RED PINE EXPLORATION INC.
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Management's Discussion and Analysis
For the Period Ended January 31, 2020
(Expressed in Canadian Dollars)

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of Red Pine Exploration Inc. (the "Company", "Red Pine", "we" or "our") is intended to enable readers to view the Company's performance, financial condition and future prospects through management's eyes and to provide material information to readers that may not be fully reflected in the consolidated financial statements.

This MD&A is intended to supplement and should be read in conjunction with the Audited Consolidated Financial Statements and the notes thereto for the year ended July 31, 2019 and the Unaudited Condensed Interim Consolidated Financial Statements for the period ended January 31, 2020. All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All amounts presented in this MD&A are in Canadian dollars unless otherwise indicated.

Additional information relating to our company is available on SEDAR at www.sedar.com and on the company website at www.redpineexp.com.

This MD&A is dated, and the information contained herein is presented as at March 30, 2020.

CAUTIONARY STATEMENT ON FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking information and statements (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation, concerning the business, operations and financial performance and condition of Red Pine Exploration Inc. Forward-looking statements include, but are not limited to, statements with respect to the estimation of commodity prices, mineral reserves and resources, the realization of mineral reserve estimates, capital and exploration expenditures, costs and timing of the exploration and development of mineral deposits, the success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining activities, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotations thereof. All such forward-looking statements are based on the opinions and estimates of the relevant management as of the date such statements are made and are subject to important risk factors and uncertainties, many of which are beyond the Company's ability to control or predict.

Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks and uncertainties relating to, among other things, changes in commodity prices, currency fluctuation, financing, unanticipated reserve and resource grades, infrastructure, results of exploration activities, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, political risk and related economic risk and unanticipated environmental impact on operations as well as other risks and uncertainties described under ***Risks and Uncertainties*** section of this MD&A for additional disclosures.

Although the Company has attempted to identify important factors that would cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking statements contained on this MD&A are qualified by these cautionary statements. Readers should not place undue reliance on forward-looking statements. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and other to get a better understanding of the Company's operating environment. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.

QUALIFIED PERSON

Quentin Yarie, P.Geo, the Company's Chief Executive Officer is the Qualified Person, as defined by NI 43-101, who has reviewed and approved the technical information disclosed in this MD&A.

CORE BUSINESS AND OBJECTIVES

Red Pine is a publicly listed corporation (TSXV: RPX) incorporated under the laws of Ontario and has a fiscal year-end of July 31, 2019. Our principal business is the acquisition, exploration and development of mineral properties with a particular focus on gold exploration projects located in northern Ontario.

The long-term business objectives of the Company are to:

1. acquire mineral properties it considers prospective to strengthen its portfolio of properties,
2. advance the geological knowledge of its mineral properties through successive exploration programs, and
3. determine if feasible to develop the properties into a mining operation and if deemed advantageous, dispose of its mineral properties

Our principal project consists of a 64.5% interest in the Wawa Gold Project, which is situated in northern Ontario next to the municipality of Wawa and consists of more than 6500 hectares and hosts several former mines with historic production. Citabar LP ("Citabar") remains on title for a 35.5% interest in the project (News release, December 11, 2019 under the Company's profile at www.SEDAR.com). At this time, the Company has not been advised whether Citibar L.P. ("Citibar") will elect to fund its portion of the 2020 exploration budget. In the event Citibar elects not to fund all, or a portion of its participating interest in the joint venture, Citabar's participating interest will be further diluted in accordance with the JV agreement. Red Pine is the operator and manager of the joint venture.

The Company has additional mineral properties situated in northern Ontario.

Our mineral properties are currently in the exploration stage and we do not operate any mines. We have not generated operating revenues or paid dividends since inception and are unlikely to do so in the immediate future. Our continued operations are dependent upon the ability of the Company to obtain financing through the proceeds of securities subscriptions for the continued exploration of its mineral properties. We have not yet determined through a feasibility study whether any of our mineral properties contain mineralization that is economically recoverable.

The value of an exploration property is highly dependent upon the discovery of economically recoverable mineralization, the long-term preservation of the Company's ownership interest in the underlying mineral property, the ability of the Company to obtain the necessary funding to complete sufficient exploration activities on the property, and the prospects of any future profitable production therefrom, or alternatively upon the Company's ability to dispose of its property interests on an advantageous basis.

