 2024. The broker warrants had an estimated value of $171,953 using Black-Scholes model with the following assumptions: risk-free rate, 3.44%, dividend yield 0%, expected volatility of 107.37% and an expected life of 2 years. The value of the flow-through share premium was $469,064 and share issuance costs were $764,220.

Pursuant to the Investor Rights Agreement between the Company and Alamos Gold Inc. ("Alamos") dated December 31, 2019, Alamos has exercised its right to maintain its pro rata ownership interest of the Company's common shares on a partially diluted basis, purchasing 3,846,153 Offered Shares. Alamos will own and control 26,560,536 common shares of the Company, representing approximately 19.4% of the issued and outstanding common shares of the Company on an undiluted basis.

On May 8, 2023, the Company completed an agreement in connection with a private placement on a "best efforts" agency basis, for gross proceeds of approximately $7,745,000 (the "Offering"). The Offering was co-led by Haywood Securities Inc. ("Haywood") and 3L Capital Inc. ("3L") on behalf of a syndicate of agents including Laurentian Bank Securities Inc. (together with Haywood and 3L, the "Agents"). Haywood acted as sole bookrunner in connection with the Offering.

The Offering consisted of 5,675,000 of units of the Company (the "Units") at a price of $0.20 per Unit (the "Issue Price"); (ii) 11,538,230 tranche 1 flow-through units of the Company (the "Tranche 1 FT Units") at a price of $0.235 per Tranche 1 FT Unit (the "Tranche 1 FT Issue Price"); and (iii) 13,679,000 tranche 2 flow-through units of the Company (the "Tranche 2 FT Units" and together with the Units and Tranche 1 FT Units, the "Offered Securities") at a price of $0.285 per Tranche 2 FT Unit (the "Tranche 2 FT Issue Price"), including full exercise of the Agents' Option.

Each Unit consisted of one common share in the capital of the Company (a "Common Share") and one-half of one common share purchase warrant of the Company (each whole purchase warrant, a "Warrant"). Each Tranche 1 FT Unit consisted of one Common Share which will qualify as a "flow-through share"

12. SHARE CAPITAL (continued)

a) Common Shares (continued)

within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the "Tax Act") and one-half of one Warrant. Each Tranche 2 FT Unit will consist of one Common Share which will qualify as a "flow-through share" within the meaning of subsection 66(15) of the Tax Act and one-half of one Warrant. Each Warrant will entitle the holder to acquire one Common Share (a "Warrant Share") at a price per Warrant Share of $0.25 for a period of 12 months from the closing date of the Upsized Offering, or by May 8, 2024. Each FT Share partially comprising the FT Units has been issued on a "flow-through" basis within. A total of 15,446,115 warrants were issued with an estimated value of $1,214,379 using the Black-Scholes model with the following assumptions: risk-free rate, 3.70%, dividend yield 0%, expected volatility of 122.61% and an expected life of 1 year.

In consideration for their services, the Company has agreed to pay the Agents a cash commission equal to 6.0% of the gross proceeds from the Upsized Offering and that number of non-transferable compensation options (the "Compensation Options") as is equal to 6.0% of the aggregate number of Offered Securities sold under the Upsized Offering. Each Compensation Option is exercisable to acquire one common share of the Company at the Issue Price for a period of 24 months from the closing date of the Upsized Offering. The Company issued 1,853,533 compensation options to the Agents. Each Agent compensation option is exercisable to acquire one Non-FT Unit at a price of C$0.20 per unit for a period of 24 months. The agent consideration options had an estimated value of $184,991 using Black-Scholes model with the following assumptions: risk-free rate, 3.70%, dividend yield 0%, expected volatility of 95.35% and an expected life of 2 years. The value of the flow-through share premium was $701,345 and share issuance costs were $778,739.

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 $4,299,814 and the reclassification of $517,869 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 775,442 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.

12. 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.

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.

Options granted on May 12, 2023 and thereafter are exercisable for a period of five years from the date of the grant and vest at a rate of 25% on the grant date and 25% on the three subsequent anniversary dates.

