



Red Pine Exploration Inc.

Unaudited Condensed Interim Consolidated Financial Statements

For the Nine-Month Periods Ended April 30, 2021 and 2020

(Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW 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 condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated 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 condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada (CPA Canada) for a review of interim financial statements by an entity's auditor.

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

	April 30, 2021	July 31, 2020
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 4,921,710	\$ 647,920
Restricted Cash	315,000	-
Marketable Securities	2,500	2,500
Amount Receivable	197,743	430,488
Prepaid Expenses	551,894	51,423
Total Current Assets	5,988,847	1,132,331
Perpetual Software Licenses (note 3)	18,204	18,204
Environmental Bond (note 5)	315,000	-
Equipment (note 3)	27,870	-
Right of Use Asset (note 4)	256,575	328,660
Leasehold Improvements (note 3)	28,769	28,769
Total Assets	\$ 6,635,265	\$ 1,507,964
Liabilities		
Current Liabilities		
Accounts Payable and Accrued Liabilities (note 6)	\$ 611,014	\$ 325,223
Lease Liability (note 4)	80,820	91,682
Deferred Flow-Through Premium (note 8)	979,199	-
Flow-Through Provision	-	110,876
Total Current Liabilities	1,671,034	527,781
Rental Deposit	-	17,281
Long Term Lease Liability (note 4)	152,795	208,846
Total Liabilities	1,823,829	753,908
Shareholders' Equity		
Share Capital (note 7)	76,604,552	59,993,157
Contributed Surplus (note 7)	8,116,146	8,116,146
Warrant Reserve (note 7)	3,167,963	1,882,653
Accumulated Deficit	(83,077,225)	(69,237,900)
Total Shareholders' Equity	4,811,436	754,056
Total Liabilities and Shareholders' Equity	\$ 6,635,265	\$ 1,507,964

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

Nature of Operations and Going Concern (note 1)

Commitments (note 8)

Subsequent Events (note 11)

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

	Three-month period ended April 30, 2021	Three-month period ended April 30, 2020	Nine-month period ended April 30, 2021	Nine-month period ended April 30, 2020
Expenses				
Exploration Expenditures (note 5)	\$ 12,528,980	\$ 732,747	\$ 13,095,034	\$ 2,291,213
General and Administrative (note 8)	138,069	(75,703)	205,124	50,794
Payroll & Professional Fees (note 6)	302,609	92,992	554,273	487,831
Depreciation and Amortization (note 3 and 4)	24,028	118,591	72,085	177,939
Interest Expense (Income)	6,789	(5,336)	6,452	(7,440)
Lease accretion (gain) (note 4)	5,301	59,418	15,901	25,076
Deferred premium (note 8)	-	(72,500)	-	(72,500)
Change in flow-through provision	(56,496)	-	(110,876)	-
Foreign Exchange Loss (Gain)	743	-	1,332	-
Total Expense	12,950,023	850,207	13,839,325	2,952,911
Loss and Comprehensive Loss for Period	\$ (12,950,023)	\$ (850,207)	\$ (13,839,325)	\$ (2,952,911)
Loss per share - basic and diluted	\$ (0.20)	\$ (0.02)	\$ (0.26)	\$ (0.08)
Weighted average shares outstanding	64,551,197	47,722,239	53,208,603	38,967,952

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

Red Pine Exploration Inc.
Condensed Interim Consolidated Statements of Cash Flows (unaudited)
(Expressed in Canadian Dollars)