Risk factors that must be considered in achieving the Company's business objectives include the risk that exploration activities may not result in the discovery of minerals or definition of any mineral resources or reserves, that significant expenses could be required to define mineral reserves, that environmental, land title and competitive issues may prevent the development of any mineral reserves, and that the Company may fail to generate adequate funding to development mineral reserves.

The Company accepts the risks which are inherent to mineral exploration programs and the exposure to the cyclical nature of mineral prices. The Company relies on the geological and industry expertise of its Toronto-based management team and engages sub-contractors to complete certain aspects of its exploration programs.

Our executive offices are situated at 1001-145 Wellington Street West, Toronto, Ontario, M5J 1H8 and our website is www.redpineexp.com (which is expressly not incorporated by reference into this filing).

As of October 31, 2019, we had 16 employees in addition to the Chief Executive Officer, Chief Financial Officer, and the President. Certain professional, administrative and geological services are provided to the Company by independent contractors, including corporations and/or individuals who may be officers or directors of Red Pine. No assurance can be given that qualified employees can be retained by Red Pine when necessary.

See the ***Risks and Uncertainties*** section of this MD&A for additional risk disclosures.

CORPORATE HIGHLIGHTS

2020 drilling program on the Wawa Gold Project

The Company has completed approximately 3,000 metres of its 16,000-metres 2020 drilling program (*see Feb. 5, 2020 News Release*). In response to the COVID-19 pandemic, the Company has suspended its drilling activities at its Wawa Gold Project located 2 km southeast of Wawa, Ontario. A scaled-back staff will remain at camp, under strict health protocols, to continue exploration activities such as logging and sampling of completed drill holes and other field activities. Although lab delays may be expected, assay results will be announced when they are received.

Red Pine remains fully funded, and the Company will continue its 2020 expansion drilling program once it is safe to do so. Five holes of the winter drill program have been completed to date at depths of 500 to 600 metres with preliminary observations indicating that gold mineralization was successfully intersected below and beyond the current footprint of the Surluga NI 43-101 resource[1]. Visible gold was observed in hole SD-20-287 at approximately 458 metres depth in the Jubilee Shear Zone.

The 2020 drilling program is designed to: 1) expand gold mineralization in the downdip and down plunge extensions of the Surluga Deposit in the Jubilee Shear Zone beyond the footprint of the current resource, 2) expand gold mineralization in the Hornblende Shear Zone, adjoining and parallel to Surluga and 3) test the Jubilee Shear Zone extension south of the Parkhill Fault.

Wawa Gold Project Background

In July 2019, Red Pine filed a new NI 43-101 Technical Report for the Wawa Gold Project that outlines two (2) new resource estimates for the property:

> Surluga Deposit has an indicated resource of 1.2 million tonnes grading 5.31 g/t for 205,000 ounces gold and an inferred resource of 2.36 million tonnes grading 5.22 g/t for 396,000 ounces gold
>
> Minto Mineral Resources reported at a 3.5 g/t cut-off which is supported by the following economic assumptions for potential underground cut and fill mining: Gold Price: $1,200 USD, Gold Recovery: 90%, Operating Expense (OPEX): CAD $160 / tonne ($120 mining, $25 milling, $15 G&A).

FUTURE OUTLOOK AND PLAN

The Wawa Gold Project delineation program is designed to both expand and increase confidence in the existing inferred and indicated gold resources. The drilling, trenching and mapping programs are expected to continue throughout 2020 through the approved program to yield significant advancements in the status of the identified resources. The Company is focused on efficient, rapid exploitation and plans to increase the size of the deposits in the near future. Results and plans for the Wawa Gold Project are discussed in further detail in the section titled Exploration and Evaluation Activities.

EXPLORATION AND EVALUATION ACTIVITIES

During the period ended January 31, 2020, the Company's exploration activities have focused on the Wawa Gold Project.

Red Pine holds a 64.5% interest in the Wawa Gold Project and is the Manager and Operator of the project. The exploration strategy is to increase and quantify the gold resource on the property. This is being done through continued exploration and delineation intended to increase the Company's understanding of the gold bearing mineralization. Over the past 12 months, Red Pine drilled 11,221 meters for a total of 284 drills holes and 68,595 meters of drilling being completed on the project as of October 31, 2019 and finalized the sampling of 42,000 metres of historic core that was never sampled by previous operators of the project (initiated in February 2016). Mechanized stripping and channel sampling were completed on the Cooper Shear System, Grace Deformation Zone and the southern extension of the Jubilee Shear Zone. Drilling is now completed for the year.