The following schedule details stock options outstanding as of July 31, 2023:

Expiry Date	Exercise Price	Options Outstanding	Remaining Life in Years	Options Exercisable
August 10, 2023	0.60	146,500	0.03	146,500
April 14, 2026	0.73	2,076,665	2.71	1,615,184
June 1, 2026	0.76	50,000	2.84	36,111
October 1, 2026	0.60	100,000	3.17	61,111
January 25, 2027	0.47	1,606,500	3.49	803,250
April 12, 2027	0.45	175,000	3.70	77,778
May 12, 2028	0.20	1,723,400	4.79	430,850
Balance, July 31, 2023	**$0.49**	**5,878,065**	**3.50**	**3,170,784**

Movements in the stock options are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, July 31 2021	3,640,550	$ 0.69
Granted	2,294,000	0.48
Cancelled	(856,550)	0.82
Expired	(443,335)	0.69
Balance, July 31, 2022	**4,634,665**	**$ 0.61**
Granted	1,723,400	0.20
Cancelled	(480,000)	0.57
Balance, July 31, 2023	**5,878,065**	**$ 0.49**

12. SHARE CAPITAL (continued)

(b) Stock Options (continued)

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 10.94% and a forfeiture rate of 0%. The stock options are being expensed over the 36-month vesting period.

On December 14 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.

On January 25, 2022, 1,869,000 stock options were granted to certain directors, officers, employees and consultants 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.

On April 12, 2022, 175,000 stock options were granted to consultants to 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 175,000 options granted was $53,374. The options have been valued using Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; share price of $0.45; expected volatility of 84.5%; risk free rate of 2.59% and a forfeiture rate of 0%. The stock options are being expensed over the 36-month vesting period beginning in May 2022.

On May 12, 2023, 1,723,400 stock options were granted to certain directors, officers, employees and consultants of the Company. The stock options vest at a rate of 25% on the grant date and 25% on the three subsequent anniversary dates until fully vested. The fair value of the 1,723,400 options granted was $209,529. The options have been valued using Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; share price of $0.20; expected volatility of 95.3%; risk free rate of 3.54% and a forfeiture rate of 0%. The stock options are being expensed over the 36-month vesting period.

12. SHARE CAPITAL (continued)

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, 2021	**12,759,585**	**$ 0.48**
Granted	775,422	0.50
Exercised	(8,599,623)	0.50
Expired	(1,334,322)	0.50
Balance, July 31, 2022	**3,601,062**	**$ 0.42**
Granted	18,464,823	0.25
Expired	(2,825,640)	0.40
Balance, July 31, 2023	**19,240,245**	**$ 0.26**

	Number of Warrants	Weighted Average Exercise Price
Warrants expiring on November 18, 2023	775,422	0.50
Warrants expiring on September 29, 2024	1,165,175	0.26
Warrants expiring on May 8, 2024	15,446,115	0.25
Warrants expiring on May 8, 2025	1,853,533	0.20
Balance, July 31, 2023	**19,240,245**	**$ 0.26**

13. 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 had 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.

As part of the November 2021 private placement for which flow-through proceeds were 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 and had incurred all such CEE by January 31, 2023.

For the year ended July 31, 2022, the Company had incurred $11,466,316 of the CEE commitment, of which $3,304,016 related to the March 2021 financing and $8,162,300 related to the November 2021 private placement. At July 31, 2022, the commitment remaining of $238,105, related to the November 2021 private placement and was incurred by October 31, 2022.

For the year ended July 31, 2023 and as part of the September 29, 2022 financing 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 $3,517,980. The Company renounced the $3,517,980 expenditures as at December 31, 2022 and had incurred all such CEE by January 31, 2023.

13. COMMITMENTS (continued)

For the year ended July 31, 2023, the Company had incurred $2,551,338 of the CEE commitment related to the May 2023 financing. As at July 31, 2023, the commitment remaining of $4,058,661, relates to the May 2023 financing.

