Red Pine Exploration Inc.

Condensed Interim Consolidated Financial Statements

For the Three Months Ended October 31, 2024 and 2023

(Expressed in Canadian Dollars)

Red Pine Exploration Inc.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited, expressed in Canadian Dollars)

	Note	October 31, 2024	July 31, 2024
Assets			
Current			
Cash and cash equivalents		**$ 9,630,707**	$ 1,434,594
Marketable securities		**2,500**	2,500
Amount receivable	4	**126,899**	41,699
Prepaid expenses		**264,507**	113,353
Total current assets		**10,024,613**	1,592,146
Non-current assets			
Restricted cash	5	**315,000**	315,000
Property, plant and equipment	6	**59,898**	71,880
Right of use asset	7	**121,970**	150,117
Total non-current assets		**496,868**	536,997
Total assets		**$ 10,521,481**	$ 2,129,143
Liabilities			
Current			
Accounts payable and accrued liabilities		**$ 1,163,385**	$ 1,283,120
Lease liability	7	**105,962**	104,069
Deferred flow-through premium	11	**386,196**	-
Total current liabilities		**1,655,543**	1,387,189
Non-current			
Lease liability	7	**20,030**	49,626
Total non-current liabilities		**20,030**	49,626
Total liabilities		**1,675,573**	1,436,815
Shareholders' equity			
Share capital	10	**113,647,347**	104,266,981
Contributed surplus	10	**9,766,290**	9,690,026
Warrant reserve	10	**751,068**	490,212
Accumulated deficit		**(115,318,797)**	(113,754,891)
Total shareholders' equity		**8,845,908**	692,328
Total liabilities and shareholders' equity		**$ 10,521,481**	$ 2,129,143

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

Nature of operations and going concern (note 1)
Commitments (note 11)

Approved on behalf of the board

"Paul Martin" *"Alice Murphy"*

Paul Martin, Director Alice Murphy, Director

Red Pine Exploration Inc.

Condensed Interim Consolidated Statements of Comprehensive Income (Loss)

(Unaudited, expressed in Canadian Dollars)

	Note	Three months ended October 31 2024	2023
Expenses			
Exploration expenditures	8	**$ 1,120,218**	$ 2,920,357
Gain on sale of Net Smelter Royalty	8	**-**	(6,330,964)
Amortization	6,7	**40,129**	65,967
Foreign exchange loss (gain)		**(25)**	(426)
General and administrative		**152,201**	163,331
Interest (income)		**(53,223)**	(56,465)
Lease accretion	7	**2,613**	-
Payroll and professional fees	9	**276,046**	245,255
Share-based compensation	9,10	**76,264**	6,831
Total (income) expense		**1,614,223**	(2,986,114)
Other income			
Flow-through share premium	10,11	**50,317**	302,216
Total other income		**50,317**	302,216
Net income (loss) and comprehensive income (loss)		**$ (1,563,906)**	$ 3,288,330
Income (loss) per share – basic and diluted	10	**$ (0.01)**	$ 0.02
Weighted average number of common shares outstanding	10	**223,838,834**	167,754,549

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

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

	Three months ended October 31	
	2024	**2023**
Operating activities		
Net loss and comprehensive loss	**$ (1,563,906)**	$ 3,288,330
Adjustment for non-cash items:		
Amortization	**40,129**	65,967
Flow-through share premium	**(50,317)**	(302,216)
Gain on sale of Net Smelter Royalty	**-**	(6,330,964)
Lease accretion	**2,613**	-
Share-based compensation	**76,264**	6,831
	(1,495,217)	(3,272,052)
Net changes in non-cash working capital:		
Amount receivable	**(85,200)**	(161,286)
Prepaid expenses	**(151,154)**	(120,218)
Accounts payable and accrued liabilities	**(119,735)**	65,984
Net cash used in operating activities	**(1,851,306)**	(3,487,572)
Investing activities		
Building and equipment additions	**-**	(30,780)
Net Proceeds on sale of Net Smelter Royalty	**-**	6,330,964
Net cash from (used in) investing activities	**-**	6,300,184
Financing activities		
Proceeds from private placements	**11,000,358**	-
Share issue costs	**(922,623)**	-
Lease payments	**(30,316)**	-
Net cash generated by financing activities	**10,047,419**	-
Net (decrease) increase in cash and cash equivalents	**8,196,113**	2,812,612
Cash and cash equivalents at the beginning of year	**1,434,594**	3,382,626
Cash and cash equivalents at end of year	**$ 9,630,707**	$ 6,195,238

