

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Red Canyon Resources Ltd.** (the “Issuer” or the “Company” or “Red Canyon”).

Trading Symbol: **REDC**

Number of Outstanding Listed Securities: **34,937,459**

Date: **May 6, 2024 (for the month ended April 30, 2024)**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Issuer is a technically-driven mineral exploration company focused on exploring North America’s top copper jurisdictions. The Issuer’s core goal is to make impactful copper discoveries to benefit stakeholders and aid in the green energy transition. Red Canyon has a portfolio of 100% owned

copper and copper-gold porphyry exploration projects. Its technical team consists of experienced geoscientists with diverse capital markets, junior and major mining company backgrounds, and a track record of success.

The Issuer's common shares began trading on the Canadian Securities Exchange (the "CSE") at the open of market on October 25, 2023 under the symbol "REDC".

Key Projects:

The Issuer holds a portfolio of 100% owned projects in British Columbia, Nevada, and Utah. Initial advanced exploration efforts will focus on the Peak and Ping South projects in central British Columbia where Red Canyon completed drilling the latter in Q4 2023 and plans to commence drilling Peak in H1 2024. Additional high priority projects at Scraper Springs in northeast Nevada, and Kendal in west central British Columbia are expected to advance to an initial drill stage in mid 2024.

The Issuer's business development and operational activities over April 2024 focused on interpretation of the various results from work completed during the 2023 exploration season and on planning for the 2024 exploration season.

The Issuer announced that it has signed a definitive Exploration Lease and Option to Purchase Agreement on private land at its Scraper Springs property in Nevada.

2. Provide a general overview and discussion of the activities of management.

Management has been overseeing and managing the progress of the business and operations described in Item 1 above.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Scraper Springs Copper Property

The Issuer announced that it has entered into an Agreement with an arm's length private landowner on private land that occurs within and adjacent to 100% owned BLM mining claims held by the Issuer.

The Agreement covers important internal and adjacent private blocks of land associated with the interpreted mineral system at Scraper Springs in northeastern Nevada.

Private land optioned through the Agreement consists of full private surface estate and 50% ownership of applicable mineral rights, with the remaining mineral interest controlled by a third party. By making an initial cash payment of US\$5,000 on signing and making annual payments over the 30-year term, Red Canyon is granted exclusive surface rights, exclusive rights to the landowner's 50% mineral interest, and an option to purchase the land.

Annual fees start at US\$5,000 on the first anniversary, increasing US\$1,000 yearly over the first 9 years; US\$20,000 on the tenth anniversary, increasing US\$2,500 yearly over the next 10 years; and US\$40,000 on the twenty-first anniversary, increasing US\$5,000 yearly until the thirtieth anniversary on which the Agreement terminates. The Issuer has the right to purchase the private land and associated mineral interest outright for US\$2.375 million. The Agreement is subject to a retained 4% NSR on the private land, which may be purchased by Red Canyon at any time for US\$1.5 million.

Scraper Springs Project Overview

Scraper Springs is in northern Nevada approximately 125 km from the cities of Winnemucca and Elko. The Project is 100% owned, subject to a 2% NSR royalty and consists of 190 unpatented mining claims, spanning 1,589 hectares. The approximate 4 x 4 km alteration footprint surrounding the Scraper Springs target is comparable in scope to some of the world's largest copper deposits.

Previous operators at Scraper Springs mostly targeted shallow, high-grade gold systems or Carlin-related gold systems whereas a reinterpretation of the alteration and geology by Red Canyon and third-party consultants suggests high-temperature, low-pH clays and Eocene-aged intrusions at Scraper Springs could be associated with a deeper, large-scale porphyry copper system. In 2022, Red Canyon completed a deep IP survey, which has outlined a significant, undrilled chargeable zone. One historical drill hole approximately 1.5 km east of this new chargeability target intersected strong propylitic alteration and near the end of the drill hole intersected anomalous copper mineralization with values up to 0.17% copper over 10.7 metres.