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		**Year ended July 31, 2023**		**Year ended July 31, 2022**
CEE commitment - beginning	$	238,105	$	3,304,016
CEE commitment – additions(2)		10,127,979		8,400,405
		10,366,084		11,704,421
CEE spending in period(2)		(6,307,423)		(11,466,316)
CEE commitment – period end	**$**	**4,058,661**	**$**	**238,105**

Deferred Flow-through Premium		**Year ended July 31, 2023**		**Year ended July 31, 2022**
Deferred FT premium – beginning	$	35,942	$	647,078
Deferred FT premium - additions		1,170,409		1,680,081
		1,206,351		2,327,159
Change in FT premium in period(2)		(775,712)		(2,291,217)
Deferred FT premium – period end	**$**	**430,639**	**$**	**35,942**

(1) CEE commitment beginning and the deferred FT premium beginning resulted from the flow-through financing on November 18, 2021, as described above, and were included as additions in the prior year.

(2) CEE commitment additions and the deferred FT premium additions resulted from the flow-through financings on September 29, 2022 and May 8, 2023, 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.

14. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2022 – 26.5%) to the effective tax rate is as follows:

	Year ended July 31, 2023	**Year ended July 31, 2022**
Net loss for the year before income taxes	$ (10,773,852)	$ (11,096,767)
Expected income tax (recovery) expense	(2,855,070)	(2,940,650)
Share based compensation	155,970	159,000
Flow-through share premium	(205,560)	(607,170)
Effect of flow-through renunciation	2,933,020	-
Share issuance cost booked directly to equity	(503,470)	(212,580)
Changes in tax benefits not recognized	475,110	3,601,400
Income tax (recovery) expense	**$ -**	**$ -**

14. INCOME TAXES (continued)

Deferred Tax

The following table summarizes the components of deferred tax:

	Year ended July 31, 2023 $	Year ended July 31, 2022 $
Deferred tax assets		
Lease liability	-	29,230
Share issuance costs	8,525	6,910
Sub-total of Assets	8,525	36,140
Deferred tax liabilities		
Right-of-use asset	(8,525)	(36,140)
Net deferred tax liability	**-**	**-**

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Unrecognized Deferred Tax Assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	Year ended July 31, 2023 $	Year ended July 31, 2022 $
Property, plant and equipment	983,730	760,630
Share issuance costs	3,245,700	2,508,590
Operating tax losses carried forward	26,986,020	24,032,310
Capital losses carried forward	1,025,360	1,025,360
Tax credits	19,550	19,550
Resource pools – Mineral Properties	32,243,460	34,364,510
	64,503,820	**62,710,950**

The Canadian non-capital loss carry forwards expire as noted in the table below. The capital loss carry forward may be carried forward indefinitely, but can only be used to reduce capital gains. Share issue costs will be fully amortized by 2027. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

14. INCOME TAXES (continued)

The Company's Canadian non-capital income tax losses expire as follows:

2026	$ 340,710
2027	573,700
2028	696,960
2029	633,780
2030	1,008,250
2031	1,395,460
2032	1,250,040
2033	676,860
2034	944,570
2035	832,750
2036	1,864,780
2037	2,390,860
2038	2,979,430
2039	1,779,730
2040	1,717,230
2041	2,146,350
2042	2,768,690
2043	2,985,880
	$ 26,986,030

15. SUBSEQUENT EVENTS

On August 29 2023 , the Company entered into a net smelter return royalty agreement (the "Royalty Agreement") with Franco-Nevada Corporation ("Franco-Nevada") for the purchase and sale of a 1.5% net smelter return royalty (the "Royalty") on its Wawa Gold Project ("Wawa") located in Ontario for immediate cash proceeds to the Company of C$6,750,000 less transaction costs. Proceeds from the sale of the Royalty will be used for continued exploration and advancement of Wawa, and ongoing working capital requirements.

Pursuant to the Royalty Agreement, Franco-Nevada has been granted a one time option, exercisable within 30 business days of Red Pine providing notice to Franco-Nevada confirming both (i) a board-approved construction decision at Wawa, and (ii) completion of a feasibility study at Wawa, to purchase an additional 0.5% net smelter return royalty (the "Additional Royalty") at a cost of 1.0x the net present value of the Additional Royalty, which is to be calculated based on the value of the mineral reserves within the Wawa feasibility study, after applying a 5% discount rate, and utilizing the then-prevailing analyst consensus commodity price forecasts.