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

Red Pine Exploration Inc.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
As at October 31, 2024 and 2023

(Unaudited, expressed in Canadian Dollars)

	Number of Shares	Share Capital $	Contributed Surplus $	Warrant Reserve $	Accumulated Deficit $	Shareholders' Equity $
Balance, July 31 2023	167,754,549	99,051,020	9,541,905	1,759,901	(107,249,959)	3,102,867
Net income for the period	-	-	-	-	3,288,330	3,288,330
Share based compensation	-	-	6,831	-	-	6,831
Balance, October 31, 2023	**167,754,549**	**99,051,020**	**9,548,736**	**1,759,901**	**(103,961,629)**	**6,398,028**
Balance, July 31 2024	190,711,334	104,266,981	9,690,026	490,212	(113,754,891)	692,328
Net loss for the period	-	-	-	-	(1,563,906)	(1,563,906)
Private placement	101,591,000	11,000,358	-	-	-	11,000,358
Fair value of flow through premium	-	(436,513)	-	-	-	(436,513)
Cost of issue	-	(922,623)	-	-	-	(922,623)
Fair value of broker warrants issued	-	(432,560)	-	432,560	-	-
Share based compensation	-	-	76,264	-	-	76,264
Fair value of warrants expired	-	171,704	-	(171,704)	-	-
Balance, October 31, 2024	**292,302,334**	**113,647,347**	**9,766,290**	**751,068**	**(115,318,797)**	**8,845,908**

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 Condensed Interim Consolidated Financial Statements for the three months ended October 31, 2024 and 2023 (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 October 31, 2024, the Company had cash of $9,630,707 (July 31, 2024: $1,434,594) and an accumulated deficit of $115,318,797 (July 31, 2024: $113,754,891) and for the three months ended October 31, 2024 had net cash used in operating activities of $1,851,306 (three months ended October 31, 2023: $3,487,572). Cash increased in the three months ended October 31, 2024 primarily due to a bought deal private placement on October 1, 2024 (note 10), partially offset by expenditures incurred on the exploration activities and general corporate purposes.

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 (note 10). 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 Condensed Interim 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 Condensed Interim Consolidated Financial Statements have been prepared in accordance 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, 2024. 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 December 11, 2024.

(b) Basis of Measurement

These Condensed Interim Consolidated 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 Condensed Interim Consolidated 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.

(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.

2. BASIS OF PREPARATION (continued)

Interim results are not necessarily indicative of the results expected for the financial year. Actual annual results may differ from interim estimates. The accounting policies, including significant judgements made by management applied in the preparation of the Condensed Interim Consolidated Financial Statements, are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended July 31, 2024.

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 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 the Company. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 10.

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. CAPITAL MANAGEMENT

The Company defines capital management as the manner in which it manages its shareholders' equity. As at October 31, 2024, the Company's shareholders' equity was $8,845,908 (July 31, 2024 - $692,328). There were no changes in the Company's approach to capital management during the three months ended October 31, 2024 and the Company is not subject to any externally imposed capital requirements.

3. CAPITAL MANAGEMENT (continued)

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.

As at October 31, 2024, the Company had a working capital surplus of $8,369,070 (July 31, 2024: $204,957) and for the three months ended October 31, 2024, used net cash in operating activities of $1,851,306 (October 31, 2023: $3,487,572). Working capital is a non-GAAP measure calculated as total current assets less total current liabilities.

4. AMOUNT RECEIVABLE

	As at October 31, 2024	**As at July 31, 2024**
Harmonized sales tax receivable	**$ 126,899**	$ 41,699
Balance year end	**$ 126,899**	$ 41,699

5. RESTRICTED CASH

The Company is required to provide an environmental bond to the Ontario Government for the Wawa Gold Project.

