



Red Pine Exploration Inc.

Condensed Interim Consolidated Financial Statements

For the Three and Six Months Ended January 31, 2025 and 2024

(Expressed in Canadian Dollars)

Notice to Reader of Condensed Interim Consolidated Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these financial statements.

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

(Unaudited, expressed in Canadian Dollars)

	Note	January 31, 2025	July 31, 2024
Assets			
Current			
Cash and cash equivalents		\$ 7,465,188	\$ 1,434,594
Marketable securities		2,500	2,500
Amount receivable	4	115,169	41,699
Prepaid expenses		228,607	113,353
Total current assets		7,811,464	1,592,146
Non-current assets			
Restricted cash	5	315,000	315,000
Property, plant and equipment	6	47,565	71,880
Right of use asset	7	251,490	150,117
Total non-current assets		614,055	536,997
Total assets		\$ 8,425,519	\$ 2,129,143
Liabilities			
Current			
Accounts payable and accrued liabilities	11(b)	\$ 1,197,541	\$ 1,283,120
Lease liability	7	128,337	104,069
Deferred flow-through premium	11(a)	307,374	-
Total current liabilities		1,633,252	1,387,189
Non-current			
Lease liability	7	99,575	49,626
Total non-current liabilities		99,575	49,626
Total liabilities		1,732,827	1,436,815
Shareholders' equity			
Share capital	10	113,647,347	104,266,981
Contributed surplus	10	9,871,679	9,690,026
Warrant reserve	10	751,068	490,212
Accumulated deficit		(117,577,402)	(113,754,891)
Total shareholders' equity		6,692,692	692,328
Total liabilities and shareholders' equity		\$ 8,425,519	\$ 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"

Paul Martin, Director

"Alice Murphy"

Alice Murphy, Director

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

(Unaudited, expressed in Canadian Dollars)

	Note	Three months ended January 31		Six months ended January 31	
		2025	2024	2025	2024
Expenses					
Exploration expenditures	8	\$ 1,653,739	2,784,064	\$ 2,773,957	5,704,421
Gain on sale of Net Smelter Royalty	8	-	-	-	(6,330,964)
Depreciation and amortization	6,7	54,813	\$ 43,091	94,942	\$ 109,058
Foreign exchange loss (gain)		(59)	159	(84)	(267)
General and administrative		166,323	200,123	318,524	363,454
Interest (income)		(20,647)	(61,549)	(73,870)	(118,014)
Lease accretion	7	4,277	2,662	6,890	2,662
Payroll and professional fees	9	373,592	234,307	649,638	479,562
Share-based compensation	9,10	105,389	7,197	181,653	14,028
Total (income) expense		2,337,427	3,210,054	3,951,650	223,940
Other (income)					
Flow-through share premium	10,11	(78,822)	(346,369)	(129,139)	(648,585)
Total other (income)		(78,822)	(346,369)	(129,139)	(648,585)
Net income (loss) and comprehensive income (loss)		\$ (2,258,605)	\$ (2,863,685)	\$ (3,822,511)	\$ 424,645
Basic and diluted income (loss) per share		\$ (0.01)	\$ (0.02)	\$ (0.01)	\$ 0.00
Weighted average number of common shares outstanding (basic and diluted)	10	292,302,334	181,478,714	258,070,584	174,616,631

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 January 31		Six months ended January 31	
	2025	2024	2025	2024
Operations				
Net comprehensive income (loss)	\$ (2,258,605)	\$ (2,863,685)	\$ (3,822,511)	\$ 424,645
Adjustments for non-cash items:				
Depreciation and amortization	54,813	43,091	94,942	109,058
Change in deferred flow-through premium	(78,822)	(346,369)	(129,139)	(648,585)
Gain on sale of Net Smelter Royalty	-	-	-	(6,330,964)
Lease accretion	4,277	2,662	6,890	2,662
Stock-based compensation	105,389	7,197	181,653	14,028
	(2,172,948)	(3,157,104)	(3,668,165)	(6,429,156)
Net changes in non-cash working capital				
Amount receivable	11,730	147,615	(73,470)	(13,671)
Prepaid expenses	35,900	22,815	(115,254)	(97,403)
Accounts payable and accrued liabilities	34,156	(148,103)	(85,579)	(82,119)
Net cash used in operating activities	(2,091,162)	(3,134,777)	(3,942,468)	(6,622,349)
Investing activities				
Building and equipment additions	-	-	-	(30,780)
Proceeds on sale of Net Smelter Royalty	-	-	-	6,330,964
Net cash from (used in) investing activities	-	-	-	6,300,184
Financing activities				
Proceeds from share issuances	-	5,235,693	11,000,358	5,235,693
Share issue costs	-	(530,301)	(922,623)	(530,301)
Lease payments	(74,357)	(20,211)	(104,673)	(20,211)
Net cash from (used in) financing activities	(74,357)	4,685,181	9,973,062	4,685,181
Net increase (decrease) in cash	(2,165,519)	1,550,404	6,030,594	4,363,016
Cash, beginning of period	9,630,707	6,195,238	1,434,594	3,382,626
Cash, end of period	\$ 7,465,188	\$ 7,745,642	\$ 7,465,188	\$ 7,745,642

