RED PINE EXPLORATION INC.
145 Wellington Street West, Suite 1001
Toronto, ON, M5J 1H8

Management's Discussion and Analysis
For the Year Ended July 31, 2017

(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 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, 2017. 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 November 28, 2017.

CAUTIONARY STATEMENT ON FORWARD LOOKING STATEMENTS

Forward-looking information is broadly defined as disclosures regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action and includes future-oriented financial information with respect to prospective financial performance, financial position or cash flows that is presented either as a forecast or a projection.

This MD&A contains forward looking statements, including statements relating to going concern and capital raising and capital requirements, that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated. Factors that could cause such differences include: changes in commodity prices, changes in equity markets, changes in costs and supply of materials relevant to the exploration and mine development, changes in governments, changes to government mining regulations as well as numerous other risk factors. See the ***Risks and Uncertainties*** section of this MD&A for additional disclosures.

Readers are cautioned not to place undue reliance on forward looking statements contained within this document, which speak only to the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, actual events may differ materially from stated expectations. Although the Company believes its expectations are reasonable, results may vary, and the Company cannot guarantee future results, levels of activity, performance or achievements.

QUALIFIED PERSON

Quentin Yarie, P.Geo, the Company's President and 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 have a fiscal year-end of July 31. 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. if deemed advantageous, dispose of its mineral properties

Our principal project consists of a 60% interest in the Wawa Gold Project, which is situated in northern Ontario next to the Municipality of Wawa and consists of over 5,500 hectares and hosts several former mines with historic production. Citabar LLP owns the remaining 40% interest in the project and is funding their portion of exploration activities. Red Pine is the operator of the joint venture.

We have additional mineral properties situated in northern Ontario and Quebec.

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 June 30, 2017, we had 15 employees in addition to the President & Chief Executive Officer and the Chief Financial Officer. 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

- On November 16, 2016, we announced a 6,000-metre drill program on our Wawa Gold Project to supplement the ongoing resampling of 42,000 metres of historic assays.

- On February 3, 2017, we completed the acquisition of Augustine Ventures ("Augustine") through a plan of arrangement whereby the Company issued 100,668,733 common shares and Augustine became a wholly-owned subsidiary. As a result of the acquisition, our ownership of the Wawa Gold project increased from 30% to 60% with Citabar LLP continuing to own the remaining 40%.

- On February 24, 2017, we completed a brokered private placement for gross proceeds of $6,540,340. The Company issued 21,168,666 common share units at a price of $0.12 per unit and 27,586,900 flow-through common shares at a price of $0.145 per share. Each FT Share was issued on a "flow-through" basis, as defined in the Income Tax Act (Canada). Each common share unit consists of one common share and one common share purchase warrant exercisable for a period of three years at an exercise price of $0.17 per purchase warrant. As part of the financing, the Company paid $457,824 cash commissions and issued 3,412,889 non-transferable compensation warrants exercisable for a period of two years at an exercise price of $0.135 per compensation warrant.

- On March 2017, we announced a new 10,000-metre drill program on our Wawa Gold Project.

- On May 8, 2017, we completed a shares-for-debt transaction whereby the Company agreed to settle certain obligations to former directors of Augustine Ventures Inc., which were incurred prior to becoming a wholly-owned subsidiary of the Company. The debt was settled through the issuance of 2,268,802 common shares at a deemed price of $0.12 per Share to settle a total indebtedness of $272,256.

- On May 17, 2017, we announced another 10,000-metre drill program and announced the addition of a second drill on the Wawa Gold Project.

- During May 2017, we initiated and completed a Transient AMT (TAMT) survey covering the Wawa Gold Corridor.

- On June 8, 2017, we completed the acquisition of an additional 58 hectares at the Wawa Gold Project, bringing the total land package to 5,568 hectares.

SUBSEQUENT EVENTS

- On August 3, 2017, we completed the acquisition of net smelter royalties ("NSR") on the Wawa Gold Project whereby the company issued 100,000 common shares.

- On September 27, 2017, we entered into a Memorandum of Understanding ("MOU") with the Michipicoten First Nation.

- On October 26, 2017, we announced three new exploration targets on the Wawa Gold Project and their potential tonnages and grades, which were identified and interpreted by Golder Associates Ltd.

- As of the end of November 2017, we have completed over 29,000 metres of exploration drilling on the Wawa Gold Project.

- During the month of October 2017, the Company completed settlement transactions whereby the Company agreed to settle certain obligations (the "Debt") to subscribers of its flow-through shares for financings that were completed in 2010 and 2011 through cash settlements. Pursuant to the settlement transactions, the Company paid $137,041 in cash to settle total indebtedness of $137,041 and issued a total of 146,209 common shares (the "Shares") at a deemed price of $0.11 per Share to settle total indebtedness of $16,083.

FUTURE OUTLOOK AND PLAN

The Wawa Gold Project exploration program is designed to potentially expand the size of the existing inferred gold resource and connect other zones of gold mineralization. Both the drilling and resampling programs are expected to continue throughout 2018 to yield significant advancements of the geological knowledge of the property, the discovery of new geological structures and the discovery of new zones of gold mineralization. Exploration results and plans for the Wawa Gold Project are discussed in further detail in the section titled *Exploration and Evaluation Activities*.

Since June 30, 2017, the Company has spent approximately $1,600,000 on exploration expenditures prior to any recovery from the joint-venture partner, which is estimated at approximately $640,000. The Company expects to spend a further $4,900,000 on exploration expenditures until the end of the current fiscal year and prior to any recovery from the joint-venture partner, which is estimated at approximately $1,960,000.

The above amounts may be updated based on actual costs and the timing may be delayed or adjusted based on several factors, including the availability of capital to fund the budget.

As of July 31, 2017, we had a working capital surplus of $3,298,930 (July 31, 2016: surplus of $992,222) and management believes the company is well funded to maintain the existing exploration and evaluation expenditures while supporting professional fees and general and administrative expenses until the end of the current fiscal year. The Company believes that any shortfall in funding will be covered through the monetization of non-core exploration assets, which includes several net smelter royalties on other properties, which are described in the section titled *Exploration and Evaluation Activities*.

EXPLORATION AND EVALUATION ACTIVITIES

Over the past 12 months, the Company's exploration activities have focused on the Wawa Gold Project.