	Nine-month period ended April 30, 2021	Nine-month period ended April 30, 2020
Operating Activities		
Loss for the Period	\$ (13,839,325)	\$ (2,952,911)
Adjustment for non-cash items:		
Amortization and depreciation (notes 3 and 4)	72,085	177,939
Change in flow-through provision	(110,876)	-
Return of rental deposit	(17,281)	(17,281)
Lease accretion (note 4)	15,901	25,076
Shares issued for advisory fee	147,059	
Recognition of deferred premium (note 8)	-	(72,500)
Change in working capital items:		
Restricted Cash	(315,000)	-
Amount receivable	232,745	316,243
Prepaid expenses	(500,472)	32,855
Accounts payable and accrued liabilities	285,791	(141,607)
Net cash used in operating activities	(14,029,374)	(2,632,187)
Investing Activities		
Vehicle purchases (note 3)	(27,870)	-
Environmental Bond (note 5)	(315,000)	-
Net cash (used in) investing activities	(342,870)	-
Financing Activities		
Proceeds from private placements (note 7)	20,026,806	3,779,722
Proceeds from warrant and option exercise (note	121,286	-
Share issue costs (note 7)	(1,419,245)	(323,007)
Repayment of lease obligations	-	(94,223)
Lease payments (note 4)	(82,814)	-
Net cash provided by financing activities	18,646,034	3,362,492
Cash and Cash Equivalents		
Net increase (decrease) in cash and cash equiva	4,273,790	730,305
Cash and cash equivalents - beginning of period	647,920	695,996
Cash and cash equivalents - end of period	\$ 4,921,710	\$ 1,426,301
Supplemental Disclosures:		
Interest received as cash	(6,452)	7,440

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

Red Pine Exploration Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (unaudited)

(Expressed in Canadian Dollars)

	Shares #	Share Capital \$	Contributed Surplus \$	Warrant Reserve \$	Accumulated Deficit \$	Shareholders' Equity \$
Balance – July 31, 2020	47,722,239	59,993,157	8,116,146	1,882,653	(69,237,900)	754,056
Loss for the period	-	-	-	-	(13,839,325)	(13,839,325)
Private Placement	47,619,016	19,047,606	-	-	-	19,047,606
Fair value of shares - advisory	226,244	147,059	-	-	-	147,059
Cost of issue	-	(1,419,245)	-	-	-	(1,419,245)
Compensation Warrants - agent	-	(1,296,106)	-	1,296,106	-	-
Warrants Exercised	218,571	109,286	-	-	-	109,286
Stock Options Exercised	20,000	12,000	-	-	-	12,000
Fair Value of Warrants Expired	-	10,796	-	(10,796)	-	-
Balance – April 30, 2021	95,806,070	76,604,552	8,116,146	3,167,963	(83,077,225)	4,811,436
Balance – July 31, 2019	36,923,032	55,258,221	8,043,575	3,305,945	(65,292,120)	1,315,621
Loss for the Period	-	-	-	-	(2,952,911)	(2,952,911)
Fair Value of Warrants Expired	-	1,954,740	-	(1,954,740)	-	-
Private Placement	10,799,206	3,779,722	-	-	-	3,779,722
Compensation Options - agent	-	(72,571)	72,571	-	-	-
Fair Value of Warrants Issued	-	(532,256)	-	532,256	-	-
Fair Value of Flow-Through Premium	-	(72,500)	-	-	-	(72,500)
Cost of Issue	-	(323,008)	-	-	-	(323,008)
Balance – April 30, 2020	47,722,239	59,992,349	8,116,146	1,883,461	(68,245,031)	1,746,925

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

Red Pine Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements (unaudited)

For the nine-month periods ended April 30, 2021 and 2020

1. Nature of Operations and Going Concern

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

The accompanying condensed Interim consolidated financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

As at April 30, 2021, the Company had a working capital surplus of \$5,297,012 excluding the deferred flow-through share premium of \$979,199 (July 31, 2020: surplus \$604,550) and an accumulated deficit of \$83,077,225 (July 31 2020: \$ 69,237,900). The Company had a net loss from operations for the nine-month period ended April 30, 2021 of \$13,839,325 (April 30, 2020: \$2,952,911).

Effective March 15, 2021 the Company completed a one (1) new for every ten (10) old consolidation (10:1) of its Common Shares. There will be no name change in conjunction with the Consolidation. The Company will continue to trade under the symbol "RPX" on the TSXV. There were 477,222,387 Common Shares outstanding; after giving effect to the Consolidation there is 47,722,239 Common Shares outstanding. The share consolidation has been applied retrospectively within the condensed interim consolidated financial statements.

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

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

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

Red Pine Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements (unaudited)

For the nine-month periods ended April 30, 2021 and 2020

2. Basis of Presentation

(a) Statement of compliance

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

These condensed interim consolidated financial statements were approved by the Board of Directors on June 22, 2021.

