Red Pine Exploration Inc.

Condensed Interim Consolidated Financial Statements

For the Three and Six Months Ended January 31, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

Notice to Reader of Condensed Interim Consolidated Financial Statements

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

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

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

(Unaudited, expressed in Canadian Dollars)

	Note		January 31, 2024	July 31, 2023
Assets			*(Unaudited)*	*(Audited)*
Current				
Cash	10	**$**	**7,745,642**	$ 3,382,626
Marketable securities			**2,500**	2,500
Amounts receivable	3		**258,150**	271,726
Prepaid expenses			**161,524**	64,121
Total current assets			**8,167,816**	3,720,973
Non-current assets				
Restricted cash	4		**315,000**	315,000
Property, plant and equipment	5		**105,553**	105,656
Right of use asset	6		**206,411**	32,165
Total non-current assets			**626,964**	452,821
Total assets		**$**	**8,794,780**	$ 4,173,794
Liabilities				
Current				
Accounts payable and accrued liabilities		**$**	**558,168**	$ 640,288
Lease liability	6		**100,383**	-
Deferred flow-through premium	10		**541,174**	430,639
Total current liabilities			**1,199,725**	1,070,927
Non-current				
Lease liability	6		**107,243**	-
Total non-current liabilities			**107,243**	1,070,927
Total liabilities			**1,306,968**	1,070,927
Shareholders' equity				
Share capital	9		**102,863,775**	99,051,020
Contributed surplus			**9,555,933**	9,541,905
Warrant reserve	9		**1,893,418**	1,759,901
Accumulated deficit			**(106,825,314)**	(107,249,959)
Total shareholders' equity			**7,487,812**	3,102,867
Total liabilities and shareholders' equity		**$**	**8,794,780**	$ 4,173,794

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

Nature of operations and going concern (note 1)
Basis of preparation (note 2)
Commitments (note 10)

Approved on behalf of the board

"Paul Martin" *"Rachel Goldman"*

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

(Unaudited, expressed in Canadian Dollars)

	Note	Three months ended January 31 2024	Three months ended January 31 2023	Six months ended January 31 2024	Six months ended January 31 2023
Expenses					
Depreciation and amortization	5,6	**$ 43,091**	$ 104,860	**$ 109,058**	$ 157,670
Exploration expenditures	7	**2,784,064**	2,122,087	**5,704,421**	4,493,630
Gain on sale of Net Smelter Royalty	7	**-**	-	**(6,330,964)**	-
Foreign exchange loss (gain)		**159**	(1,702)	**(267)**	(460)
General and administrative		**200,123**	186,790	**363,454**	453,973
Interest (income)		**(61,549)**	(15,778)	**(118,014)**	(24,715)
Lease accretion	6	**2,662**	911	**2,662**	3,211
Payroll and professional fees		**234,307**	384,066	**479,562**	584,931
Share-based compensation	9	**7,197**	160,914	**14,028**	331,224
Total (income) expense		**3,210,054**	2,942,148	**223,940**	5,999,464
Other (income)					
Flow-through share premium	10	**(346,369)**	(335,073)	**(648,585)**	(505,006)
Total other (income)		**(346,369)**	(335,073)	**(648,585)**	(505,006)
Net income (loss) and comprehensive income (loss)		**$ (2,863,685)**	$ (2,607,075)	**$ 424,645**	$ (5,494,458)
Basic and diluted income (loss) per share		**$ (0.02)**	**$ (0.02)**	**$ 0.00**	**$ (0.04)**
Weighted average number of common shares outstanding (basic and diluted)	9	**181,478,714**	136,862,319	**174,616,631**	130,529,841