Wawa Gold Project

The exploration strategy is to gain an understanding; structurally, geochemically, and geologically to identify trends on the property to focus the exploration efforts, to maximize each drill hole with the expectation that additional gold resources will be discovered. Over the past 12 months, Red Pine has continued the sampling of 42,000 metres of historic core, that was never sampled by previous operators of the project (initiated in February 2016) and the completion in March 2017 of a 6,000-metre drill program (initiated in November 2016). This drill program has been immediately followed by a further 20,000-metre drill program and the addition of a second diamond drill; this program was completed in early November 2017. Through ongoing modeling, continuous analysis of the data and favourable results over the course of the 26,000 metres of drilling;

Four new discoveries have been made during the drill programs; Minto Mine South Zone, Surluga North Zone, Hornblende-William Zone, and Grace-Darwin Zone. These discoveries give evidence that the Wawa Gold Corridor extend over 4.75km (Figure 1) strike length that remains open to both the North and South. The additional drilling will target this theory moving forward, along with strategically targeting areas near the current resource to reveal the potential in the hanging wall and footwall zones.

In addition to the sampling program and drill program, Red Pine executed a Transient AMT (TAMT) survey over the Wawa Gold Corridor in May and early June 2017. The TAMT survey was designed to identify targets at depth and a continuity between the know mineralized zones.

The Wawa Gold property consists of 34 unpatented and mining claims and 164 patented and leased mining claims totaling 5,582 contiguous hectares and hosts several past producing mines with a combined historic production of 120,000 oz. Au at an average grade of 9.04 g/t. To date, the largest gold deposit on the property is the Surluga deposit, which hosts a NI 43-101 Inferred Resource of 1,088,000 oz. Au at an average grade of 1.71 g/t using a 0.5 g/t cut-off contained within 19.82 million tonnes (Mineral resource statement, Surluga-Jubilee Gold Deposit, Wawa Gold Project, Ontario, Ronacher Mckenzie Geoscience and SRK Consulting (Canada) Inc., May 26, 2015). The project area is located approximately 2 kilometres east of the Town of Wawa in northern Ontario.

On December 11, 2014, the Company signed an assignment and assumption agreement with Augustine Ventures Inc. ("Augustine") and with Citabar Limited Partnership ("Citabar") pursuant to which the parties agreed to amend their Property Option Agreement dated April 16, 2009, to allow the Company to earn up to a 45% interest in the Wawa Gold JV under the following terms:

a) The Company was required to incur $2.1 million in eligible exploration expenditures by September 30, 2015 to earn an initial 30% interest.
b) Upon earning the 30% interest, the Company became manager of the joint-venture.
c) The Company and Augustine have the shared right to earn an additional 15% interest in the joint-venture, whereby the Company may earn its additional 7.5% interest by incurring $2 million provided a total of $4.0 million is incurred by June 30, 2016. The Company may earn a pro rata share of Augustine's additional 7.5% interest by assuming a portion of Augustine's expenditures.
d) The Company also has the right to earn a pro rata interest in any of Augustine's existing mineral properties, including any future acquisitions, within an area of influence defined as a 2-kilometre radius from the perimeter of the Wawa Gold Project by satisfying certain additional criteria.

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 is currently 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.

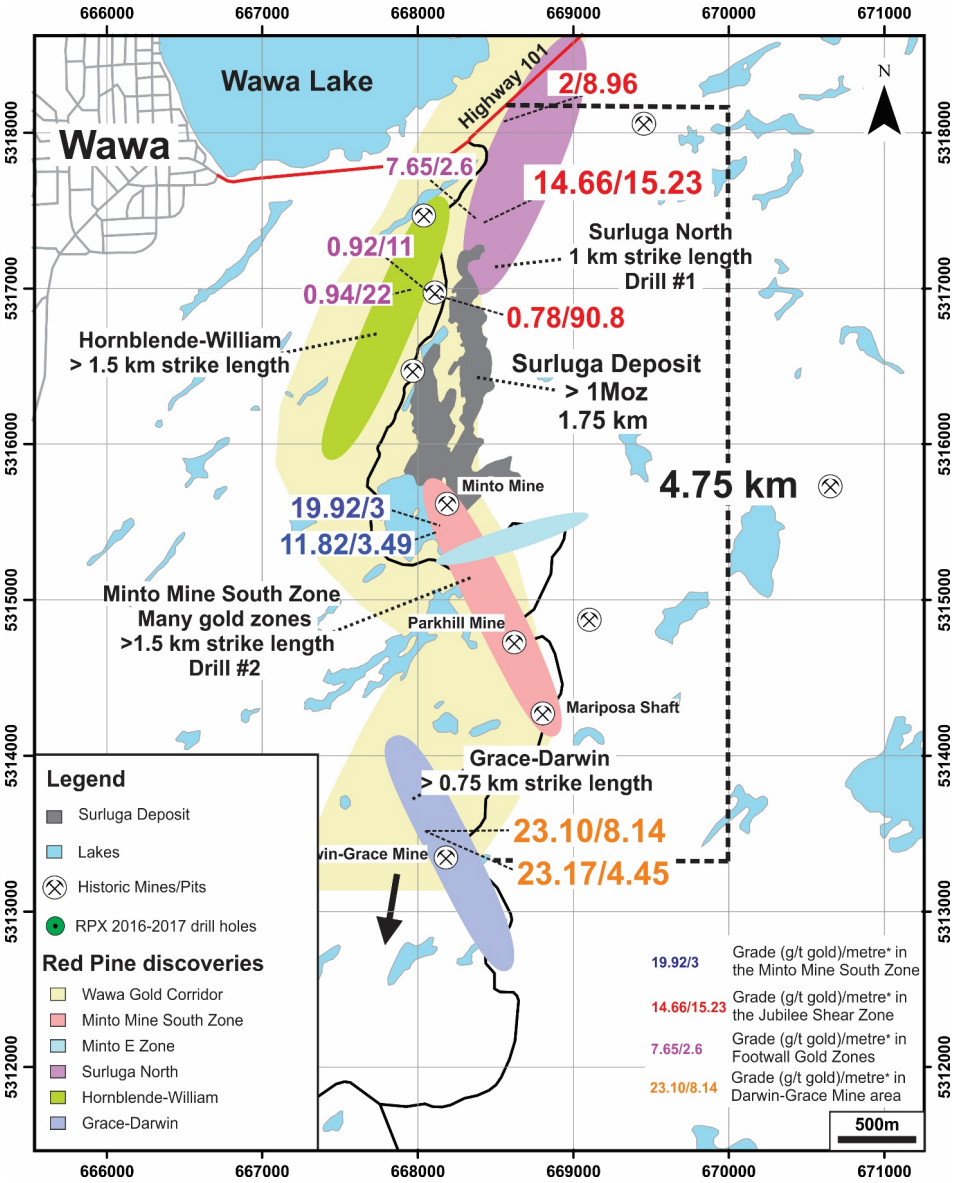

Figure 1: New discovery zones along the Wawa Gold Corridor

EXPLORATION AND EVALUATION ACTIVITIES (CONTINUED)

Cayenne Property

As of October 31, 2017, the Cayenne property consisted of 2 unpatented claims (2 claim units) and 1 lease (62.67 ha) in Genoa Township located approximately 110 kilometers southwest of Timmins, Ontario. The Company owns 100% of the property.