(b) Basis of presentation

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

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

(c) Basis of consolidation

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

(d) Significant accounting judgements and estimates

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

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

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

Red Pine Exploration Inc.**Notes to Condensed Interim Consolidated Financial Statements (unaudited)**For the nine-month periods ended April 30, 2021 and 2020

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

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

Share-based compensation

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

Deferred Flow-Through Premium and Flow-Through Provision Estimates

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

3. Equipment, Software and Leasehold Improvements

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

	Vehicle Equipment	Software Licenses	Leasehold Improvements
Balance July 31, 2019	26,729	18,204	86,297
Additions	-	-	(4,794)
Depreciation and Amortization	(26,729)	-	-
Balance April 30, 2020	-	18,204	81,503
Balance July 31, 2020	-	18,204	28,769
Additions	27,870	-	-
Depreciation and Amortization	-	-	-
Balance April 30, 2021	27,870	18,204	28,769

Red Pine Exploration Inc.**Notes to Condensed Interim Consolidated Financial Statements (unaudited)**For the nine-month periods ended April 30, 2021 and 2020

4. Right of Use and Lease Liability

	Nine-month period ended April 30, 2021 \$	Nine-month period ended April 30, 2020 \$
Right of use asset		
Balance, opening	328,660	448,263
Amortization	(72,085)	(83,012)
Balance	256,575	365,251
Lease liability		
Balance, opening	300,528	448,263
Lease accretion	15,901	25,076
Lease payments	(82,814)	(94,223)
Balance, closing	233,615	379,116
Current portion	80,820	92,855
Long term portion	152,795	286,261

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

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

For the nine-month periods ended April 30, 2021 and 2020

5. Mineral Properties

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

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

	Wawa Gold Property \$	Cayenne Property \$	Other Properties \$	Total Properties \$
Balance July 31, 2019	40,400,986	6,137,686	8,482,174	55,020,846
Property Acquisition Costs	-	-	-	-
Exploration Expenditures	2,291,213	-	-	2,291,213
Balance – April 30, 2020	42,692,199	6,137,686	8,482,174	57,312,059
Property Acquisition Costs	223,947	-	-	223,947
Exploration Expenditures	547,640	-	-	547,640
Balance – July 31, 2020	43,463,786	6,137,686	8,482,174	58,083,646
Property Acquisition Costs	12,138,482	-	-	-
Exploration Expenditures	956,551	-	-	956,551
Balance – April 30, 2021	56,558,819	6,137,686	8,482,174	59,040,197

During the nine-month period ended April 30, 2021:

- a) The Company incurred total acquisition, exploration and evaluation expenditures of \$956,551 on the Wawa Gold property for the nine-month period ended April 30, 2021 (2020: \$2,291,213).
- b) During the period ended January 31, 2021 and up to March 30, 2021 when the Company completed a consolidation of the Wawa Gold Project and now owns 100% of the Wawa Gold Project, the Company's joint venture partner on the Wawa Gold Project, Citibar L.P. ("Citibar") did not participate in its share of contributions.

On February 22, 2021 the Company entered into a definitive securities purchase agreement with the holders of the partnership interests in Citibar Limited Partnership ("Citibar"), which would result in Red Pine consolidating a 100% ownership in the Wawa Gold Project located near Wawa, Ontario through the acquisition of all of the partnership interests in Citibar (the "Transaction"). The purchase price (the "Purchase Price") for the Transaction was \$12,605,396 was payable in a combination of a minimum of \$8,575,905 in cash, common shares of Red Pine, the set-off of \$1,104,081 in amounts owed by Citibar to Red Pine as well as the grant to the Vendors of a 2% net smelter return royalty ("NSR") valued at \$160,000 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.

Pursuant to the terms of the Transaction, Red Pine satisfied the Purchase Price through the payment of \$11,341,315 in cash, the granting of the NSR and the set-off of \$1,104,081 payable to Red Pine by Citibar. Red Pine elected to pay more than the minimum cash payment and therefore did not issue any common shares to the Vendors in connection with the Transaction.

Red Pine Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements (unaudited)

For the nine-month periods ended April 30, 2021 and 2020

5. Mineral Properties (continued)

Wawa Gold Project

This property, comprised of over 6,800 hectares, hosts several former smaller scale mining operations with a combined historic production of is located approximately 2 kilometres east of the Town of Wawa in northern Ontario.