6. 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, 2023	**$ 630,149**	**$ 18,204**	**$ 134,238**	**$ 782,591**
Additions	58,026	-	-	58,026
Balance, July 31, 2024	**$ 688,175**	**$ 18,204**	**$ 134,238**	**$ 840,617**
Additions	-	-	-	-
Balance, October 31, 2024	**$ 688,175**	**$ 18,204**	**$ 134,238**	**$ 840,617**
Accumulated amortization				
Balance, July 31, 2023	**$ (524,493)**	**$ (18,204)**	**$ (134,238)**	**$ (676,935)**
Amortization	(91,802)	-	-	(91,802)
Balance, July 31, 2024	**$ (616,295)**	**$ (18,204)**	**$ (134,238)**	**$ (768,737)**
Amortization	(11,982)	-	-	(11,982)
Balance, October 31, 2024	**$ (628,277)**	**$ (18,204)**	**$ (134,238)**	**$ (780,719)**
Net book value, July 31, 2024	$ 71,880	$ -	$ -	$ 71,880
Net book value, October 31, 2024	**$ 59,898**	**$ -**	**$ -**	**$ 59,898**

7. 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, 2024	Year ended July 31, 2024
Right of use asset		
Balance, opening	**$ 150,117**	$ 32,165
Additions	**-**	225,175
Amortization	**(28,147)**	(107,223)
Balance year end	**121,970**	150,117
Lease liability		
Balance, opening	**153,695**	-
Additions	**-**	225,175
Lease accretion	**2,613**	9,363
Lease payments	**(30,316)**	(80,843)
Balance, year end	**$ 125,992**	$ 153,695
Current portion lease liability	**$ 105,962**	104,069
Long term portion lease liability	**$ 20,030**	$ 49,626

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. On September 28, 2023, the Company signed an agreement extending this lease from January 1, 2024 to December 31,

7. RIGHT OF USE ASSET AND LEASE LIABILITY (continued)

2025. The Company has estimated future lease-principal payments of $131,371, of which $111,160 are due over the next twelve months and $20,211, thereafter.

8. 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.

	Wawa Gold Project $	Other Properties $	Total Properties $
Balance, July 31, 2023	**79,221,609**	**13,569,860**	**92,791,469**
Exploration expenditures	11,534,793	-	11,534,793
Balance, July 31, 2024	**90,756,402**	**13,569,860**	**104,326,262**
Exploration expenditures	1,120,218	-	**1,120,218**
Balance, October 31, 2024	**91,876,620**	**13,569,860**	**105,446,480**

The following table summarizes the exploration expenditures:

	Three months ended October 31	
Exploration expenditures	**2024**	**2023**
Camp costs	**$ 89,824**	$ 308,809
Compensation	**538,564**	570,898
Drilling, assays and analysis	**242,213**	1,940,740
First Nations Community Consultations	**34,000**	-
Resource estimate costs	**75,633**	-
Equipment costs	**57,704**	80,286
Land management	**82,280**	19,624
Exploration Expenditures[(a)]	**$ 1,120,218**	$ 2,920,357

(a)Excludes property acquisitions and sales

During the three months ended October 31, 2024, the Company incurred total exploration and evaluation expenditures, of $1,120,218, on the Wawa Gold property (three months ended October 31, 2023: $2,920,357).

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.

8. MINERAL PROPERTIES (continued)

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.

The Wawa Gold Project covers over 7,140 hectares (“ha”), including 307 claims covering 4,907 ha.; 17 leases covering 790 ha; and 105 patents covering 1,443 ha. The Wawa Gold Project hosts several former smaller scale mining operations and is located approximately 2 kilometres (“**km**”) 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.

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. 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 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 $6,750,000, less transaction costs of $419,036, the net amount of which has been recognized in the Condensed Interim Consolidated Statements of Comprehensive Loss.

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.

Other Properties
The Company owns four other properties including 81 claims and 1 lease covering 1,495 ha in Northern Ontario.