Glencore Xstrata plc ("Glencore"), the previous owner of the property, holds a 1.5% net smelter return royalty ("NSR") after recovery of all exploration costs incurred on the property by the Company, as well as a onetime buy back right (the "Buy Back Right") to reacquire up to a 50% interest, on a portion of the property that was originally optioned from Falconbridge Limited in 2005 (the "Falconbridge Claims") plus a one-kilometer area of influence around the Falconbridge claims.

On December 1, 2013, the Company signed an exploration agreement with the Flying Post First Nation ("FPFN"). The agreement permits the Company to undertake exploration activities within the respective band's traditional and customary lands in return for the following:

a) If the Company proceeds with a Preliminary Exploration Program Phase 1:

   a. The Company will issue on 10,000 common shares and 20,000 common share purchase warrants within 15 days of, and subject to approval of the TSX Venture Exchange ("TSXV") exchange, the execution of this agreement (issued). Each share purchase warrant will entitle the holder to purchase one non-flow through share of the Company at an exercise price of the greater of $0.25 per share or the closing stock price on the day of approval by the TSXV exchange. The term of the share purchase warrants is five years from the date of issue.

   b. The Company will also contribute a one-time lump sum payment of $5,000 to the Community Fund of FPFN (paid).

b) If the Company proceeds with a Preliminary Exploration Program Phase 2:
   a. The Company will issue 10,000 common shares and 20,000 common share purchase warrants within 15 days. Each share purchase warrant will entitle the holder to purchase one common share of the Company at an exercise price of the greater of $0.25 or the closing stock price of the day and will be exercisable for a period of five years from the date of issue.
   b. The Company will contribute a one-time payment of $5,000 to the Community Fund of FPFN.

c) If the Company proceeds with Exploration Programs After Phase 1 and 2:
   a. The Company will issue 50,000 common shares and 100,000 common share purchase warrants within 15 days. Each share purchase warrant will entitle the holder to purchase one common share of the Company at an exercise price of the greater of $0.25 or the closing stock price of the day and will be exercisable for a period of five years from the date of issue.
   b. The Company will contribute a one-time payment of $5,000 to the Community Fund of FPFN.
   c. The Company will pay 2% of all Assessment Eligible Exploration Program costs incurred specifically on the project area after this agreement takes effect, to a maximum of $50,000 per agreement year. This amount is exclusive of the one-time payments of $15,000 in aggregate and negotiation costs associated with transacting any future agreements entered into.
   d. The FPFN shall appoint an elders' committee, which will be engaged for the purpose of consultation and advice. The Company will provide up to $10,000 per year to the Elders Committee as an honorarium fee for travel.

Algoma-Talisman Property

The Company has a 100% interest in a 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.

EXPLORATION AND EVALUATION ACTIVITIES (CONTINUED)

Mortimer Property

As of October 31, 2017, 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

As of October 31, 2017, 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% Net Smelter Return ("NSR") on approximately 75 square kilometers of claims 20 km east of Goldcorp's Borden Gold project near Chapleau, Ontario. The underlying property package was sold to Probe Mines Ltd. in November 2012.

The Company retains a 2% NSR on a property consisting of 43 claims in the Wawa area of Ontario owned by Alamos Gold Inc., which has the right to repurchase the NSR for $1,500,000.

RESULTS OF OPERATIONS

The following are explanations of the material changes for the years ended July 31, 2017 compared to the year ended July 31, 2016:

	Year ended July 31, 2017	Year ended July 31, 2016
Revenues		
Exploration Services	$ -	$ 46,130
Sale of Mineral Property	-	30,000
Total Revenues	-	76,130
Expenses		
Exploration Expenditures	26,567,135	1,278,657
General and Administrative	896,090	431,168
Payroll & Professional Fees	646,022	396,139
Share-Based Compensation	354,159	158,760
Depreciation and Amortization	66,635	10,467
Foreign Exchange Loss	127	
Provision	-	64,000
Finance Expenses	-	43,501
Interest Income	(476)	(102)
Deferred Premium	(394,600)	-
Recovery of Exploration Expenditures	(2,532,778)	(812,813)
Total Expenses	25,602,314	1,569,777
Loss and Comprehensive Loss for the Year	(25,602,314)	(1,493,647)
Loss per share – basic and diluted	$ (0.14)	$ (0.02)
Weighted average shares outstanding	180,441,117	74,166,998

Results for the year-ended July 31, 2017

- Exploration expenditures increased to $26,567,135 (2016: $1,278,657) as we significantly accelerated exploration activities on the Wawa Gold Project and included $21,212,777 related to the acquisition of Augustine Ventures.
- Recovery of exploration expenditures increased to $2,532,778 (2016: $812,813) as Citabar and Augustine Ventures (until its acquisition on February 3, 2017) funded their proportional share of exploration on the Wawa Gold Project.
- Payroll and professional fees increased to $646,022 (2016: $396,139) as a result of increased management personnel, management compensation and legal fees as compared to the previous year.
- General and administrative increased to $896,090 (2016: $431,168) as a result of increased investor relations activities and corporate travel as compared to the previous year.
- Loss and Comprehensive Loss increased to $25,602,314 (2016: 1,493,647).

RESULTS OF OPERATIONS (CONTINUED)

Results for the three-months ended July 31, 2017

- Exploration expenditures increased to $1,871,900 (2016: $529,824) as we significantly accelerated exploration activities on the Wawa Gold Project.
- Recovery of exploration expenditures increased to $704,007 (2016: $381,898) as Citabar funded their proportional share of exploration on the Wawa Gold Project.
- Payroll and professional fees increased to $187,105 (2016: $135,524) as a result in increased management personnel, management compensation and legal fees as compared to the previous year.
- General and administrative increased to $186,929 (2016: $169,673) as a result of increased investor relations activities and corporate travel as compared to the previous year.
- Loss and Comprehensive Loss increased to $1,175,715 (2016: 554,672).