Golder Associates completed the new resource estimate, effective May 31, 2019 for the Wawa Gold Project (detailed information included in CORPORATE HIGHLIGHTS). The new Mineral Resource estimate for the Wawa Gold Project was evaluated for an underground mining scenario and is reported at a 2.7 g/t cut-off within a 2 g/t envelope, and now stands at 1,307,000 tonnes at 5.47 g/t for 230,000 ounces gold in the Indicated category and 2,716,000 tonnes at 5.39 g/t for 471,000 ounces gold in the Inferred category. The new resource model will become an important strategic exploration tool as the project advances.

The Wawa Gold Project consists of 371 unpatented and 164 patented or leased mining claims totaling 6,519 hectares (ha) and hosts eight past producing mines with a combined historic production of 120,000 oz. Au at an average grade of 9.04 g/t. The project area is located approximately 2 kilometers east of the Town of Wawa in northern Ontario.

Net Smelter Royalties ("NSR"):

The Company retains a 1.5% 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.
Other Properties

As of January 31, 2020, the Company retains the Cayenne, Algoma-Talisman, Mortimer, Mount Logano and Moffatt Properties.

RESULTS OF OPERATIONS

The following are explanations of the material changes for the period ended January 31, 2020 compared to the period ended January 31, 2019:

	Three-month period ended January 31, 2020	Three-month period ended January 31, 2019	Six-month period ended January 31, 2020	Six-month period ended January 31, 2019
Expenses				
Exploration Expenditures (note 6)	$ 546,292	$ 1,433,673	$ 1,558,466	$ 2,916,085
General and Adminstrative	13,383	213,761	126,497	335,081
Payroll & Professional Fees	301,471	162,000	394,839	288,888
Depreciation and Amortization	39,300	27,950	59,348	55,899
Share based compensation	-	-	-	156,306
Interest Income	(106)	(581)	(2,104)	(983)
Lease accretion (gain) (note 5)	-	-	(34,342)	-
Deferred Premium	-	(133,421)	-	(225,344)
Foreign Exchange Loss (Gain)	-	(240)	-	(240)
Recovery of Exploration Expenditures (note 6)	-	(341,172)	-	(1,010,898)
Total Expense	**900,340**	**1,361,970**	**2,102,704**	**2,514,794**
Loss and Comprehensive Loss for Period	**(900,340)**	**(1,361,970)**	**(2,102,704)**	**(2,514,794)**
Loss per share - basic and diluted	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)
Weighted average shares outstanding	405,618,953	328,380,655	387,424,638	268,072,245

Results for the period ended January 31, 2020

- Exploration expenditures decreased to $1,558,466 (2019: $2,916085 as the Company reduced its exploration activities.

- Recovery of exploration expenditures decreased to $nil (2019: $1,010,898) as result of the Company's joint venture partner no longer participating in its share of contributions.

- General and administrative moderately decreased to $126,497 (2019: $335,081) as a result of a small decrease in investor relations activity as compared to the previous period and a reallocation of certain expenditures to payroll and professional fees.

QUARTERLY RESULTS OF OPERATIONS

The following is selected quarterly information for the eight most recently completed quarters:

	Quarter Ended			
	Jan 31, 2020 $	**Oct 31, 2019 $**	**July 31, 2019 $**	**April 30, 2019 $**
Total Revenues	-	-	-	-
Exploration expenditures net of recoveries	546,292	1,012,174	1,124,586	681,146
Loss and Comprehensive loss for the quarter	(900,340)	(1,202,365)	(1,547,200)	(918,052)
Basic and diluted loss per share	(0.00)	(0.00)	(0.01)	(0.03)
Working Capital Surplus / (Deficit)	2,513,226	(82,450)	1,125,990	2,657,522

	Quarter Ended			
	Jan 31, 2019 $	**October 31, 2018 $**	**July 31,2018 $**	**April 30, 2018 $**
Total Revenues	-	-	300,000	-
Exploration expenditures net of recoveries	1,092,501	812,686	443,320	833,352
Loss and Comprehensive loss for the quarter	(1,361,970)	(1,152,824)	(413,255)	(1,131,775)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Working Capital Surplus (Deficit)	3,256,206	1,274,734	2,237,077	2,624,339

OFF BALANCE SHEET TRANSACTIONS

The Company does not have off-balance sheet arrangements including any arrangements that would affect the liquidity, capital resources, market risk support and credit risk support or other benefits.

DIVIDENDS

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its common shares in the foreseeable future.