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 January 31, 2025 and 2024

(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	-	-	-	-	424,645	424,645
Share issuance	22,956,785	5,235,693	-	-	-	5,235,693
Fair value of flow through premium	-	(759,120)	-	-	-	(759,120)
Cost of issue	-	(530,301)	-	-	-	(530,301)
Fair value of broker warrants issued	-	(133,517)	-	133,517	-	-
Share based compensation	-	-	14,028	-	-	14,028
Balance, January 31, 2024	190,711,334	102,863,775	9,555,933	1,893,418	(106,825,314)	7,487,812
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	-	-	-	-	(3,822,511)	(3,822,511)
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	-	-	181,653	-	-	181,653
Fair value of warrants expired	-	171,704	-	(171,704)	-	-
Balance, January 31, 2025	292,302,334	113,647,347	9,871,679	751,068	(117,577,402)	6,692,692

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 and six months ended January 31, 2025 and 2024 (the "Financial Statements") have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

As at January 31, 2025, the Company had cash of \$7,465,188 (July 31, 2024: \$1,434,594) and an accumulated deficit of \$117,577,402 (July 31, 2024: \$113,754,891) and for the three and six months ended January 31, 2025 had net cash used in operating activities of \$2,091,162 and \$3,942,468 respectively (three and six months ended January 31, 2024: \$3,134,777 and \$6,622,349). Cash increased in the six months ended January 31, 2025 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 March 7, 2025.

(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 January 31, 2025, the Company's shareholders' equity was \$6,692,692 (July 31, 2024 - \$692,328). There were no changes in the Company's approach to capital management during the six months ended January 31, 2025 and the Company is not subject to any externally imposed capital requirements.

Red Pine Exploration Inc.
Notes to Condensed Interim Consolidated Financial Statements
For the three and six months ended January 31, 2025 and 2024
(Unaudited, expressed in Canadian Dollars)

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 January 31, 2025, the Company had a working capital surplus of \$6,178,212 (July 31, 2024: \$204,957) and for the three and six months ended January 31, 2025, used net cash in operating activities of \$2,091,162 and \$3,942,468, respectively (January 31, 2024: \$3,134,777 and \$6,622,349, respectively). Working capital is a non-GAAP measure calculated as total current assets less total current liabilities.

4. AMOUNT RECEIVABLE

	As at	As at
	January 31, 2025	July 31, 2024
Harmonized sales tax receivable	\$ 115,169	\$ 41,699
Balance year end	\$ 115,169	\$ 41,699

5. RESTRICTED CASH

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

Red Pine Exploration Inc.
Notes to Condensed Interim Consolidated Financial Statements
For the three and six months ended January 31, 2025 and 2024
(Unaudited, expressed in Canadian Dollars)

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, January 31, 2025	\$ 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	(24,315)	-	-	(24,315)
Balance, January 31, 2025	\$ (640,610)	\$ (18,204)	\$ (134,238)	\$ (793,052)
Net book value, July 31, 2024	\$ 71,880	\$ -	\$ -	\$ 71,880
Net book value, January 31, 2025	\$ 47,565	\$ -	\$ -	\$ 47,565

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 January 31, 2025	Year ended July 31, 2024
Right of use asset		
Balance, opening	\$ 150,117	\$ 32,165
Additions	172,000	225,175
Amortization	(70,627)	(107,223)
Balance year end	251,490	150,117
Lease liability		
Balance, opening	153,695	-
Additions	172,000	225,175
Lease accretion	6,890	9,363
Lease payments	(104,673)	(80,843)
Balance, year end	\$ 227,912	\$ 153,695
Current portion lease liability	\$ 128,337	104,069
Long term portion lease liability	\$ 99,575	\$ 49,626

Red Pine Exploration Inc.
Notes to Condensed Interim Consolidated Financial Statements
For the three and six months ended January 31, 2025 and 2024
(Unaudited, expressed in Canadian Dollars)

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

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, 2025.

On October 25, 2024, the Company signed an equipment lease agreement for the Wawa Gold Project for four (4) years commencing from November 1, 2024 to October 31, 2028.

The Company has estimated future lease-principal payments of \$242,448 of which \$136,403 are due over the next twelve months and \$106,045, 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 include 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	2,773,957	-	2,773,957
Balance, January 31, 2025	93,530,359	13,569,860	107,100,219

The following table summarizes the exploration expenditures:

Exploration expenditures	Three months ended January 31		Six months ended January 31	
	2025	2024	2025	2024
Camp costs	\$ 76,967	\$ 275,063	\$ 166,791	\$ 583,872
Compensation	548,409	642,892	1,086,973	1,213,790
Drilling, assays and analysis First Nations	821,506	1,514,046	1,063,719	3,454,786
Community Consultations	36,852	-	70,852	-
Resource estimate costs	-	-	75,633	-
Geophysical survey	-	142,926	-	142,926
Equipment costs	88,063	87,435	145,767	167,721
Land management	24,657	121,702	106,937	141,326
Claim Acquisition	57,285	-	57,285	-
Exploration Expenditures^(a)	\$ 1,653,739	\$ 2,784,064	\$ 2,773,957	\$ 5,704,421

(a) Excludes property acquisitions and sales

8. MINERAL PROPERTIES (continued)

During the six months ended January 31, 2025, the Company incurred total exploration and evaluation expenditures, of \$2,773,957, on the Wawa Gold property (six months ended January 31, 2024: \$5,704,421).

