

# Red Pine Completes Financing to Consolidate Wawa Gold Project

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TORONTO, March 23, 2021 - [Red Pine Exploration Inc.](#) (TSX-V: RPX) ("Red Pine" or the "Company") is pleased to announce that it has completed its previously announced best efforts private placement (the "Offering") for total gross proceeds of \$20,026,805 in connection with the acquisition of the remaining interest in the Company's flagship Wawa Project. The Offering consisted of (i) 37,567,400 subscription receipts of the Company (the "Subscription Receipts") at a price of C\$0.40 per Subscription Receipt (the "Issue Price") for gross proceeds of C\$15,026,960; (ii) 5,555,212 tranche 1 flow-through subscription receipts of the Company (the "Tranche 1 FT Subscription Receipts") at a price of C\$0.45 per Tranche 1 FT Subscription Receipt for gross proceeds of C\$2,499,845; and (iii) 4,496,403 tranche 2 flow-through subscription receipts of the Company (the "Tranche 2 FT Subscription Receipts" and together with the Tranche 1 FT Subscription Receipts, the "FT Subscription Receipts") at a price of C\$0.556 per Tranche 2 FT Subscription Receipt for gross proceeds of C\$2,500,000.

The Offering is being completed in connection with Red Pine's previously announced acquisition through a definitive securities purchase agreement with the holders (the "Vendors") of the partnership interests in Citabar Limited Partnership ("Citabar") which will result in Red Pine consolidating a 100% ownership in the Wawa Gold Project located near Wawa, Ontario (the "Transaction"). Please see the news release of the Company dated February 23, 2021 for further information.

The Offering was led by Haywood Securities Inc. ("Haywood") as lead agent and sole bookrunner, on behalf of a syndicate of agents including Eventus Capital Corp. and INFOR Financial Inc. (together with Haywood, the "Agents").

Upon the satisfaction of the Escrow Release Conditions (as defined below) each Subscription Receipt will automatically convert, without payment of additional consideration, into one common share of the Company (a "Common Share"). Upon satisfaction of the FT Escrow Release Conditions (as defined below), each Tranche 1 FT Subscription Receipt and Tranche 2 FT Subscription Receipt will convert into a right to purchase one tranche 1 flow-through share of the Company (a "Tranche 1 FT Share") and one tranche 2 flow-through share of the Company (a "Tranche 2 FT Share"), respectively, pursuant to the terms of a subscription and renunciation agreement. Each Tranche 1 FT Share and Tranche 2 FT Share, if issued, is intended to qualify as a "flow-through share" within the meaning of such term in the *Income Tax Act (Canada)*.

The gross proceeds of the sale of Subscription Receipts will be held in escrow pending satisfaction of the Escrow Release Conditions. The gross proceeds of the sale of the FT Subscription Receipts will be held in escrow pending satisfaction of the FT Escrow Release Conditions. In the event that the Escrow Release Conditions are not satisfied within 90 days of the closing of the Offering, the gross proceeds derived from the sale of the Subscription Receipts will be returned to the holders of the Subscription Receipts, which shall then be cancelled. In the event that the FT Escrow Release Conditions are not satisfied within 90 days of the closing of the Offering, the gross proceeds derived from the sale of the FT Subscription Receipts will be returned to the holders of the FT Subscription Receipts, which shall then be cancelled. Notwithstanding, the Company has agreed that in the event that the Transaction is not completed by April 1, 2021, the gross proceeds derived from the sale of the Tranche 2 FT Subscription Receipts will be returned to the holders of the Tranche 2 FT Subscription Receipts, which shall then be cancelled. The Transaction is anticipated to close in the first quarter of 2021.

The "Escrow Release Conditions" include:

- all conditions precedent to the closing of the Transaction will have been satisfied or waived (other than the payment of the cash consideration for the Transaction and those conditions which by their nature cannot be satisfied until payment of the cash consideration for the Transaction has been made);
- all required stock exchange and regulatory approvals will have been obtained; and

- the Company shall not have committed any material breach of the agency agreement (the "Agency Agreement") entered into with the Agents that has not been cured or waived by the Agents.

The "FT Escrow Release Conditions" include:

- satisfaction of the Escrow Release Conditions;
- all required stock exchange and regulatory approvals will have been obtained; and
- the Company shall not have committed any material breach of the Agency Agreement that has not been cured or waived by the Agents.

The net proceeds derived from the sale of the Subscription Receipts will be used to fund the cash consideration for the Transaction and Transaction-related fees and expenses, including the replacement of a standby letter of credit provided by an affiliate of Citabar in connection with certain reclamation obligations in respect of the Wawa Gold Project and the assumption of certain liabilities of Citabar and to replenish working capital pursuant to the terms of the Transaction. Pursuant to the terms of the Transaction, Red Pine has elected to pay the entire C\$11,341,315 share/cash consideration payable to the Vendors in cash. As a result, no shares will be issued to the Vendors. The gross proceeds derived from the sale of the Tranche 1 FT Subscription Receipts and Tranche 2 FT Subscription Receipts will be used for "Canadian exploration expenses" that will qualify as "flow-through expenditures" within the meaning of the *Income Tax Act (Canada)* (the "Qualifying Expenditures") in connection with the mineral exploration programs of Red Pine. All Qualifying Expenditures will be renounced in favour of the subscribers of the Tranche 1 FT Shares and Tranche 2 FT Shares effective December 31, 2021.

Pursuant to the Investor Rights Agreement between the Company and Alamos Gold Inc. ("Alamos") dated December 31, 2019, Alamos has exercised its right to maintain its 19.9% ownership interest of the Company's common shares on a partially diluted basis, purchasing 9,564,336 Subscription Receipts. Please see the news release of the Company dated December 31, 2019 for further information.

In addition to Alamos, certain other insiders of the Company purchased an aggregate of 375,000 Subscription Receipts and 166,660 Tranche 1 FT Subscription Receipts under the Offering. Each of these transactions constitutes a "related party transaction" within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 ("MI 61-101"). The Company has relied on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 (and Policy 5.9) contained in sections 5.5(b) and 5.7(1)(b) of MI 61-101 in respect of such insider participation. The Company did not file a material change report more than 21 days before the expected closing of the Offering, as the details and amounts of the insider participation were not finalized until closer to the closing and the Company wished to close the transaction as soon as practicable for sound business reasons.

In connection with the Offering, the Company will pay the Agents a cash commission equal to 6.0% of the gross proceeds from the Offering, assuming the conversion of the Subscription Receipts and FT Subscription Receipts as set out above. Additionally, the Company has issued to the Agents compensation options to purchase that number of Common Shares that is equal to 6.0% of the aggregate number of Common Shares, Tranche 1 FT Shares and Tranche 2 FT Shares issued by the Company under the Offering at an exercise price that is equal to the Issue Price for a period of 24 months.

All of the securities issued in connection with the Offering are subject to a hold period expiring July 24, 2021. The Offering is subject to the final approval of the TSX Venture Exchange.

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.

About Red Pine Exploration Inc.

[Red Pine Exploration Inc.](#) is a gold exploration company headquartered in Toronto, Ontario, Canada. The Company's Common Shares trade on the TSX Venture Exchange under the symbol "RPX".

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

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