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

As part of the 100% consolidation of the Wawa Gold Project, the Company's previous joint venture partner retained a 2% net smelter return royalty on production from the Wawa Gold Project, of which 1.5% of the 2% NSR is subject to a buyback for a total cost of \$1.75 million. The Company also had to put in placed an environmental bond of \$315,000 which was previously provided by Citibar L.P.

Cayenne Property

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

Algoma-Talisman Property

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

Mortimer Property

The Company has a 100% interest in a block of 22 cell claims covering approximately 284.77 ha in the Dore Township approximately 110 km southwest of Timmins, Ontario. The previous owners retain NSRs ranging between 0.2% and 2% on certain claims and the Company has the option to purchase a portion of these NSRs for various cash payments as specified in the original purchase agreements.

Fern Elizabeth Property

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

Rand Garrison

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

Red Pine Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements (unaudited)

For the nine-month periods ended April 30, 2021 and 2020

5. 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 Goldcorp's Borden Gold project near Chapleau, Ontario. The underlying property package was sold to Probe Mines Ltd. in November 2012.

6. Related Party Transactions and Balances

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

	Nine months ended April 30,	
	2021	2020
	\$	\$
Short term benefits (1)	142,249	340,880
Share based payments (2)	519,750	-
	<u>661,999</u>	<u>340,880</u>

(1) Includes payroll and professional fees.

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

Included in accounts payable is an amount of \$5,740 related to exploration, rent and general & administrative charges from companies under common management. The Companies share the services of certain senior officers and a director along with other administrative services including office rental.

7. 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 April 30, 2021, the Company had 95,806,070 issued and outstanding common shares (July 31, 2020: 47,722,239). All issued and outstanding common shares are fully paid.

Effective March 15, 2021 the Company a one (1) new for every ten (10) old consolidation (10:1) of its Common Shares. The Company will continue to trade under the symbol "RPX" on the TSX Venture Exchange (the "TSXVE"). There were 477,222,387 Common Shares outstanding; after giving effect to the Consolidation there will be approximately 47,722,239 Common Shares outstanding.

All references to the number of common shares have been adjusted retrospectively to reflect the Company's 10:1 share consolidation for all periods disclosed in these condensed interim consolidated financial statements.

Red Pine Exploration Inc.**Notes to Condensed Interim Consolidated Financial Statements (unaudited)**For the nine-month periods ended April 30, 2021 and 2020

7. Share Capital (continued)*a) Common Shares (continued)*

On March 30, 2021, 37,567,400 subscription receipts of the Company were each automatically exercised for one common share of the Company at a price of \$0.40 and 5,555,212 tranche 1 flow-through subscription receipts of the Company at a price of \$0.45 (the "Tranche 1 FT Subscription Receipts") and 4,496,403 tranche 2 flow-through subscription receipts of the Company at a price of \$0.556 (the "Tranche 2 FT Subscription Receipts" and together with the Tranche 1 FT Subscription Receipts, the "FT Subscription Receipts") were each automatically exercised for the right (each, a "Right") to subscribe for one common share of the Company that qualifies as "flow through" share within the meaning of the *Income Tax Act* (Canada) pursuant to subscription and renunciation agreements entered into by the Company and the subscribers of the FT Subscription Receipts following the issuance of the Rights. Following the transactions described above, a total of 47,619,015 common shares have been issued in connection with the Financing. Total gross proceeds raised was \$20,026,805 with \$979,199 allocated to the flow-through provision. A portion of the net proceeds of the financing were used to satisfy the cash portion of the Purchase Price of the Transaction (note 5). In connection with the financing, the Company issued compensation warrants equal to 6% of the securities sold in the Offering, or 2,825,640 compensation warrants with a fair value of \$1,296,106, to the agents in the Offering with each such compensation warrant being exercisable to acquire one common share of the Company for a period of 24 months following the issuance thereof at a price of \$0.40 per share and paid cash commissions of a total of \$1,189,008 to the agents.

In connection with the Transaction, the Company paid a cash fee of \$400,000 and issued 226,244 common shares at a price of \$0.65 per share for a fair value of \$147,059 pursuant to a financial advisory services agreement. The cash fee and common shares issued were expensed on the profit and loss statement for the nine-month period ending April 30, 2020.