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.

Wawa Gold Project

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. 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 Income (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.

On December 12, 2024, the Company acquired one patented mining and surface rights claim within the boundaries of the Wawa Gold Project for cash consideration of \$57,285 and the granting of a 2% net smelter return royalty.

Other Properties

The Company owns four other properties including 80 claims and 1 lease covering 1,416 ha in Northern Ontario.

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.

8. MINERAL PROPERTIES (continued)

Fern Elizabeth Property

The Company has a 100% interest in 54 cell claims covering 1,006 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.

As part of the mining and surface rights claim purchased on December 12, 2024, the vendor retained a 2% NSR on the 3.8 hectares acquired. The Company has the right, but not the obligation, to repurchase the NSR by paying to the vendor U.S.\$10,000 for the first 1% and U.S.\$20,000 for the second 1%, at any time.

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 January 31			
	2025	2024	2025	2024
Compensation ⁽¹⁾	\$ 200,500	\$ 141,875	\$ 542,667	\$ 323,750
Share based compensation ⁽²⁾	75,423	13,219	134,803	26,439
Total	\$ 275,923	\$ 155,094	\$ 677,470	\$ 350,189

(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 January 31, 2025, 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 paid 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)

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 paid 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 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.

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10. SHARE CAPITAL (continued)

a) Common Shares (continued)

In consideration for their services, the Company paid 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 January 31, 2025, 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.

The following schedule details stock options outstanding as of January 31, 2025:

Expiry Date	Exercise Price	Options Outstanding	Remaining Life in Years	Options Exercisable
April 14, 2026	0.73	1,446,665	1.20	1,446,665
June 1, 2026	0.76	50,000	1.33	50,000
October 1, 2026	0.61	100,000	1.67	100,000
January 25, 2027	0.47	1,037,389	1.98	1,037,389
April 12, 2027	0.45	100,000	2.19	94,444
May 12, 2028	0.20	1,216,900	3.28	608,450
March 20, 2029	0.19	1,735,000	4.13	433,750
April 29, 2029	0.20	1,040,000	4.24	260,000
October 16, 2029	0.15	1,250,000	4.71	312,500
January 29, 2030	0.11	2,845,000	5.00	711,250
Balance, January 31, 2025	\$0.27	10,820,954	3.69	5,054,448

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10. SHARE CAPITAL (continued)

(b) Stock Options (continued)

Movements in the stock options are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, July 31, 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	4,095,000	0.14
Forefeited	(251,611)	0.31
Cancelled	(142,500)	0.28
Balance, January 31, 2025	10,820,954	\$ 0.27

On January 29, 2025, 2,845,000 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 2,845,000 options granted was \$202,402. The options have been valued using Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; share price of \$0.11; expected volatility of 100.2%; risk free rate of 2.83% and a forfeiture rate of 0%. The stock options are being expensed over the 36-month vesting period.

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.

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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, January 31, 2025	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 1, 2026	6,095,460	0.09
Balance, January 31, 2025	9,326,400	\$ 0.13

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 10,820,954 share options as well as 9,326,400 warrants being excluded from the calculation of diluted earnings per share for the three and six months ended January 31, 2025 (three and six months ended January 31, 2024 – 5,631,148 share options and 19,842,230 warrants).

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11. COMMITMENTS

a) *Flow through shares*

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 Canadian Exploration Expenditures (“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 six months ended January 31, 2025, the Company had incurred \$2,366,766 of the \$8,000,118 CEE commitment related to the October 2024 financing. As at January 31, 2025, the commitment remaining of \$5,633,352, relates to the October 2024 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	Six months ended January 31, 2025	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⁾	(2,366,766)	(9,294,354)
CEE commitment – period end	\$ 5,633,352	\$ -

Deferred Flow-through Premium	Six months ended January 31, 2025	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⁾	(129,139)	(1,189,759)
Deferred FT premium – period end	\$ 307,374	\$ -

⁽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.

11. COMMITMENTS (continued)

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 and six months ended January 31, 2025, the Company accrued \$36,852 and \$70,852 of First Nations Consultations expenses for the period August 1, 2024 to January 31, 2025 (three and six months ended January 31, 2024 - \$nil). The liability associated with First Nations Consultations expenses included in Accounts payable and accrued liabilities as at January 31, 2025 is \$569,000.

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 were included in Accounts payable and accrued liabilities as at July 31, 2024.