EXPLORATION AND EVALUATION EXPENDITURES

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 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, 2018	35,558,433	6,137,686	8,482,174	50,178,293
Property Acquisition Costs	-	-	-	-
Exploration Expenditures	2,916,085	-	-	2,916,085
Balance January 31, 2019	38,474,518	6,137,686	8,482,174	53,094,378
Property Acquisiton Costs	-	-	-	-
Exploration Costs	1,558,466	-	-	1,558,466
Balance – January 31, 2020	40,032,984	6,137,686	8,482,174	54,652,844

During the six-month period ended January 31, 2020:

a) The Company incurred total exploration and evaluation expenditures of $1,558,466 on the Wawa Gold property (2019: $2,916,085).

b) During the period ended January 31, 2020, the Company's joint venture partner on the Wawa Gold Project, Citibar L.P. ("Citibar") did not participate in its share of contributions. Citabar's participating interest in the project will be decreased proportionately based on a predetermined formula for its non-participation in its share of contributions down to a minimum of 25%.

Wawa Gold Project

As at January 31, 2019 the Wawa Gold property consisted of 34 unpatented and mining claims and 164 patented and leased mining claims totaling 6,219 contiguous hectares and hosts several past producing mines. The project area is located approximately 2 kilometres east of the Town of Wawa in northern Ontario.

On August 7, 2015, the Company met the conditions to earn its initial 30% interest in the underlying joint venture (the "Wawa Gold JV"), which was owned 30% by Augustine and 40% by Citabar, whereby the Company became the operating manager of the JV. In the fall of 2015, all 34 unpatented mining claims were transferred to a 30/30/40 shared holding to reflect the satisfied earn in agreement. As operating manager:

a) The Company is entitled to receive project management fees from the JV partners.
b) The Company shall be reimbursed periodically by the JV partners on a pro rata basis for all exploration expenditures incurred for the benefit of the joint-venture, which are recognized as a reduction of exploration expenditures when invoiced to the JV partners.

On February 3, 2017, the Company completed a plan of arrangement whereby Augustine became a wholly-owned subsidiary resulting in an increase in the ownership to 60% of the Wawa Gold Property.

Cayenne Property

The Cayenne property consisted of 2 unpatented claims (2 claim units) and 1 lease 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 12 contiguous unpatented mining claims covering approximately 2.3 square kilometers 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.

Mount Logano Property

The Company held a 100% interest in 1 unpatented mining claim (3 claim units) located approximately 11 km east of the Dome mine in Timmins, Ontario. The claim is subject to a 3% NSR for gold and a 2% NSR for other minerals mined in the Mt. Logano Property. The Company has the right at any time to buy back 50% of the NSR (or 1.50% NSR for gold and 1.00% NSR for all other minerals) for the sum of $3,000,000.

Moffatt Property

The Company has a 100% interest in 4 unpatented mining claims covering 704 hectares located approximately 10 km northwest of Atikokan, Ontario.

Net Smelter Royalties

The Company retains a 1.5% 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.

Commitments and Contingencies

(a) Lease and Sublease Commitments

The Company has an office space lease agreement located at 141 Adelaide Street West from August 15, 2014 to August 14, 2019 and signed a sublease agreement with a third-party tenant whereby the Company shall receive sublease payments for the period from March 1, 2015 to March 30, 2020. The sublease payments are recognized as a reduction of General and Administrative expenses on the Statements of Loss and Comprehensive Loss. A security deposit totalling $17,281 was received from the subtenant and is reported as a long-term liability on the Consolidated Statements of Financial Position. As of April 30, 2019, the Company was committed to annual lease payments for 141 Adelaide Street West of approximately $223,020 and expects to receive annual sublease payments of $223,020.

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 15, 2016, a security deposit totaling $41,579 was remitted to the landlord, which is reported as a long-term asset on the Consolidated Statements of Financial Position. As of January 31, 2020, the Company was committed to annual lease payments for 145 Wellington Street West of approximately $104,544.

(b) Flow through shares

As at December 31, 2020, the Company committed to incur, on a best efforts basis, $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 January 31, 2020, the Company had incurred qualifying resource expenditures of $250,468. The Company must incur the $655,782 balance of qualifying resource expenditures before December 31, 2020.

If the Company does not spend these funds in compliance with the Government of Canada flow-through regulations, it may be subject to litigation from various counterparties. The Company intends to fulfill its flow-through commitments within the given time constraints.

RELATED PARTY TRANSACTIONS AND BALANCE

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 consists of the CEO, CFO, VP Exploration and Executive Director of Mining.