On December 31, 2019 the Company sold an aggregate of (i) 2,589,285 units (the "FT Units") comprised of one "flow-through" common share (a "FT Share") of the Company and one-half of one non-flow-through common share purchase warrant (each whole warrant, a "Warrant") at a price of C\$0.35 per FT Unit for gross proceeds of C\$906,250 and (ii) 8,209,921 non-flow-through units of the Company (the "Non-FT Units" and together with the FT Units, the "Securities") with each Non-FT Unit being comprised of one common share (issued on a non-"flow-through" basis) and one whole Warrant, at a price of C\$0.35 per Non-FT Unit for gross proceeds of C\$2,873,472, for aggregate gross proceeds to Red Pine in the Offering of C\$3,779,722. Each whole Warrant is exercisable to acquire one common share at a price of C\$0.50 per share for a period of 24 months following the closing date of the Offering. Each FT Share partially comprising the FT Units has been issued on a "flow-through" basis within. A total of 9,504,564 warrants were issued with an estimated value of \$532,256 using Black-Scholes model with the following assumptions: risk-free rate, 2.01%, dividend yield 0%, expected volatility of 47.82% and an expected life of 2 years. In connection with the financing, the Company issued 647,952 compensation options to the agent. Each agent compensation option is exercisable to acquire one Non-FT Unit at a price of C\$0.50 per unit for a period of 24 months. The agent consideration options had an estimated value of \$72,571 using Black-Scholes model with the following assumptions: risk-free rate, 2.01%, dividend yield 0%, expected volatility of 47.82% and an expected life of 2 years. The value of the flow-through share premium was \$72,500 and share issuance costs were \$323,008.

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

For the nine-month periods ended April 30, 2021 and 2020

7. 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.

The following schedule details stock options outstanding as at April 30, 2021:

Expiry	Exercise Price	Outstanding April 30, 2021	Remaining life (years)	Exercisable April 30, 2021
April 6, 2022	1.20	102,500	0.93	102,500
April 11, 2022	1.20	212,800	0.95	212,800
June 20, 2022	0.60	546,250	1.14	546,250
August 10, 2023	0.60	189,000	2.28	189,000
April 14, 2026	0.73	2,470,000	4.96	-
Balance, April 30, 2021	0.74	3,520,550	3.86	1,050,550

Below is a summary of changes to stock options for the period ended April 30, 2021:

	Number	Weighted average exercise price
Outstanding, July 31, 2020	1,718,250	\$ 0.72
Granted	2,470,000	0.73
Exercised	(20,000)	0.60
Cancelled	(460,200)	1.10
Expired	(187,500)	0.55
Outstanding, April 30, 2021	3,520,550	\$ 0.72

On April 14, 2021 a total 2,470,00 stock options were granted to certain directors, officers, and employees 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 2,470,000 options granted was \$815,000. The options have been valued using Cox, Ross, and Rubenstein binomial tree with the following assumptions: expected dividend yield of 0%; share price of \$.72; expected volatility of 56.17%; risk free rate of .95% and a forfeiture rate of 2%. The stock options have not been expensed for the period ended April 30, 2021, and will be expensed effective May 14, 2021 in accordance with the vesting schedule.

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

For the nine-month periods ended April 30, 2021 and 2020

7. Share Capital (continued)

Below is a summary of changes to stock options for the period ended April 30, 2020:

	Number		Weighted average exercise price
Outstanding, July 31, 2019	1,826,250	\$	1.10
Granted	647,952		0.50
Exercised	-		-
Expired	(108,000)		5.00
Outstanding, April 30, 2020	2,366,202	\$	1.10

c) Warrants

The following is a continuity schedule for the warrants outstanding as at April 30, 2021:

Expiry	Exercise Price	Outstanding	Remaining life (years)
December 31, 2021	0.50	9,933,945	0.67
March 23, 2023	0.40	2,857,141	1.90
Balance, April 30, 2021	0.48	12,791,086	0.94

Below is a summary of changes to warrants for the period ended April 30, 2021:

	Number		Weighted average exercise price
Outstanding, July 31, 2020	13,537,716	\$	0.64
Granted	2,857,141		0.40
Exercised	(218,571)		0.50
Expired	(3,385,200)		1.00
Outstanding, April 30, 2021	12,791,086	\$	0.64

On March 23, 2021, in connection with the share offering, a total of 2,857,141 were issued to the agents. The fair value of the 2,857,141 warrants granted was \$1,296,106. The warrants have been valued using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; share price of \$0.76; expected volatility of 75.83%; risk free rate of 0.25% and an expected life of 2 years.