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

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

	Three months ended January 31		Six months ended January 31	
	2024	2023	**2024**	2023
Operations				
Net income (loss) and comprehensive income (loss)	$ (2,863,685)	$ (2,607,075)	$ 424,645	$ (5,494,458)
Adjustments for non-cash items:				
Depreciation and amortization	43,091	80,812	109,058	157,670
Change in deferred flow-through premium	(346,369)	(335,073)	(648,585)	(505,006)
Gain on sale of Net Smelter Royalty	-	-	(6,330,964)	-
Lease accretion	2,662	911	2,662	3,211
Stock-based compensation	7,197	160,914	14,028	331,224
	(3,157,104)	(2,699,511)	(6,429,156)	(5,507,359)
Net changes in non-cash working capital				
Amount receivable	147,615	200,170	(13,671)	482,889
Prepaid expenses	22,815	(2,346)	(97,403)	55,715
Accounts payable and accrued liabilities	(148,103)	(147,642)	(82,119)	(622,020)
Net cash used in operating activities	(3,134,777)	(2,649,329)	(6,622,349)	(5,590,775)
Investing activities				
Building and equipment additions	-	(35,448)	(30,780)	(53,448)
Proceeds on sale of Net Smelter Royalty	-	-	6,330,964	-
Net cash from (used in) investing activities	-	(35,448)	6,300,184	(53,448)
Financing activities				
Proceeds from share issuances	5,235,693	-	5,235,693	5,518,160
Share issue costs	(530,301)	-	(530,301)	(764,220)
Lease payments	(20,211)	(27,605)	(20,211)	(55,210)
Net cash from (used in) financing activities	4,685,181	(27,605)	4,685,181	4,698,730
Net increase (decrease) in cash	1,550,404	(2,712,382)	4,363,016	(945,493)
Cash, beginning of period	6,195,238	4,591,509	3,382,626	2,824,620
Cash, end of period	$ 7,745,642	$ 1,879,127	$ 7,745,642	$ 1,879,127

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

Red Pine Exploration Inc.
Condensed Interim Consolidated Statements of Changes in Equity
As at January 31, 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	-	-	-	-	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 2022	117,442,720	88,776,446	8,953,311	1,484,684	(96,476,107)	2,738,334
Net (loss) for the period	-	-	-	-	(5,494,458)	(5,494,458)
Share issuance	19,419,599	5,518,160	-	-	-	5,518,160
Fair value of flow through premium	-	(469,064)	-	-	-	(469,064)
Cost of issue	-	(764,220)	-	-	-	(764,220)
Fair value of broker warrants issued	-	(171,953)		171,953	-	-
Share based compensation	-	-	331,224	-	-	331,224
Balance, January 31, 2023	**136,862,319**	**92,889,369**	**9,284,535**	**1,656,637**	**(101,970,565)**	**1,859,976**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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

The accompanying Condensed Interim Consolidated Financial Statements for the three and six months ended January 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 January 31, 2024, the Company had cash and cash equivalents of $7,745,642 (July 31, 2023: $3,382,626) and an accumulated deficit of $106,825,314 (July 31, 2023: $107,249,959) and for the three and six months ended January 31, 2024 had net cash used in operating activities of $3,134,777 and $6,622,349, respectively (three and six months ended January 31, 2023: $2,649,329 and $5,590,775, respectively). Cash increased in the six months ended January 31, 2024 primarily due to the net proceeds from the sale of a Net Smelter Return Royalty (“NSR”) on August 29, 2023 (notes 7, 10) and bought deal private placement on December 7, 2023 (note 9), offset by expenditures incurred on the drilling campaign 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. 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, 2023. 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 6, 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.

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

2. BASIS OF PREPARATION (continued)

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, 2023.

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:

(i) Going Concern

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

(ii) 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 vested. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, risk-free interest rates, volatility and dividend yield and making assumptions about them. Expected volatility is generally based on the historical volatility of comparable companies. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 9.

(iii) 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. AMOUNTS RECEIVABLE

		As at January 31, 2024		**As at July 31, 2023**
Harmonized sales tax receivable	$	258,150	$	244,480
Amounts receivable		-		27,246
Balance at period end	**$**	**258,150**	$	271,726

Included in amounts receivable is $nil (July 31, 2023, $27,246) related to rent, exploration and administrative charges from a company with a shared senior executive.

4. RESTRICTED CASH

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

5. PROPERTY, PLANT AND EQUIPMENT

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

	Equipment	Software Licenses	Leasehold Improvements	Total
Cost				
Balance, July 31, 2022	$ 576,701	$ 18,204	$ 134,238	$ 729,143
Additions	53,448	-	-	53,448
Balance, July 31, 2023	**$630,149**	**$ 18,204**	**$ 134,238**	**$ 782,591**
Additions	58,026	-	-	58,026
Balance, January 31, 2024	**$688,175**	**$ 18,204**	**$ 134,238**	**$ 840,617**
Accumulated amortization				
Balance, July 31, 2022	**(301,392)**	**(18,204)**	**(134,238)**	**(453,834)**
Amortization	(223,101)	-	-	(223,101)
Balance, July 31, 2023	**$ (524,493)**	**$ (18,204)**	**$ (134,238)**	**$ (676,935)**
Amortization	(58,129)	-	-	(58,129)
Balance, January 31, 2024	**$ (582,622)**	**$ (18,204)**	**$ (134,238)**	**$ (735,064)**
Net book value, July 31, 2023	$ 105,656	$ -	$ -	$ 105,656
Net book value, January 31, 2024	**$ 105,553**	**$ -**	**$ -**	**$ 105,553**