	Six months ended January 31,	
	2020	**2019**
	$	**$**
Short-term benefits (1)	133,725	163,375
Share-based payments(2)	-	112,609
Total	**133,725**	**275,984**

(1) Includes salary and professional fees.

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

As of January 31, 2020, the following related party balances were outstanding:

Included in Amounts Payable is an amount of $174,789 (January 31, 2019, Amount Receivable: $303,555) related to exploration, rent and general & administrative charges from companies under common management. The Companies share the services of certain senior officers along with other administrative services including office rental.

SHARE CAPITAL

The Company's share capital and equity instruments outstanding comprised the following:

	January 31, 2020	July 31, 2019
Issued: Fully paid common shares	477,222,387	369,230,323
Issued: Common share purchase warrants	171,813,495	70,409,933
Issued: Stock options	18,262,500	18,262,500

As at the date of this MD&A, the fully paid common shares outstanding of the Company was 369,230,323.

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, 2020 the Company had 477,222,387 issued and outstanding common shares (July 31, 2019: 369,230,322). All issued and outstanding common shares are fully paid.

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.

All outstanding stock options vested immediately.

LIQUIDITY AND CAPITAL MANAGEMENT

As at January 31, 2020, the Company had a working capital surplus of $2,513,226 (January 31, 2019: surplus $3,256,206) and an accumulated deficit of $67,394,824 (January 31, 2019: $ 62,826,868).

There were no changes in the Company's approach to capital management during the six-month period ended January 31, 2020.

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 expects to improve the working capital position by securing additional financing.

The Company's investment policy is to invest excess cash in very 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 continues to assess the merits of mineral properties on an ongoing basis and may seek to acquire new properties or to increase ownership interests if it believes there is sufficient geologic and economic potential.

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 (consisting of shareholders' deficiency) 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, or adjustments to the amounts held in cash, cash equivalents and short-term investments.

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

FINANCIAL INSTRUMENT RISK FACTORS

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

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 Company's accounts receivable are sales tax receivables with negligible counterparty default risk.

b) 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 continually monitoring base and precious metal prices and commodity 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.
- Marketable securities risk, is the sensitivity of the fair value of marketable securities to supply and demand for marketable securities. The Company manages this risk by continually monitoring the market pricing and trends of its portfolio of securities to determine the appropriate timing to complete any acquisitions or dispositions. The Company has determined the marketable securities risk at year-end is minimal.
- 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 the Company is not subject to currency risk.

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. If any of the following risks actually occur, the Company's business, financial condition and operating results could be adversely affected.

Management
The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgement, as well as the expertise and competence of the outside contractors, experts and other advisors. The Company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Company operations and financial performance.

Additional capital
The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favourable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Credit risk
The Company deposits cash with financial institutions it believes to be creditworthy. In some circumstances, cash balances at these financial institutions may exceed the federally guaranteed amount. The Company's current credit risk is primarily attributable to cash and accounts recoverable. Cash is held with a reputable, Tier A Canadian chartered bank and as such, management believes the risk of loss to be minimal. Accounts receivable is due from the federal government of Canada. Management believes that the credit risk with respect to financial instruments included in HST recoverable is minimal and remote.

Liquidity risk
The Company's ability to remain liquid over the long term depends on its ability to obtain financing necessary to complete exploration and development of its mineral properties and their future profitable production or, alternatively, upon the Corporation's ability to dispose of its interest on an advantageous basis.

Currency risk
The Company has no foreign currency denominated assets or liabilities. Major purchases are transacted in Canadian dollars and therefore the Company has no material foreign currency exposure.

Interest rate risk
The Company's cash balance is subject to changes in interest rates. Interest rate risk is minimal.

Tax risk
The Company has commitments to incur Canadian Exploration Expenditures. Any shortfall could result in tax penalties assessed by the Canada Revenue Agency.

Equity price risk
Market risk arises from the possibility that changes in market prices will affect the value of financial instruments of the Company. Except for marketable securities, the Company's other financial instruments (cash, accounts receivable, accounts payable and accrued liabilities and due to related party) are not subject to price risk.

Commodity price risk
The Company is exposed to price risk with respect to gold and other commodity prices, such prices impacting the future economic feasibility of its exploration properties. The Company closely monitors gold and other commodity prices to determine the appropriate course of action to be taken by the Company.