8. MINERAL PROPERTIES (continued)

Cayenne Property
The Cayenne property consists of 4 cell claims covering 70 ha and 1 lease covering 63 ha (total 133 ha) in Genoa Township located approximately 110 km 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 1,085 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 km north of Kirkland Lake.

Net Smelter Royalties
The Company retains a 1.5% Net Smelter Return ("NSR") on approximately 75 square km 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.

The Company also retains a 1.5% NSR on approximately 70 square km of patents 100 km southwest of Timmins and 36 km south of Foleyet, Ontario.

In addition, the 2.0% NSR on the Wawa Gold project is subject to a 1.5% buyback of the 2% NSR for a total cost of $1,750,000.

9. 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 Chief Executive Officer, Chief Financial Officer and Vice-president, Exploration.

	Three months ended October 31	
	2024	**2023**
Compensation(1)	**$ 342,167**	$ 181,875
Share based compensation(2)	**59,380**	13,220
Total	**$ 401,547**	$ 195,095

(1) Includes salary, and health benefits and severance paid to a former officer.
(2) Represents the expense of stock options vested during the period

10. SHARE CAPITAL

a) Common Shares

The authorized share capital consists of an unlimited number of common shares. The common shares have no par value. As at October 31, 2024, the Company had 292,302,334 issued and outstanding common shares (July 31, 2024: 190,711,334). All issued and outstanding common shares are fully paid.

On October 1, 2024, the Company completed an agreement in connection with a “bought deal” private placement, for gross proceeds of approximately $11,000,358 (the “Offering”). Haywood Securities Inc. (“Haywood”) acted as co-lead underwriter and sole bookrunner, on its own behalf and on behalf of Research Capital Corporation, as co-lead underwriter (together with Haywood, the “Underwriters”) in connection with the Offering.

The Offering consisted of i) 33,336,000 common shares (the “Non-FT Shares”) of the Company at a price of C$0.09 per Non-FT Share (the “Non-FT Issue Price”), ii) 28,572,000 tranche 1 flow-through shares (the “Tranche 1 FT Shares”) of the Company at a price of C$0.105 per Tranche 1 FT Share (the “Tranche 1 FT Issue Price”), and (iii) 39,683,000 tranche 2 flow-through shares (the “Tranche 2 FT Shares” and together with the Non-FT Shares and Tranche 1 FT Shares, the “Offered Shares”) of the Company at a price of C$0.126 per Tranche 2 FT Share (the “Tranche 2 FT Issue Price”) , including full exercise of the Agents’ Option.

Each Offered FT Share will qualify as a “flow-through share” within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the “Tax Act”).

In consideration for its services, the Company has agreed to pay the Underwriters a cash commission equal to 6.0% of the gross proceeds from the Offering and that number of non-transferable compensation options (the “Compensation Options”) as is equal to 6.0% of the aggregate number of Offered Shares sold under the Offering. Each Compensation Option is exercisable to acquire one common share of the Company at a price equal to $0.09 for a period of 24 months from the closing date of the Offering. The Company issued 6,095,460 such Compensation Options to the Underwriters. The Compensation Options had an estimated value of $432,560 using Black-Scholes model with the following assumptions: risk-free rate, 2.93%, dividend yield 0%, expected volatility of 106.94% and an expected life of 2 years. The value of the flow-through share premium was $436,513 and share issuance costs were $922,623.

On December 7, 2023, the Company completed an agreement in connection with a “bought deal” private placement, for gross proceeds of approximately $5,235,000 (the “Offering”). Haywood Securities Inc. (“Haywood”) acted as lead underwriter and sole bookrunner, on its own behalf and on behalf of a syndicate of underwriters (together with Haywood, the “Underwriters”) in connection with the Offering.