6. RIGHT OF USE ASSET AND LEASE LIABILITY

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

	Six months ended January 31, 2024	Year ended July 31, 2023
Right of use asset		
Balance, opening	$ 32,165	$ 136,374
Additions	225,175	-
Amortization	(50,929)	(104,209)
Balance, end of period	**$ 206,411**	**$ 32,165**
Lease liability		
Balance, opening	$ -	110,309
Additions	225,175	
Lease accretion	2,662	4,540
Lease payments	(20,211)	(114 849)
Balance, end of period	**$ 207,626**	**$ -**
Current lease liability	**100,383**	-
Non-current lease liability	**107,243**	-

6. 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. The Company has estimated future lease-principal payments of $207,626.

7. 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, 2022	**70,274,667**	**13,569,860**	**83,844,527**
Exploration expenditures	8,946,942	-	8,946,942
Balance, July 31, 2023	**79,221,609**	**13,569,860**	**92,791,469**
Exploration expenditures	**5,704,421**	-	**5,704,421**
Balance, January 31, 2024	**84,926,030**	**13,569,860**	**98,495,890**

The following table summarizes the exploration expenditures:

	Three months ended January 31		Six months ended January 31	
Exploration expenditures	**2024**	**2023**	**2024**	**2023**
Camp costs	**$ 275,063**	$ 202,507	**$ 583,872**	$ 519,516
Compensation	**642,892**	540,966	**1,213,790**	1,114,060
Drilling, assays and analysis	**1,514,046**	1,156,041	**3,454,786**	2,507,039
Geophysical survey	**142,926**	-	**142,926**	-
Equipment costs	**87,435**	135,869	**167,721**	231,242
Land management	**121,702**	86,704	**141,326**	121,773
Exploration Expenditures[(a)]	**$ 2,784,064**	$2,122,087	**$ 5,704,421**	$ 4,493,630

[(a)]Excludes property acquisitions and sales

During the six months ended January 31, 2024, the Company incurred total exploration and evaluation expenditures, of $5,704,421, (six months ended January 31, 2023: $4,493,630).

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.

7. 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.

Wawa Gold Project

The Wawa Gold Project covers over 7,021 hectares ("ha"), including 309 claims covering 4,788 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 kilometers east of the Town of Wawa in northern Ontario.

On March 30, 2021, the Company completed the consolidation of the Wawa Gold Project and now holds a 100% ownership interest.

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 C$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 1,499 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 kilometers southwest of Timmins, Ontario. The Company owns 100% of the property.

7. MINERAL PROPERTIES (continued)

Fern Elizabeth Property

The Company has a 100% interest in 55 cell claims covering 1,089 ha located approximately 10 km northwest of Atikokan, Ontario.

Rand Garrison

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

Net Smelter Royalties

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

The Company also retains a 1.5% NSR on approximately 70 square kilometers 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.

8. 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		Six months ended January 31	
	2024	**2023**	**2024**	**2023**
Compensation[(1)]	**$ 141,875**	$ 140,000	**$ 323,750**	$ 280,000
Share based compensation[(2)]	**13,219**	127,494	**26,439**	262,432
Total	**$ 155,094**	$ 267,494	**$ 350,189**	$ 542,432

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

As of January 31, 2024, the related party balances outstanding included an amount receivable of $nil (refer to note 3) (July 31, 2023, $27,246) related to exploration, rent and general & administrative charges from a company with a shared senior executive, along with other administrative services including office rental.

9. 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, 2024, the Company had 190,711,334 issued and outstanding common shares (July 31, 2023: 167,754,549). All issued and outstanding common shares are fully paid.

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.

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 Unit 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.

9. SHARE CAPITAL (continued)

(a) *Common shares (continued)*

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. Each FT Share partially comprising the FT Units has been issued on a "flow-through" basis within. A total of 15,446,115 warrants were issued with an estimated value of $1,214,379 using the Black-Scholes model with the following assumptions: risk-free rate, 3.70%, dividend yield 0%, expected volatility of 122.61% and an expected life of 1 year.

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

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

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

9. SHARE CAPITAL (continued)

(a) *Common shares (continued)*

Pursuant to the Investor Rights Agreement between the Company and Alamos Gold Inc. ("Alamos") dated December 31, 2019, Alamos has exercised its right to maintain its pro rata ownership interest of the Company's common shares on a partially diluted basis, purchasing 3,846,153 Offered Shares. As at January 31, 2024, Alamos owns and controls 25,837,536 common shares of the Company, representing approximately 13.5% 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.