Environmental and permitting
The Company's current or future operations, including development activities, are subject to environmental regulations, which may make operations not economically viable or prohibit them altogether. All aspects of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Acquisition
The Company uses its best judgment to acquire mining properties for exploration and development. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements,

including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favourable terms, or that any acquisition completed will ultimately benefit the Company.

Competition

The mining industry is intensely competitive in all its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than the Company. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Political risk

All the Company's mineral properties are located in Canada. Accordingly, the Company is subject to risks normally associated with exploration for and development of mineral properties in Canada, which the Company believes to be low.

Business risk

There are numerous business risks involved in the mineral exploration industry. The Company may not own 100% of a mineral concession or joint venture. Similarly, any non-compliance with or non-satisfaction of the terms of the Option by the Company could affect its ability to exercise the Option and earn its interest in the mining concessions and assets relating to properties.

Surface Rights

Mining concessions may not include surface rights and there can be no assurance that the Company will be successful in negotiating long term surface rights access agreements in respect of the properties. Failure to obtain surface rights could have an adverse impact on the Company's future operations.

GOING CONCERN

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

The accompanying Consolidated Financial Statements 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.

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 cast significant doubt about the Company's ability to continue as a going concern.

The accompanying 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 Consolidated Financial Statements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

(a) Statement of compliance

These Consolidated Financial Statements have been prepared in accordance and comply 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 Consolidated Financial Statements were approved by the Board of Directors on December 18, 2019.

(b) Basis of presentation

These 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 Consolidated Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Basis of consolidation

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

(d) Significant accounting judgements and estimates

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

Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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 consolidated financial statements relate to the following:

Going concern

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

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 11 to the consolidated financial statements

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 8 and 9 to the consolidated financial statements

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.

Financial Instruments

Effective August 1, 2018, the Company adopted IFRS 9, "Financial instruments, classification and measurement". IFRS 9 introduces new requirements for the classification and measurement of financial assets. The Company's adoption of IFRS 9 did not have a material impact on the consolidated financial statements.

IFRS 9 includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"), for the classification and measurement of financial liabilities.

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

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

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

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

Financial assets:	**IAS 39 Classification**	**IFRS 9 Classification**
Cash and cash equivalents	FVTPL	FVTPL
Accounts receivable	Loans & receivables	Amortized cost
Marketable securities	Available for sale	FVTPL
Financial liabilities:	**IAS 39 Classification**	**IFRS 9 Classification**
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

Fair value hierarchy

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

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

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

New Accounting Pronouncement - IFRS 16 (leases)

On August 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16") which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less), leases with certain variable lease payments and leases of low-value assets.

The Company applied IFRS 16 using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods. The Company will recognize lease liabilities related to its lease commitments for its office leases. The lease liabilities will be measured at the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate as at January 1, 2019, the date of initial application, resulting in no adjustment to the opening balance of deficit. The associated right-of-use assets will be measured at the lease liabilities amount.

The following is the accounting policy for leases as of August 1, 2019 upon adoption of IFRS 16:
Lease liability, right of use assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Corporation assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.
As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.
The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

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

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

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

Subleases

When the Company enters into sublease arrangements as an intermediate lessor, it determines whether the sublease is a finance sublease or operating sublease by reference to the right-of-use assets arising from the head lease. A sublease is a finance sublease if substantially all the risk and reward of the related head lease right-of-use asset have been transferred to the sub-lessee. When the Company is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts.

For finance sublease, the Company derecognizes the corresponding right-of-use assets and records net investments in the finance sublease and corresponding interest income is recognized in net finance costs. The net investment in the sublease is recognized in lease receivables.

OTHER INFORMATION

Additional information relating to the Company is also available on the SEDAR at www.sedar.com.

[1]Mineral Resource Statement, Surluga-Jubilee Gold Deposit, Wawa Gold Project, Ontario, SRK Consulting (Canada) Inc. (effective May 26, 2015)). The report is available on www.SEDAR.com under Red Pine's profile.

[2]NI 43-101 inferred resource of 1,088,000 ounces of gold at a 1.71 grams per tonne (g/t) using a 0.40 g/t gold cut-off grade for pit-constrained and 2.50 g/t gold cut-off grade for underground-constrained resources, contained in 19.82 million tonnes open along strike and at depth. The Cut-off grades are based on a gold price of US$1,250 per once and a gold recovery of 95 percent (Mineral Resource Statement, Surluga-Jubilee Gold Deposit, Wawa Gold Project, Ontario, SRK Consulting (Canada) Inc (effective May 26, 2015)).