10. SHARE CAPITAL (continued)

a) Common Shares (continued)

The Offering consisted of i) 18,182,000 tranche 1 flow-through shares (the “Tranche 1 FT Shares”) of the Company at a price of C$0.22 per Tranche 1 FT Share (the “Tranche 1 FT Issue Price”), and (ii) 3,704,000 tranche 2 flow-through shares (the “Tranche 2 FT Shares” and together with the Tranche 1 FT Shares, the “Offered FT Shares”) of the Company at a price of C$0.27 per Tranche 2 FT Share (the “Tranche 2 FT Issue Price”). The Underwriters’ were granted an option (Underwriters’ Option) to purchase up to an additional 15% of the Offering in any combination of (i) Tranche 1 FT Shares at the Tranche 1 FT Issue Price, and (ii) Tranche 2 FT Shares at the Tranche 2 FT Issue Price. The Underwriters partially exercised the Underwriters’ Option and purchased 1,070,785 Tranche 1 FT Shares at the Tranche 1 FT Issue Price.

Each Offered FT Share will qualify as a “flow-through share” within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the “Tax Act”).

In consideration for its services, the Company has agreed to pay the Underwriters a cash commission equal to 6.0% of the gross proceeds from the Offering and that number of non-transferable compensation options (the “Compensation Options”) as is equal to 6.0% of the aggregate number of Offered FT Shares sold under the Offering. Each Compensation Option is exercisable to acquire one common share of the Company at a price equal to $0.22 for a period of 24 months from the closing date of the Offering. The Company issued 1,377,407 such Compensation Options to the Agents. The Compensation Options had an estimated value of $133,517 using Black-Scholes model with the following assumptions: risk-free rate, 4.07%, dividend yield 0%, expected volatility of 96.95% and an expected life of 2 years. The value of the flow-through share premium was $759,120 and share issuance costs were $530,301.

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” 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. A total of

10. SHARE CAPITAL (continued)

a) Common Shares (continued)

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.

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 13,763,530 Offered Shares from the October 1, 2024 financing. Alamos owns and controls 39,601,066 common shares of the Company as at October 31, 2024, representing approximately 13.55% of the issued and outstanding common shares of the Company on an undiluted basis.

(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.

10. SHARE CAPITAL (continued)

b) Stock Options (continued)

The following schedule details stock options outstanding as of July 31, 2024:

Expiry Date	Exercise Price	Options Outstanding	Remaining Life in Years	Options Exercisable
April 14, 2026	0.73	1,446,665	1.45	1,446,665
June 1, 2026	0.76	50,000	1.58	50,000
October 1, 2026	0.61	100,000	1.92	100,000
January 25, 2027	0.47	1,084,500	2.24	994,125
April 12, 2027	0.45	100,000	2.45	86,111
May 12, 2028	0.20	1,304,400	3.53	652,200
March 20, 2029	0.19	1,795,000	4.39	448,750
April 29, 2029	0.20	1,040,000	4.50	260,000
October 16, 2029	0.15	1,250,000	4.96	312,500
Balance, October 31, 2024	**$0.33**	**8,170,565**	**3.48**	**4,350,351**

Movements in the stock options are summarized as follows:

	Number of Options	Weighted Average Exercise Price	
Balance, July 31, 2023	**5,878,065**	**$**	**0.49**
Granted	3,065,000		0.19
Expired	(146,500)		0.60
Forefeited	(416,500)		0.32
Cancelled	(1,260,000)		0.53
Balance, July 31, 2024	**7,120,065**	**$**	**0.36**
Granted	1,250,000		0.15
Forefeited	(199,500)		0.34
Balance, October 31, 2024	**8,170,565**	**$**	**0.33**

On October 16, 2024, 1,250,000 stock options were granted to certain 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 1,250,000 options granted was $118,112. The options have been valued using Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; share price of $0.15; expected volatility of 102.6%; risk free rate of 2.96% and a forfeiture rate of 0%. The stock options are being expensed over the 36-month vesting period.

On April 29, 2024, 1,040,000 stock options were granted to certain directors, officers, and employees 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 1,040,000 options granted was $120,663. 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 101.6%; risk free rate of 4.16% and a forfeiture rate of 0%. The stock options are being expensed over the 36-month vesting period.

10. SHARE CAPITAL (continued)

b) *Stock Options (continued)*

On March 20, 2024, 2,025,000 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 2,025,000 options granted was $220,040. The options have been valued using Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; share price of $0.19; expected volatility of 88.5%; risk free rate of 3.88% and a forfeiture rate of 0%. The stock options are being expensed over the 36-month vesting period.