QUARTERLY RESULTS OF OPERATIONS

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

	Quarter Ended			
	July 31, 2017 $	**April 30, 2017 $**	**January 31, 2017 $**	**October 31, 2016 $**
Total Revenues	-	-	-	-
Exploration expenditures net of recoveries	1,167,893	22,411,601	240,782	214,081
Loss and Comprehensive loss for the quarter	(1,175,715)	(23,333,534)	(663,464)	(429,601)
Basic and diluted loss per share	(0.00)	(0.10)	(0.01)	(0.00)
Working Capital Surplus (Deficit)	3,298,930	3,824,600	289,149	695,166

	Quarter Ended			
	July 31, 2016 $	**April 30, 2016 $**	**January 31, 2016 $**	**October 31, 2015 $**
Total Revenues	-	46,130	30,000	-
Exploration expenditures net of recoveries	152,080	65,075	(157,053)	409,896
Loss and Comprehensive loss for the quarter	(554,672)	(248,794)	(177,874)	(588,456)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)
Working Capital Surplus (Deficit)	992,222	(686,535)	(290,985)	(224,975)

EXPLORATION AND EVALUATION EXPENDITURES

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

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

	Wawa Gold Project $	Cayenne Property $	Other Properties $	Total Properties $
Balance – July 31, 2015	**1,757,367**	**6,127,732**	**8,369,381**	**16,254,480**
Exploration Expenditures	1,260,755	5,484	12,418	1,278,657
Balance – July 31, 2016	**3,018,122**	**6,133,216**	**8,381,799**	**17,533,137**
Property Acquisition Costs	21,212,777	-	-	21,212,777
Exploration Expenditures	5,295,591	4,470	54,297	5,354,358
Balance – July 31, 2017	**$ 29,526,490**	**$ 6,137,686**	**$ 8,436,096**	**$ 44,100,272**

During the year ended July 31, 2017:

a) The Company incurred total exploration and evaluation expenditures of $5,295,591 on the Wawa Gold property (2016: $1,260,755) and $21,212,777 on the acquisition of Augustine Ventures (2016: $nil), which resulted in an increased ownership of 30% in the Wawa Gold joint-venture.
b) The Company incurred total exploration and evaluation expenditures of $58,767 on other properties (2016: $17,902).
c) The following table represent the amounts invoiced to the Wawa Gold joint-venture partners for their prorated share of the exploration program costs incurred during the year-ended July 31, 2017, which includes exploration and evaluation expenditures, joint expenditures and any project management fees. The amounts for Augustine Ventures are those that were invoiced and recovered prior to the acquisition of Augustine, which was completed on February 3, 2017.

	Citabar	Augustine Ventures	All JV Partners
Balance – July 31, 2015	**$ -**	**$ -**	**$ -**
Recovery of JV Expenditures	464,465	348,348	812,813
Balance – July 31, 2016	**$ 464,465**	**$ 348,348**	**$ 812,813**
Recovery of JV Expenditures	2,165,513	367,265	2,532,778
Balance – July 31, 217	**$ 2,629,978**	**$ 715,613**	**$ 3,345,591**

As at July 31, 2017, $328,118 (2016 - $230,073) was due from the joint-venture partners.

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 August 14, 2019. 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 Statement of Financial Position.

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 Statement of Financial Position.

As of July 31, 2017, 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. As of July 31, 2017, the Company was committed to annual lease payments for 145 Wellington Street West of approximately $104,544.

Future minimum payments under the Company's leases, excluding the receipt of any sublease payments, are as follows:

Minimum Lease Payments	**July 31, 2017 $**	**July 31, 2016 $**
No later than 1 year	327,564	211,188
Later than 1 year, but no later than 5 years	650,488	325,230
Later than 5 years	148,104	-
Total	**1,126,156**	**536,418**

FLOW-THROUGH EXPENDITURE COMMITMENTS

The Company completed flow-through ("F/T") share financings that involve a commitment to incur Canadian exploration expenditures ("CEEs") prior to the end of specific calendar years and to renounce the CEE tax deductions to the subscribers. Flow-through shares and exploration expenditures qualifying as CEEs are defined in the Income Tax Act of Canada.

The following tables sets out the flow-through expenditure commitments as of July 31, 2017:

Financing Series	**2015 F/T Series**	**2016 F/T Series**	**2017 F/T Series**
Financing Date	August 20, 2015	June 3, 2016	February 24, 2017
Commitment Deadline	December 31, 2016	December 31, 2017	December 31, 2018
Commitment Amount	$ 875,789	$ 1,098,000	$ 4,000,101
Less: Expenditures Incurred in 2016	(875,789)	(98,000)	-
Less: Expenditures Incurred in 2017	-	(1,000,000)	(429,395)
Estimated F/T Expenditures Remaining	**$ -**	**$ -**	**$ 3,570,706**

The following tables sets out the flow-through expenditure commitments as of July 31, 2017 that were assumed by the Company upon the acquisition of Augustine Ventures Inc.:

Financing Series	**2016 F/T Series**
Financing Date	December 12, 2016
Commitment Deadline	December 31, 2017
Commitment Amount	$ 500,000
Less: Expenditures Incurred in 2016	-
Less: Expenditures Incurred in 2017	(500,000)
Estimated F/T Expenditures Remaining	**$ -**

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

The following transactions occurred with related parties during the year ended July 31, 2017:

a) Key management personnel received the following compensation:
    a. Cash compensation of $320,758 (2016: $157,675), which has been recorded in exploration expenditures on the Consolidated Statements of Loss and Comprehensive Loss.
    b. Cash compensation of $213,603 (2016: $nil), which has been recorded in payroll and professional fees on the Consolidated Statements of Loss and Comprehensive Loss.
    c. Professional fees of $90,500 (2016: $33,842), which was paid to a corporation controlled by the CFO for professional services, which has been recorded in payroll and professional fees on the Consolidated Statements of Loss and Comprehensive Loss.
    d. Professional fees of $64,000 (2016: $nil), which was paid to a corporation controlled by the Executive Director of Mining, which has been recorded in payroll and professional fees on the Consolidated Statements of Loss and Comprehensive Loss.

b) Directors and key management personnel received 1,850,000 stock options valued at $216,450 (2016: 1,325,000 stock options valued at $72,218).

c) In accordance with the plan of arrangement for the acquisition of Augustine:
    a. Former directors and key management personnel that are still with the Company received 3,420,000 stock options valued at $400,140.
    b. Former directors and key management personnel that are no longer with the Company received 4,028,000 stock options valued at $471,275.

d) A corporation under common management control contracted exploration services from the Company and was invoiced a total of $nil (2016: $46,130), which has been reported as exploration services revenue on the Consolidated Statements of Loss and Comprehensive Loss.