The Issuer views Scraper Springs as an important, high-profile copper project with excellent discovery potential. Red Canyon is reviewing options regarding conducting deep penetrating MT geophysics and extending IP geophysical coverage prior to initial drill testing.

Kendal Copper Property

The Issuer provided a summary of its 2023 detailed exploration work on its 100% owned Kendal copper project in west-central British Columbia.

Kendal comprises five 100%-owned mineral claims totalling 2,738 hectares located in west-central British Columbia approximately 25 km northeast of the city of Terrace, a regional infrastructure hub with a well-serviced airport. Infrastructure is excellent with four intersecting highways, hydroelectric power and rail corridors and port facilities approximately 120 km to the west at Prince Rupert. The project has direct road access, only 3.5 km from Highway 16.

A key focus of the Kendal project is the large 2.5 x 1.5 km zone of hydrothermal alteration, manifested as a phyllic zone associated with an interpreted mineralized porphyry intrusion. The Issuer has completed detailed geological interpretation, a lithogeochemistry vectoring study,

magnetic inversion modeling and radiometric studies. These technical studies have significantly enhanced our confidence that Kendal may represent a newly discovered, never drilled, copper porphyry system.

Kendal Lithogeochemical Vectoring Study

In the fourth quarter of 2023, the Issuer initiated a lithogeochemical vectoring study to better understand the porphyry copper potential within the project area and approximately 200 specimens of variably altered and randomly mineralized whole rocks were collected within the area of interest.

The sample suite was analysed for trace element lithogeochemistry using four-acid digestion, which ensures that key minerals are dissolved. High-quality mass spectrometry is utilized to ensure high precision at low detection limits. This analytical technique allows for the recognition of subtle trends in the data that indicate hotter and potentially more proximal fluid sources, or more simply, the identification of the core of a potential mineralizing system.

The enrichment or depletion of certain key elements provides a model of trace element behavior that reflects hotter and cooler temperatures within the vertical geochemical plume that develops above porphyry copper deposits. This enrichment or depletion forms the basis of the porphyry copper lithogeochemical footprint model of Halley et al. (2015). Interpretation of Kendal data suggests that the current level of erosion is potentially in close proximity to the most prospective potassic alteration zone, suggesting that the top of a copper porphyry system could be near surface.

The data collected by Red Canyon clearly suggests the location and distribution of the porphyry copper target on the Kendal property by a well-defined zone of Cu enrichment (>500 ppm) with numerous, coincident overlapping zones of geochemical depletion and enrichment. The data suggests that the threshold values of several higher-temperature copper-associated elements (Mo, W, Sn) are within the ranges expected for rocks that are often found at the top of the potassic alteration zone and immediately above a potential porphyry copper zone. This suggests a very favourable erosional level at Kendal. Whereas many porphyry exploration projects in altered rocks might have to drill very deep holes to potentially locate copper mineralization, the Kendal lithogeochemical footprint suggests that potential copper mineralization could be within short drill distance beneath the sampled localities.

For a comprehensive review of the Porphyry Copper Lithogeochemical Program at Kendal and associated background model, please visit www.redcanyonresources.com.

Kendal Magnetism and Radiometrics

The 2023 field program also included a project wide 213-line-kilometre airborne magnetic and radiometric survey. Fathom Geophysics assisted the Issuer with modelling the magnetic data including the completion of 3D inversions.

Key geological, geochemical and geophysical features that are typically characteristic of mineralizing porphyry copper systems all overlap and are centered around a 600 x 600 metre region of numerous small, altered intrusions and dykes. This core area is surrounded by a nearly 2-km-wide zone of depressed magnetic responses, as seen in aeromagnetic data, outcrop and hand sample magnetic susceptibility measurements. This magnetic destruction zone potentially formed from hot hydrothermal fluids that destroyed the magnetite that was originally part of the mainly mafic volcanic host rocks.

