

# Red Pine Exploration Inc. Announces Brokered Private Placement Financing

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TORONTO, Dec. 10, 2019 - [Red Pine Exploration Inc.](#) (TSX-V:RPX) ("Red Pine" or the "Company") announces that it intends to offer for sale, on a brokered private placement basis, securities of the Company (the "Offering") consisting of (i) units comprised of one "flow-through" common share (a "FT Share") of the Company (the "FT Units") and one half of one non-flow-through common share purchase warrant (each whole warrant, a "Warrant") with each whole Warrant being exercisable to acquire one common share at a price of \$0.05 per share for a period of 24 months following the closing date of the Offering at a price of \$0.035 per FT Unit and (ii) non-flow-through units of the Company (the "Non-FT Units") and together with the FT Units, the "Securities") with each Non-FT Unit being comprised of one common share (issued on a non-"flow-through" basis) and one whole Warrant, at a price of \$0.035 per Non-FT Unit, for aggregate gross proceeds to Red Pine of a minimum of \$2,000,000 (the "Minimum Proceeds") and a maximum of \$4,000,000 (the "Maximum Proceeds"). Each FT Share partially comprising the FT Units will be issued on a "flow-through" basis within the meaning of such term in the *Income Tax Act* (Canada). Assuming the Minimum Proceeds are raised, comprised of \$1,000,000 of FT Units and \$1,000,000 of Non-FT Units, the Company will issue 57,142,858 common shares and 42,857,144 Warrants. Assuming the Maximum Proceeds are raised, comprised of \$2,000,000 of FT Units and \$2,000,000 of Non-FT Units, the Company will issue 114,285,715 common shares and 85,714,288 Warrants. The Offering will be led by Haywood Securities Inc. (the "Agent").

The proceeds derived from the sale of the FT Shares will be used for "Canadian exploration expenses" (within the meaning of the *Income Tax Act* (Canada)) in connection with the mineral exploration programs of Red Pine. The proceeds derived from the sale of the Non-FT Units will be used for payment of certain expenses of the Company and for exploration expenses. Please see the Use of Proceeds table below.

The Securities will be made available for subscription to all existing shareholders of Red Pine who held Common Shares as of December 9, 2019 (the "Record Date"), pursuant to the existing security holders prospectus exemption available under Ontario Securities Commission Rule 45-501 - *Ontario Prospectus and Registration Exemptions* ("Rule 501") and equivalent provisions of applicable securities laws in other jurisdictions of Canada (the "Existing Shareholder Exemption"), where available, and will be allocated on a "first come, first served" basis so long as such allocation is within the principles of fair and equal treatment set out in Rule 501. Investors relying on the Existing Shareholder Exemption will be required, among other things, to represent in writing certain requirements of the Existing Shareholder Exemption, including that they were as of the Record Date, and continues to be, a shareholder of Red Pine. The aggregate acquisition cost of securities of the Company to an investor relying on the Existing Shareholder Exemption cannot exceed \$15,000 unless that shareholder has obtained advice regarding suitability of the investment from a registered investment dealer in the investor's jurisdiction. FT Shares and Non-FT Units will also be available under other exemptions from the prospectus requirements under applicable securities laws, such as the accredited investor exemption. The total number of Common Shares issuable pursuant to the Financing will not be greater than 100% of the currently outstanding Common Shares of Red Pine.

If you are an existing shareholder of the Company as of the Record Date who is interested in participating in the Offering, please contact Haywood Securities Inc. by email at [ecm@haywood.com](mailto:ecm@haywood.com), by telephone at (604)-697-7126 or at the address below for further information. Participation under the Existing Shareholder Exemption will be open from the date of this news release until December 27, 2019, with all required documentation to be provided to the Agent on or before such date. If you are a shareholder of Red Pine who held Common Shares on the Record Date, please contact Haywood Securities Inc. on or before such date.

A portion of the Offering may be allocated to investors relying on the "accredited investor" or other exemptions available to Red Pine under National Instrument 45-106 - *Prospectus Exemptions*. While the Company has not set any minimum gross proceeds that it must raise for the Offering to proceed,

Red Pine reserves the right to reject any subscriptions for less than \$2,500 of securities because of the administrative burden, so long as any such rejections do not contravene Rule 501 or equivalent legislation in other jurisdictions where subscribers reside.