As of July 31, 2017, the outstanding related party balances were as follows:

a) Corporations under common management control owe the Company $32,520 (July 31, 2016: $nil) for the reimbursement of shared expenditures, which has been included in amounts receivable.

b) Former directors of wholly-owned subsidiary Augustine Ventures Inc., owe the Company $62,166 (July 31, 2016: $nil), which has been included in amounts receivable.

c) A Corporation controlled by the CFO owed the Company $2,657 (July 31, 2016: $nil) for the reimbursement of expenses, which has been included in amounts receivable.

d) A Corporation controlled by the Executive Director of Mining was owed $11,225 (July 31, 2016: $nil) for management consulting fees, which has been included in accounts payable.

e) The Company is the manager of and owns a 60% interest in a joint-venture partnership (see Note 5). The joint-venture partner owed the following net balances to the Company, which has been included in amounts receivable from joint-venture partners:
    a. Citabar: $328,118 (July 31, 2016: $nil)

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.

SHARE CAPITAL

The authorized share capital consists of an unlimited number of common shares. The common shares have no par value. As at July 31, 2017 the Company had 264,149,026 issued and outstanding common shares (July 31, 2016: 102,809,943). All issued and outstanding common shares are fully paid.

a) Common Shares Issued during the year ended July 31, 2017:

- The Company issued a total of 150,000 common shares upon the exercise of 150,000 stock options at an average exercise price of $0.055 for gross proceeds of $8,250.

- The Company issued a total of 9,495,982 common shares upon the exercise of 9,495,982 common share purchase warrants at an average exercise price of $0.09 for gross proceeds of $852,431.

- On February 3, 2017, the Company completed the plan of arrangement relating to the acquisition of Augustine Ventures whereby the Company issued 100,668,733 common shares valued at $14,093,623.

- On February 24, 2017, the Company completed a brokered private placement for gross proceeds of $6,540,340. The Company issued 21,168,666 common share units at a price of $0.12 per unit and 27,586,900 flow-through common shares at a price of $0.145 per share. Each FT Share was issued on a "flow-through" basis, as defined in the Income Tax Act (Canada). Each common share unit consisted of one common share and one common share purchase warrant exercisable for a period of three years at an exercise price of $0.17 per purchase warrant. As part of the financing, the Company paid $457,824 cash commissions, which is included in the total cost of issue of $615,945, and issued 3,412,889 non-transferable compensation warrants exercisable for a period of two years at an exercise price of $0.135 per compensation warrant. The flow through premium associated with this financing was $137,934.

- On May 8, 2017, the Company completed a shares-for-debt transaction whereby the Company agreed to settle certain obligations (the "Debt") to former directors of Augustine Ventures Inc. ("Augustine"), which were incurred prior to becoming a wholly-owned subsidiary of the Company, through the issuance of common shares of the Company (the "Common Shares"). Pursuant to the settlement transaction, the Company issued a total of 2,268,802 common shares (the "Shares") at a deemed price of $0.12 per Share to settle a total indebtedness of $272,256.

b) Common Shares Issued during the year ended July 31, 2016:

- On August 31, 2015, the Company closed the final tranche of a non-brokered financing with gross proceeds of $745,819 through the issuance of 14,916,372 flow-through units at a price of $0.05 per unit. Each flow-through unit consists of one flow-through share ("FT Shares") and one-half of one common share purchase warrant. Each FT Share was issued on a "flow-through" basis, as defined in the Income Tax Act (Canada). Each whole warrant is exercisable for one common share at a price of $0.10 per share for a period of three years from the date of issue. In connection with this financing, the Company paid cash compensation and legal costs of $82,734 and issued 870,982 non-transferable compensation warrants entitling the holder to acquire one common share for a price of $0.05 per share with an expiry date of three years from date of issuance. The flow through premium associated with this financing is $175,000 (note 7).

- On June 3, 2016, the Company issued 12,200,000 flow-through shares ("FT Shares") at a price of $0.09 per FT Share and 13,187,600 common share units ("Common Units") at a price of $0.08 per Common Unit, for gross proceeds of $2,153,008. Each FT Share was issued on a "flow-through" basis, as defined in the Income Tax Act (Canada). Each Common Unit consists of one common share and one half of one common share purchase warrant entitling the holder to acquire one common share of the Company at an exercise price of $0.10 for a period of 36 months. In connection with the financing, the Company also paid cash compensation and legal costs of $294,346 and issued 1,777,132 compensation warrants, with each compensation warrant entitling the holder to acquire one common share of the Company at an exercise price of $0.08 for a period of 24 months. The flow through premium associated with this financing is $219,600 (note 7).

- On June 24, 2016, the Company issued 8,000,000 common share units ("Common Units") at a price of $0.08 per Common Unit. Each Common Unit consists of one common share and one half of one common share purchase warrant entitling the holder to acquire one common share of the Company at an exercise price of $0.105 for a period of 36 months. In connection with the financing, the Company also paid cash compensation of $44,800 and issued 560,000 compensation warrants, with each compensation warrant entitling the holder to acquire one common share of the Company at an exercise price of $0.105 for a period of 24 months.

STOCK OPTIONS

The Company has a stock option plan (the "Plan") under which the Board of Directors of the Company may grant stock options to eligible participants including directors and officers of the Company.

The exercise price of the options cannot be less than the closing price of the Company's shares on the trading day preceding the date of grant and the maximum term of any option cannot exceed five years. The Board of Directors, in accordance with applicable Exchange or other regulatory requirements, if any, determines the vesting period. There is no minimum vesting period unless the optionee is engaged in Investor Relation Activities. The maximum aggregate number of common shares under option at any time under the Plan cannot exceed 10% of the issued shares. The fair value of share-based compensation is recognized as contributed surplus upon issuance.

All outstanding stock options vested immediately.