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.

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, 2023	**19,240,245**	**$ 0.26**
Granted	1,377,407	0.22
Expired	(16,221,537)	0.26
Balance, July 31, 2024	**4,396,115**	**$ 0.22**
Granted	6,095,460	0.09
Expired	(1,165,175)	0.26
Balance, October 31, 2024	**9,326,400**	**$ 0.13**

	Number of Warrants	Weighted Average Exercise Price
Warrants expiring on May 8, 2025	1,853,533	0.20
Warrants expiring on December 7, 2025	1,377,407	0.22
Warrants expiring on October 16, 2026	6,095,460	0.09
Balance, October 31, 2024	**9,326,400**	**$ 0.13**

10. SHARE CAPITAL (continued)

d) *Earnings per share*

The Company excludes from the diluted weighted average number of Common Shares all rights that, if exercised, would result in an anti-dilutive adjustment to the income (loss) per share calculation. Dilutive share options and warrants were determined using the Company's average share price for the period, resulting in 8,170,565 share options as well as 9,326,400 warrants being excluded from the calculation of diluted earnings per share for the three months ended October 31, 2024 (three months ended October 31, 2023 – 5,631,148 share options and 19,240,245 warrants).

11. COMMITMENTS

a) Flow through shares

As part of the November 2021 private placement for which flow-through proceeds were received, the Company committed to incur Canadian Exploration Expenditures ("**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, 2023 and as part of the September 29, 2022 financing 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 $3,517,980. The Company renounced the $3,517,980 of expenditures as at December 31, 2022 and had incurred all such CEE by January 31, 2023.

For the year ended July 31, 2024, the Company had incurred $4,058,661 of the $6,609,999 CEE commitment related to the May 2023 financing (twelve months ended July 31, 2023 - $2,551,338). The Company renounced the $6,609,999 of expenditures as at December 31, 2023 and had incurred all such CEE by December 31, 2023. For the year ended July 31, 2024, the Company had incurred $5,235,693 of the $5,235,693 CEE commitment related to the December 2023 financing. As at July 31, 2024, the commitment related to CEE is $nil.

For the three months ended October 31, 2024, the Company had incurred $922,178 of the $8,000,118 CEE commitment related to the October 2024 financing. As at October 31, 2024, the commitment remaining of $7,077,940, relates to the October 2024 financing.

11. COMMITMENTS (continued)

a) Flow through shares (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 October 31, 2024	Year ended July 31, 2024
CEE commitment - beginning	$ -	$ 4,058,661
CEE commitment – additions	8,000,118	5,235,693
	8,000,118	9,294,354
CEE spending in period[(1)]	(922,178)	(9,294,354)
CEE commitment – period end	**$ 7,077,940**	**$ -**

Deferred Flow-through Premium	Year ended October 31, 2024	Year ended July 31, 2024
Deferred FT premium – beginning	$ -	$ 430,639
Deferred FT premium - additions	436,513	759,120
	436,513	1,189,759
Change in FT premium in period[(2)]	(50,317)	(1,189,759)
Deferred FT premium – period end	**$ 386,196**	**$ -**

(1) 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.

(2) 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.

b) First Nations Community Consultations

First Nations Community Consultations costs are incurred as a result of agreements signed in prior years with First Nations on whose traditional lands the Company conducts exploration activities. These costs require reconciliation with government approved expenditures before they can be finalized and invoiced by the respective Communities.

During the three months ended October 31, 2024, the Company accrued $34,000 of First Nations Consultations expenses for the period August 1, 2024 to October 31, 2024 (three months ended October 31, 2023 - $nil). The liability associated with First Nations Consultations expenses included in Accounts payable and accrued liabilities as at October 31, 2024 is $1,021,862.

During the year ended July 31, 2024, the Company accrued $987,862 of First Nations Consultations expenses for the period January 1, 2021 to July 31, 2024 (year ended July 31, 2023 - $nil), which are included in Accounts payable and accrued liabilities as at July 31, 2024.