The proceeds from the Offering will be used by Red Pine in accordance with the proposed budget set out in the Use of Proceeds table below. The Offering will only close if the Minimum Proceeds are raised. If more than the Minimum Proceeds are raised, all additional funds up to the Maximum Proceeds will be used as set out in the Use of Proceeds table below. The Offering of the Securities will be comprised of a minimum of \$1,000,000 of Non-FT Units.

#### USE OF PROCEEDS

| CORPORATE ADMINISTRATIVE EXPENSES                | Minimum Offering<br>12 months (Jan - Jun 2020) | Maximum Offering<br>12 months (Jan - Dec 2020) |
|--|--|--|
| Management fees & consulting (CEO & CFO)         | 97,500*  | 195,000*                                       |
| Shareholder communications (incl. IR activities) | 30,000   | 60,000   |
| Audit fees                                       | 20,000   | 40,000   |
| Professional fees                                | 36,000   | 72,000   |
| Public company fees (incl. SEDAR, TSX-V, AGM)    | 13,750   | 27,500   |
| Insurance - D&O, CGL                             | 7,500  | 15,000   |
| Transfer agent                                   | 2,100  | 4,200  |
| Office rent                                      | 5,500  | 11,000   |
| Telecommunications                               | 4,000  | 8,000  |
| General Office                                   | 7,500  | 15,000   |
| Total  | 223,750  | 447,700  |
| <b>PROJECT EXPENDITURES</b>                      |  |  |
|  | 12 months (Jan - Jun 2020)                     | 12 months (Jan - Dec 2020)                     |
| Drilling   | 1,496,250                                      | 2,992,500                                      |
| Trenching  | 186,000  | 372,000  |
| Contingency                                      | 93,900   | 187,800  |
| Total  | 1,682,250                                      | 3,364,500                                      |
| <b>GRAND TOTAL - 12 Month expenditures 2020</b>  | <b>2,000,000</b>                               | <b>\$4,000,000</b>                             |

\*No more than 25% of the aggregate amount raised in the Offering from the sale of Non-FT Units will be used to pay salaries. Although Red Pine intends to use the proceeds of the Offering as described above, the actual allocation of net proceeds may vary from the uses set forth above, depending on how future operations unfold, unforeseen events or adjustments in accordance with prudent business practices.

Certain insiders of Red Pine may participate in the Offering; however, the total participation by insiders is not expected to exceed 25% of the Offering. The Company will pay a commission to Haywood Securities Inc. comprised of cash and securities of the Company in consideration of it leading the Offering.

The terms of the Offering were developed in part by reference to the TSX Venture Exchange (the "TSXV") Discretionary Waivers of \$0.05 Minimum Pricing Requirement Bulletin dated April 7, 2014. Completion of the Offering is subject to Red Pine successfully identifying participating investors and obtaining final approval from the TSXV.

All of the Securities issuable in connection with the Offering will be subject to a hold period expiring four months and one day after the date of issuance of the Securities.

The securities offered have not been registered under the *United States Securities Act of 1933*, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from registration requirements. This release does not constitute an offer for sale of securities in the United States.

It is anticipated that the closing of the Offering will occur on or prior to December 31, 2019. Red Pine will update shareholders when the Offering has been completed and TSXV final approval has been received.

About Red Pine Exploration Inc.

[Red Pine Exploration Inc.](#) is a gold and base-metals exploration company headquartered in Toronto, Ontario, Canada. The Company's common shares trade on the TSX Venture Exchange under the symbol "RPX". Red Pine has a 60% interest in the Wawa Gold Project with Citabar LP holding the remaining 40% interest. Red Pine is the Operating Manager of the Project and is focused on expanding the existing gold resource on the property.

For more information about the Company visit [www.redpineexp.com](http://www.redpineexp.com).

Contact:

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Forward Looking Information

*This News Release contains forward-looking statements including, but not limited to, the anticipated size of the Offering, the anticipated closing date of the Offering, the receipt of final approval of the TSXV, the participation by insiders in the Offering, the payment of fees to certain finders in respect of the Offering, the use of proceeds from the Offering and its defense to litigation by a former officer of the Company. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.*

*Although Red Pine believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release. Red Pine disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.*

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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