The following is a continuity schedule of the stock options series outstanding from July 31, 2016 to July 31, 2017:

Expiry Date	Exercise Price	Outstanding July 31, 2016	Granted	Exercised	Expired or Cancelled	Outstanding July 31, 2017
July 10, 2018	$ 0.500	370,000	-	-	(110,000)	260,000
December 18, 2018	$ 0.500	1,103,000	-	-	(418,000)	685,000
February 25, 2020	$ 0.500	1,663,000	-	-	(303,000)	1,360,000
August 27, 2020	$ 0.055	2,100,000	-	(150,000)	(25,000)	1,925,000
April 5, 2021	$ 0.080	750,000	-	-	-	750,000
April 6, 2022 [(a)]	$ 0.120	-	3,027,000	-	-	3,027,000
April 11, 2022 [(b)]	$ 0.120	-	8,284,000	-	-	8,284,000
Total	**$ 0.16**	**5,986,000**	**11,311,000**	**(150,000)**	**(856,000)**	**16,291,000**

a) The fair value of the 3,027,000 stock options granted on April 6, 2017 was estimated at $354,159 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 0.55%, dividend yield 0%, expected stock volatility 200%, and an expected life of 5 years. The stock options vested immediately.

b) The fair value of the 8,284,000 stock options granted on April 11, 2017 as part of the acquisition of Augustine (note 3) was estimated at $969,227 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 0.55%, dividend yield 0%, expected stock volatility 200%, and an expected life of 5 years. The stock options vested immediately.

The following is a continuity schedule of the stock options series outstanding from July 31, 2015 to July 31, 2016:

Expiry Date	Exercise Price	Outstanding and Exercisable July 31, 2015	Granted	Exercised	Expired or Cancelled	Outstanding and Exercisable July 31, 2016
February 18, 2016	$ 0.500	265,000	-	-	(265,000)	-
March 4, 2016	$ 0.500	729,000	-	-	(729,000)	-
March 4, 2016	$ 0.600	96,000	-	-	(96,000)	-
July 10, 2018	$ 0.500	380,000	-	-	(10,000)	370,000
December 18, 2018	$ 0.500	1,193,000	-	-	(90,000)	1,103,000
February 25, 2020	$ 0.500	1,663,000	-	-	-	1,663,000
August 27, 2020 (a)	$ 0.055	-	2,100,000	-	-	2,100,000
April 5, 2021 (b)	$0.080	-	750,000	-	-	750,000
Total	$0.29	4,326,000	2,850,000	-	(1,190,000)	5,986,000

WARRANTS

The Company has issued warrants as part of equity financings and property acquisitions. The fair value of warrants is recognized upon issuance as an equity reserve until expiration, cancellation or exercise.

The following is a continuity schedule for the warrants outstanding from July 31, 2016 to July 31, 2017:

Expiry Date	Exercise Price	Outstanding July 31, 2016	Issued	Exercised	Expired or Cancelled	Outstanding July 31, 2017	Fair Value July 31, 2017
March 5, 2017 [f]	$ 0.066	-	2,348,400	(2,348,400)	-	-	$ -
May 1, 2017	$ 0.275	635,628	-	-	(635,628)	-	$ -
May 1, 2017	$ 0.500	7,017,900	-	-	(7,017,900)	-	$ -
December 18, 2017	$ 0.250	6,400,000	-	-	-	6,400,000	$ 692,892
December 18, 2017 [a]	$ 0.250	640,000	-	-	-	640,000	$ 76,988
June 3, 2018	$ 0.080	1,777,132	-	-	-	1,777,132	$134,351
June 24, 2018	$ 0.105	560,000	-	(109,375))	-	450,625	$ 44,882
July 30, 2018	$ 0.050	155,965	-	-	-	155,965	$ 6,519
July 30, 2018	$ 0.100	1,499,708	-	-	-	1,499,708	$ 38,700
August 13, 2018	$ 0.050	270,982	-	-	-	270,982	$ 13,441
August 13, 2018	$ 0.100	2,208,186	-	-	(100,000)	2,108,186	$ 61,429
August 20, 2018	$ 0.050	330,000	-	(165,000)	-	165,000	$ 8,184
August 20, 2018	$ 0.100	2,750,000	-	(1,375,000)	-	1,375,000	$ 36,750
August 28, 2018	$ 0.050	135,000	-	(135,000)	-	-	$ -
August 28, 2018	$ 0.100	2,450,000	-	(2,250,000)	-	200,000	$ 5,298
September 2, 2018 [b][f]	$ 0.099		2,533,333	-	-	2,533,333	$ 301,655
September 2, 2018 [f]	$ 0.099		5,065,909	-	-	5,065,909	$ 586,039
February 9, 2019 [c] [f]	$ 0.066		2,972,443	(84,444)	-	2,887,999	$ 368,499
February 9, 2019 [f]	$ 0.066		1,994,544	-	-	1,994,544	$ 250,294
February 9, 2019 [f]	$ 0.132		5,327,165	-	-	5,327,165	$ 633,935
February 17, 2019	$ 0.250	20,000	-	-	-	20,000	$ 6,090
February 24, 2019 [d]	$ 0.135		3,412,889	-	-	3,412,889	$ 404,427
February 25, 2019 [c][f]	$ 0.066		520,177	-	-	520,177	$ 66,553
February 25, 2019 [f]	$ 0.066		4,063,784	(216,263)	-	3,847,521	$ 484,397
April 7, 2019 [f]	$ 0.105		1,789,456	-	-	1,789,456	$ 220,282
April 8, 2019 [f]	$ 0.105		16,695,601	-	-	16,695,601	$ 2,055,731
May 5, 2019 [f]	$ 0.105		2,144,121	-	-	2,144,121	$ 265,704
June 3, 2019	$ 0.100	6,593,800	-	(1,250,000)	-	5,343,800	$ 164,274
June 24, 2019	$ 0.105	4,000,000	-	(1,562,500)	-	2,437,500	$ 106,823
September 2, 2019 [f]	$ 0.066		121,600	-	-	121,600	$ 15,793
December 13, 2019 [f]	$ 0.170		3,800,000	-	-	3,800,000	$ 478,985
February 24, 2020 [e]	$ 0.170		21,168,666	-	-	21,168,666	$ 906,523
April 7, 2020 [f]	$ 0.072		198,429	-	-	198,429	$ 26,318
May 3, 2020 [f]	$ 0.072		6,080	-	-	6,080	$ 808
Total	**$0.13**	**37,444,301**	**74,162,588**	**(9,495,982)**	**(7,753,528)**	**94,357,390**	**$ 8,462,564**

a) These broker warrants are exercisable into a unit consisting of one common share and one common share purchase warrant at an exercise price of $0.25 expiring on December 18, 2017. The embedded common share purchase warrant is not included in the totals.

b) These warrants are exercisable at a price of CAD$0.099 or USD$0.092.

c) These warrants are exercisable at a price of CAD$0.066 or USD$0.059.