Options granted on April 14, 2021 and to May 11, 2023 are exercisable for a period of five years from the date of the grant and vest at a rate of 1/36 per month for 36 months until the options are fully vested.

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

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

Expiry Date	Exercise Price	Options Outstanding	Remaining Life in Years	Options Exercisable
April 14, 2026	0.73	2,051,665	2.20	1,937,684
June 1, 2026	0.76	50,000	2.33	44,444
October 1, 2026	0.61	100,000	2.67	77,778
January 25, 2027	0.47	1,591,083	2.99	1,060,722
April 12, 2027	0.45	137,500	3.20	84,028
May 12, 2028	0.20	1,700,900	4.28	425,225
Balance, January 31, 2024	**$0.49**	**5,631,148**	**3.09**	**3,629,881**

9. SHARE CAPITAL (continued)

(b) Stock Options

Movements in the stock options are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Balance, July 31, 2022	**4,634,665**	**$**	**0.61**
Granted	1,723,400		0.20
Cancelled	(480,000)		0.57
Balance, July 31, 2023	**5,878,065**	**$**	**0.49**
Granted	-		-
Expired	(146,500)		0.60
Cancelled	(100,417)		0.47
Balance, January 31, 2024	**5,631,148**	**$**	**0.49**

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, 2022	**3,601,062**	**$**	**0.42**
Granted	18,464,823		0.25
Expired	(2,825,640)		0.40
Balance, July 31, 2023	**19,240,245**	**$**	**0.26**
Granted	1,377,407		0.22
Expired	(775,422)		0.50
Balance, January 31, 2024	**19,842,230**	**$**	**0.24**

	Number of Warrants		Weighted Average Exercise Price
Warrants expiring on September 29, 2024	1,165,175		0.26
Warrants expiring on May 8, 2024	15,446,115		0.25
Warrants expiring on May 8, 2025	1,853,533		0.20
Warrants expiring on December 7, 2025	1,377,407		0.22
Balance, January 31, 2024	**19,842,230**	**$**	**0.24**

9. 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 5,631,148 share options as well as 19,842,230 warrants being excluded from the calculation of diluted earnings per share for the three and six months ended January 31, 2024 (three and six months ended January 31, 2023 – 4,554,665 share options and 4,766,237 warrants).

10. 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 CEE, on a best-efforts basis, by December 31, 2023, in the amount of $8,400,405. The Company renounced the $8,400,405 in CEE as at December 31, 2021 and had incurred all such CEE by January 31, 2023.

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

For the year ended July 31, 2023 and as part of the September 29, 2022 financing for which flow-through proceeds 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 six months ended January 31, 2024, the Company had incurred $6,609,999 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 six months e
nded January 31, 2024, the Company had incurred $1,503,187 of the $5,235,693 CEE commitment related to the December 2023 financing. As at January 31, 2024, the commitment remaining of $3,732,506, relates to the December 2023 financing.

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

Flow-Through Share Canadian Exploration Expenditure Commitment	**Six months ended January 31, 2024**	**Year ended July 31, 2023**
CEE commitment - beginning	$ 4,058,661	$ 238,105
CEE commitment – additions	5,235,693	10,127,979
	9,294,354	10,366,084
CEE spending in period(1)	(5,561,848)	(6,307,423)

CEE commitment – period end	**$**	**3,732,506**	**$**	**4,058,661**

Deferred Flow-through Premium		**Six months ended January 31, 2024**		**Year ended July 31, 2023**
Deferred FT premium – beginning	$	430,639	$	35,942
Deferred FT premium - additions		759,120		1,170,409
		1,189,759		1,206,351
Change in FT premium in period[2]		(648,585)		(775,712)
Deferred FT premium – period end	**$**	**541,174**	**$**	**430,639**

[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. CAPITAL MANAGEMENT

The Company defines capital management as the manner in which it manages its shareholders' equity. As at January 31, 2024, the Company's shareholders' equity was $7,487,812 (July 31, 2023 - $3,102,867). There were no changes in the Company's approach to capital management during the six months ended January 31, 2024 and the Company is not subject to any externally imposed capital requirements.

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

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

As at January 31, 2024, the Company had a working capital surplus of $6,968,091 (July 31, 2023: $2,650,046) and for the three and six months ended January 31, 2024, used net cash from operating activities of $3,134,777 and $6,622,349, respectively (January 31, 2023: $2,649,329 and $5,590,775, respectively). Working capital is a non-GAAP measure calculated as total current assets less total current liabilities.