The gamma-ray radiometric response outlines areas with very low thorium/potassium (Th/K) ratios that reflect intense hydrothermal alteration through the significant addition of potassium, in this case mostly from sericite-alteration of mafic volcanic rocks.

References

Halley, S; Dilles, JH; and Tosdal, RM; 2015. Footprints: Hydrothermal Alteration and Geochemical Dispersion Around Porphyry Copper Deposits. SEG Newsletter 100, 1,12-18. <https://doi.org/10.5382/SEGnews.2015-100.fea>

Qualified Person

The technical information contained in this report has been reviewed and approved by Wendell Zerb, P. Geol, a “Qualified Person” (“QP”) as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not applicable.

5. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

Not applicable.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Not applicable.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the

disposition was to a Related Person of the Issuer and provide details of the relationship.

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8. Describe the acquisition of new customers or loss of customers.

Not applicable.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

Not applicable.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

Not applicable.

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Not applicable.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

Not applicable.

14. Provide details of any securities issued and options or warrants granted.

Not applicable.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

Not applicable.

16. Provide details of any changes in directors, officers or committee members.

Not applicable.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

- **Operating trends** – The Issuer has no history of earnings, has limited cash reserves, a limited business history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The Issuer is in the “start-up” phase of its business. As the Issuer is in the exploration stage, the recoverability of costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Issuer to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The Issuer will periodically have to raise funds to continue operations, and although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.
- **Commodity trends** – The copper sector remains volatile which may impede the Issuer's efforts to raise equity financing and execute its planned exploration programs.
- **Economic trends** – The CSE Composite Index closed April 30, 2024 at 216.78 which is above the five year low of 140.67 reached on August 24, 2023 and above the comparative year indicator of 165.22 on April 28, 2023. The index appears to have levelled out after falling off the five year high of 1030.94 achieved on February 10, 2021.

Forward-Looking Statements:

This report includes certain forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding future capital expenditures, anticipated content, commencement, and cost of exploration programs in respect of the Issuer's projects and mineral properties, and the anticipated business plans and timing of future activities of the

Issuer, are forward-looking statements. Although the Issuer believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Often, but not always, forward looking information can be identified by words such as "pro forma", "plans", "expects", "may", "should", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "potential" or variations of such words including negative variations thereof, and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, statements as to the anticipated business plans and timing of future activities of the Issuer, including the Issuer 's exploration plans. the proposed expenditures for exploration work thereon, the ability of the Issuer to obtain sufficient financing to fund its business activities and plans, delays in obtaining governmental and regulatory approvals (including of the Canadian Securities Exchange), permits or financing, changes in laws, regulations and policies affecting mining operations, the Issuer 's limited operating history, currency fluctuations, title disputes or claims, environmental issues and liabilities, as well as those factors discussed under the heading "Risk Factors" in the Issuer's prospectus dated October 12, 2023 and other filings of the Issuer with the Canadian Securities Authorities, copies of which can be found under the Issuer's profile on the SEDAR website at www.sedar.com.

Readers are cautioned not to place undue reliance on forward-looking statements. The Issuer undertakes no obligation to update any of the forward-looking statements in this presentation or incorporated by reference herein, except as otherwise required by law.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: May 6, 2024.

Wendell Zerb
Name of Director or Senior
Officer

"Wendell Zerb"
Signature

Chairman, President, CEO and
Director
Official Capacity

<i>Issuer Details</i> Name of Issuer	For Month End	Date of Report YY/MM/D
Red Canyon Resources Ltd.	April 30, 2024	24/05/06
Issuer Address 1210 – 1130 West Pender Street		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Vancouver, BC, V6E 4A4	(604) 681-9101	(604) 681-9100
Contact Name	Contact Position	Contact Telephone No.
Wendell Zerb	Chairman, President, CEO, Director	604-681-9100
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