WARRANTS (CONTINUED)

d) The fair value of the 3,412,889 compensation warrants issued on February 24, 2017 was estimated at $404,427 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 0.55%, dividend yield 0%, expected stock volatility 200%, and an expected life of 2 years.

e) The fair value of the 21,168,666 warrants issued on February 24, 2017 was estimated at $906,523 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 0.55%, dividend yield 0%, expected stock volatility 200%, and an expected life of 3 years.

f) These warrants were issued on February 3, 2017 as part of the acquisition of Augustine (note 3).

The following is a continuity schedule for the warrants outstanding from July 31, 2015 to July 31, 2016:

Expiry Date	Exercise Price	Outstanding July 31, 2015	Issued	Exercised	Expired or Cancelled	Outstanding July 31, 2016	Ending Fair Value
May 1, 2017	$ 0.275	635,628	-	-	-	635,628	$ 109,964
May 1, 2017	$ 0.500	7,017,900	-	-	-	7,017,900	$ 825,700
December 18, 2017	$ 0.250	6,400,000	-	-	-	6,400,000	$ 692,892
December 18, 2017 (f)	$ 0.250	640,000	-	-	-	640,000	$ 76,988
June 3, 2018 (b)	$ 0.080	-	1,777,132	-	-	1,777,132	$134,351
June 24, 2018 (d)	$ 0.105	-	560,000	-	-	560,000	$ 55,776
July 30, 2018	$ 0.050	155,965	-	-	-	155,965	$ 6,519
July 30, 2018	$ 0.100	1,499,708	-	-	-	1,499,708	$ 38,700
August 13, 2018 (a)	$ 0.050	-	270,982	-	-	270,982	$ 13,441
August 13, 2018 (a)	$ 0.100	-	2,258,186	(50,000)	-	2,208,186	$ 64,343
August 20, 2018 (a)	$ 0.050	-	330,000	-	-	330,000	$ 16,368
August 20, 2018 (a)	$ 0.100	-	2,750,000	-	-	2,750,000	$ 73,500
August 28, 2018 (a)	$ 0.050	-	270,000	(135,000)	-	135,000	$ 7,290
August 28, 2018 (a)	$ 0.100	-	2,450,000	-	-	2,450,000	$ 64,900
February 17, 2019	$ 0.250	20,000	-	-	-	20,000	$ 6,090
June 3, 2019 (c)	$ 0.100	-	6,593,800	-	-	6,593,800	$ 202,700
June 24, 2019 (e)	$ 0.105	-	4,000,000	-	-	4,000,000	$ 175,300
Total	$0.20	16,369,201	21,260,100	(185,000)	-	37,444,301	$ 2,564,822

LIQUIDITY AND CAPITAL MANAGEMENT

	July 31, 2017	July 31, 2016
Current Assets:		
Cash and Cash Equivalents	$ 3,388,171	$ 1,644,354
Marketable Securities	2,500	2,500
Amounts Receivable	674,250	108,927
Amounts Receivable from Joint Venture Partners	328,118	230,073
Prepaid Expenses	43,635	33,798
Total Current Assets	4,436,674	2,019,652
Current Liabilities:		
Accounts Payable and Accrued Liabilities	$ 719,889	$ 352,908
Deferred Flow-Through Premium	137,934	394,600
Flow-Through Provision	264,000	264,000
Lease Inducements	15,922	15,922
Total Current Liabilities	1,137,745	1,027,430
Working Capital	**$ 3,298,929**	**$ 992,222**

As of July 31, 2017, the Company had a working capital surplus of $3,298,929 (July 31, 2016: surplus of $992,222).

There were no changes in the Company's approach to capital management during the year ended July 31, 2017.

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 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.

The amounts due from joint venture partners are subject to counterparty default risk, and total $328,118 as at July 31, 2017 (July 31, 2016 – $230,073).

The amounts due from subtenants are subject to counterparty default risk, and total $nil as at July 31, 2017 (July 31, 2016 - $nil).

b) Liquidity risk

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

As at July 31, 2017, the Company had a cash and cash equivalents balance of $3,388,171 (July 31, 2016: $1,644,354) to settle current liabilities of $1,137,745 (July 31, 2016: $1,027,430). As a result, the Company is currently not exposed to liquidity risk.

While the Company has been successful in obtaining required funding in the past, there is no assurance that future financings will be available.

c) Market risks

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

- Interest rate risk, is the sensitivity of the fair value or of the future cash flows of a financial instrument to changes in interest rates. The Company does not have any financial assets or liabilities that were subject to variable interest rates.
- Commodity price risks, particularly with respect to gold, is the sensitivity of the fair value of, or of the future cash flows, from mineral assets. The Company manages this risk by 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.

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.

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.

RISKS AND UNCERTAINTIES (CONTINUED)

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.

As at July 31, 2017, the Company had a working capital surplus of $3,298,929 (July 31, 2016: surplus of $992,222) and an accumulated deficit of $56,477,785 (July 31, 2016: deficit of $30,875,471).

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

Theses 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 November 28, 2017.

(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 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., which was acquired on February 3, 2017 (see Note 3). 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.

Deferred Flow-Through Premium and Flow-Through Provision Estimates

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

(d) Significant accounting judgements and estimates (Continued)

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.

(e) Foreign currencies

The presentation currency of the Company and its subsidiaries and the functional currency of the Company is the Canadian dollar.

(f) Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

- Fair value through profit or loss – This category comprises derivatives, or assets acquired or incurred principally for the purpose of being sold or repurchased in the near term. They are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in the consolidated statements of loss and comprehensive loss.
- Loans and receivables – These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment.
- Held-to-maturity investments – These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the consolidated statements of loss and comprehensive loss.
- Available-for-sale – Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in comprehensive income. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income / (loss) and recognized in the statements of consolidated loss and comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each financial position reporting date. Financial assets are impaired when there is objective evidence that the cash flows related to a financial asset or group of financial assets have been negatively impacted. Different criteria to determine impairment are applied for each category of financial assets described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the corresponding asset was acquired. The Company's accounting policy for each category is as follows:

- Fair value through profit or loss – This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of being sold or repurchased in the near term. They are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in the consolidated statements of loss and comprehensive loss.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

(f) Financial instruments (Continued)

- Other financial liabilities – This category includes other non-derivative accounts payables and accrued liabilities, which are recognized at amortized cost.

Financial instruments recorded at fair value in the consolidated statements of financial position are classified 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.