Below is a summary of changes to warrants for the period ended April 30, 2020:

	Number		Weighted average exercise price
Outstanding, July 31, 2019	7,040,993	\$	0.60
Granted	10,152,516		0.50
Exercised	-		-
Expired	(12,160)		0.66
Outstanding, April 30, 2020	17,181,350	\$	0.54

Red Pine Exploration Inc.

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For the nine-month periods ended April 30, 2021 and 2020

8. 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 qualifying resource expenditures pursuant to a private placement for which flow-through proceeds have been received. As at April 30, 2021, the Company had incurred \$280,646 and has an expenditure commitment of \$4,719,199 remaining.

The Company committed to incur, on a best-efforts basis, by December 31, 2020, \$906,250 in qualifying resource expenditures pursuant to a private placement for which flow-through proceeds have been received. The Company filed its renunciation forms in December 2019. As at April 30, 2020, the Company had incurred its expenditure commitment and recognized a deferred premium of \$72,500 in the condensed interim consolidated statements of loss and comprehensive loss.

9. Capital Management

As at April 30, 2021, the Company had a working capital surplus of \$5,297,012 excluding the deferred flow-through share premium of \$979,199 (July 31, 2020: surplus \$604,550) and an accumulated deficit of \$83,077,225 (July 31 2020: \$ 69,237,900). The Company had a net loss from operations for the nine-month period ended April 30, 2021 of \$13,839,325 (April 30, 2020: \$2,952,911).

There were no changes in the Company's approach to capital management during the nine-month period ended April 30, 2021.

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

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

The Company's mineral property interests are all in the exploration stage, as such the Company is dependent on external financing to fund its exploration activities and administrative costs.

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

The Company manages the capital structure on an ongoing basis and adjusts in response to changes in economic conditions and risks characteristics of its underlying assets. Adjustments to the Company's capital structure may involve the issuance of new shares, assumption of new debt, acquisition or disposition of assets.

The Company is not subject to any externally imposed capital requirements other than flow-through spending commitments (note 8).

10. Financial Instrument Risk Factors

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

a) Credit risk

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

b) Liquidity risk

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

As at April 30, 2021, the Company had a cash and cash equivalents balance of \$4,921,710 (July 31, 2020: \$647,920) to settle current liabilities of \$691,834 (July 31, 2020: \$527,781).

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

c) Market risks

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

- Interest rate risk, is the sensitivity of the fair value or of the future cash flows of a financial instrument to changes in interest rates. The Company does not have any financial assets or liabilities that were subject to variable interest rates.
- Commodity price risks, particularly with respect to gold, is the sensitivity of the fair value of, or of the future cash flows, from mineral assets. The Company manages this risk by monitoring precious metal price trends to determine the appropriate timing for funding the exploration or development of its mineral assets, or for the acquisition or disposition of mineral assets. The Company does not have any mineral assets at the development or production stage carried at historical cost. The Company has expensed the acquisition and exploration costs of its exploration stage mineral assets.
- Currency risk, is the sensitivity of the fair value or of the future cash flows of financial instruments to changes in foreign exchange rates. The Company does not have any financial assets or liabilities that were subject to variable foreign exchange rates and as such but its operations can be impacted by a stronger USD.

Red Pine Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements (unaudited)

For the nine-month periods ended April 30, 2021 and 2020

11. Subsequent Events

On April 19, 2021 the Company entered into a definitive property purchase agreement with 2533258 ONTARIO CORP. (the "Vendor"), dated April 16th, 2021 to acquire 100% interest in additional mining claims located in the McMurray Township, Michipicoten region of Ontario. Pursuant to this agreement, Red Pine will purchase from 2533258 ONTARIO CORP. all the rights, titles and interests in and to the mineral properties located in the Sault Ste. Marie Mining Division, for a sale price of CAD\$240,000 in cash and the issuance of 83,000 common shares at closing. The common shares issued in connection with the purchase agreement are subject to a standard 4 month hold period.

On June 8, 2021, the Company received notice from the TSX-V that the acquisition is acceptable to TSX Venture Exchange and the Company may proceed with the closing.