The Company's financial instruments consist of the following:

Financial assets:

- Cash and cash equivalents classified as fair value through profit or loss
- Amounts receivables, excluding HST receivable, classified as loans and receivables
- Amounts receivables from Joint Venture Partners classified as loans and receivables
- Marketable securities classified as available-for-sale

Financial liabilities:

- Accounts payable and accrued liabilities classified as other financial liabilities
- Flow-through provision classified as other financial liabilities

The fair value of the Company's accounts receivable, amounts receivable from joint venture partners, flow through provision and accounts payable and accrued liabilities approximate the carrying value, which is the amount recorded on the consolidated statements of financial position. The Company's other financial instruments, cash and cash equivalents and marketable securities under the fair value hierarchy, are based on level 1 prices in active markets for identical assets or liabilities.

(g) Cash and cash equivalents

Cash equivalents include money market instruments which are readily convertible into cash or have maturities at the date of purchase of less than ninety days.

(h) Mineral properties and exploration expenditures

The Company expenses all costs relating to the acquisition of, exploration for and development of mineral claims and credits all revenues received against the exploration expenditures. Such costs include, but are not limited to acquisition costs, geological, geophysical studies, exploratory drilling and sampling.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations.

Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

(i) Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent they relate to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

(i) Income taxes (Continued)

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive loss depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

(j) Share-based payment transactions

The stock option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each period end, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

In situations where equity instruments are granted to non-employees and same or all goods and services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payments. Otherwise, share-based payments are measured at the fair value of goods or services received.

(k) Asset retirement obligation

IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, provides guidance relating to asset retirement obligations. An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising for the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and charged to expenses as an exploration cost, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value. The related liability is adjusted each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

As at July 31, 2017 and 2016, the Company had no asset retirement obligations.

(l) Loss per share

The Company presents the basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

(m) Marketable securities

Marketable securities consist of equity securities over which the Company does not have control or significant influence.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

(n) Equipment

Equipment is stated at cost less accumulated depreciation and any impairment losses. Depreciation is charged so as to write off the cost of assets over their estimated useful live, using the declining-balance method after taking into account their estimated residual values. Depreciation beings when the equipment becomes available for use. Depreciation is charged to the Consolidated Statements of Loss and Comprehensive Loss.

The estimated useful lives, residual values and depreciation method are reviewed at each reporting period, with the effect of any changes in estimated accounted for on a prospective basis. The estimated useful lives of equipment are estimated as follows:

- The Company owns all-terrain vehicles and other exploration equipment, which are depreciated on a straight-line basis over an estimated useful life of three (3) years.
- The Company owns office furniture and equipment, which are depreciated on a straight-line basis over an estimated useful life of seven (7) years.

The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

Gains and losses on disposals are determined by comparing net proceeds with carrying amounts and are included in the Consolidated Statements of Loss and Comprehensive Loss.

(o) Leasehold Improvements

Leasehold improvements are stated at cost less accumulated depreciation. Depreciation is charged so as to write off the cost of the leasehold improvements over their estimated useful live, using the declining-balance method. Depreciation beings when the leasehold improvements are completed. Depreciation is charged to the Consolidated Statements of Loss and Comprehensive Loss.

The estimated useful lives and depreciation method are reviewed at each reporting period, with the effect of any changes in estimated accounted for on a prospective basis. The estimated useful lives of leasehold improvements are estimated as follows:

- The Company completed leasehold improvements at its new principal office space, which is depreciated on a straight-line basis over the term of the lease of seven (7) years.

The carrying values of leasehold improvements are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

(p) Software Licenses

Software licenses exceeding one year are stated at cost less accumulated amortization. Amortization is charged so as to write off the cost of the software licenses over their estimated useful live, using the declining-balance method. Amortization beings when the software licenses are acquired. Amortization is charged to the Consolidated Statements of Loss and Comprehensive Loss.

The estimated useful lives and amortization method are reviewed at each reporting period, with the effect of any changes in estimated accounted for on a prospective basis. The estimated useful lives of software licenses are estimated as follows:

- The Company has acquired perpetual software licenses for exploration software packages that are amortized on a straight-line basis over an estimated useful life of five (5) years and the amortization is reported in Exploration Expenditures on the Consolidated Statements of Loss and Comprehensive Loss.

The carrying values of software licenses are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

(q) Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes income for the amount of tax reduction renounced to the shareholders. The premium is deferred and recognized as other income as the expenditure incurs, and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

(r) Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the July 31, 2017 reporting period. Management believes the following standards will not have a significant impact on the Company's consolidated financial statements:

IFRS 9 Financial Instruments ("IFRS 9") was initially issued by the IASB in November 2009 and issued in its completed version in July 2014, and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-statement of financial position finance leases and off- statement of financial position operating leases. Instead, there is a single, on-statement of financial position accounting model that is similar to current finance lease accounting. The extent of the impact of adoption of IFRS 16 has not yet been determined. IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company has established procedures and internal control systems to ensure the timely and accurate preparation of financial, management and other reports. The Chief Executive Officer and Chief Financial Officer certify financial reports. Disclosure controls are in place to ensure all reporting meets statutory reporting requirements. The Company's management is responsible for establishing and maintaining adequate internal controls. These controls have been designed to provide reasonable, but not absolute, assurance with respect to the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Internal controls, however well-conceived, will provide only reasonable and not absolute assurance that the objectives of the internal controls over financial reporting will be met. It should not be expected that the disclosure and internal controls and procedures would prevent all errors or fraud.

Due to the small size of the Company's finance department, there are a limited number of personnel handling accounting and financial matters and as a result, there is a lack of segregation of duties. Management believes that it has designed sufficient compensating internal controls to mitigate these limitations, including dual signatories on all cheques. Additional internal controls include audit committee and senior management review and oversight.

The Company's certifying officers, the Chief Executive Officer and the Chief Financial Officer, have reviewed the effectiveness of the design and operation of the Company's disclosure controls and procedures as a whole. Based on their review, including a review of the compensating controls relating to the lack of segregation of duties noted above, they have concluded that the Company's internal controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Filings of the Canadian Securities Regulators, were effective overall.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable, but not absolute, assurance that all material information is obtained, analyzed and reported to senior management on a timely basis in order for management to make reasonable decisions regarding public disclosure.

The Company's certifying officers, the Chief Executive Officer and the Chief Financial Officer, have reviewed the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on their review, they have concluded that the Company's disclosure controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Filings of the Canadian Securities Regulators, were effective and provide reasonable assurance that information required to be disclosed in interim, annual and special filings are submitted under Canadian securities laws and are recorded, processed, summarized and reported in a timely fashion.

OTHER INFORMATION

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