



**Condensed Interim Financial Statements**

**For the three and six-month periods ended February 29, 2024 and  
February 28, 2023.**

**(Unaudited – Prepared by Management)**

**(Expressed in Canadian dollars)**

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited interim financial statements have been prepared by management and approved by the Audit Committee and Board of Directors.

The Company's independent auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

This notice is being provided in accordance with National Instrument 51-102 – Continuous Disclosure Obligations

**SCOTTIE RESOURCES CORP.****Condensed Interim Statements of Financial Position***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars)*

| <b>As at</b>                                      | <b>February 29, 2024</b> | <b>August 31, 2023</b>  |
|---|--------------------------|-------------------------|
| <b>ASSETS</b>                                     |                          |                         |
| <b>Current assets</b>                             |                          |                         |
| Cash and cash equivalents                         | \$ 2,900,014             | \$ 1,457,963            |
| Amounts receivable (Note 4)                       | 1,048,468                | 1,007,529               |
| Prepaid expenses and advances (Note 5)            | <u>109,960</u>           | <u>242,316</u>          |
|   | <b>4,058,442</b>         | <b>2,707,808</b>        |
| <b>Non-current assets</b>                         |                          |                         |
| Deposits  | 248,432                  | 248,432                 |
| Property and equipment (Note 6)                   | 700,303                  | 738,350                 |
| Mineral properties (Note 7)                       | <u>5,842,471</u>         | <u>5,841,371</u>        |
| <b>Total assets</b>                               | <b>\$ 10,849,648</b>     | <b>\$ 9,535,961</b>     |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |                          |                         |
| <b>Current liabilities</b>                        |                          |                         |
| Accounts payable and accrued liabilities (Note 8) | \$ 414,731               | \$ 2,604,714            |
| <b>Non-current liabilities</b>                    |                          |                         |
| Flow through liability (Note 9)                   | <u>529,801</u>           | <u>-</u>                |
| <b>Total liabilities</b>                          | <b><u>944,532</u></b>    | <b><u>2,604,714</u></b> |
| <b>Equity</b>                                     |                          |                         |
| Share capital (Note 10)                           | 50,772,890               | 46,182,523              |
| Equity reserves (Note 10)                         | 5,868,974                | 5,630,464               |
| Deficit   | <u>(46,736,748)</u>      | <u>(44,881,740)</u>     |
| <b>Total shareholders' equity</b>                 | <b><u>9,905,116</u></b>  | <b><u>6,931,247</u></b> |
| <b>Total liabilities and shareholders' equity</b> | <b>\$ 10,849,648</b>     | <b>\$ 9,535,961</b>     |

Nature of operations and going concern (Note 1)

Subsequent events (Note 15)

Approved for issue by the Board of Directors on April 26, 2024.

On behalf of the Board of Directors:

“Bradley Rourke”

Bradley Rourke, Director

“Ernest Mast”

Ernest Mast, Director

**SCOTTIE RESOURCES CORP.****Condensed Interim Statements of Loss and Comprehensive Loss***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars)*

|   | Three months<br>Ended February<br>29, 2024 | Three months<br>Ended February<br>28, 2023 | Six months<br>Ended February<br>29, 2024 | Six months<br>Ended February<br>28, 2023 |
|---|--|--|--|--|
| <b>EXPENSES</b>   |  |  |  |  |
| Exploration expenditures (Note 7, 11)                             | \$ 361,963                                 | \$ 316,680                                 | \$ 1,583,998                             | \$ 2,023,909                             |
| General and administrative (Note 11)                              | 91,058                                     | 92,973                                     | 199,785                                  | 221,371                                  |
| Management and consulting fees (Note 11)                          | 75,000                                     | 50,000                                     | 150,000                                  | 100,000                                  |
| Marketing and investor relations                                  | 62,237                                     | 111,736                                    | 125,601                                  | 256,369                                  |
| Professional fees (Note 11)                                       | 71,199                                     | 181,885                                    | 115,711                                  | 278,110                                  |
| Share-based compensation (Note 10, 11)                            | <u>-</u>                                   | <u>459,747</u>                             | <u>39,061</u>                            | <u>622,268</u>                           |
|   | (661,457)                                  | (1,213,021)                                | (2,214,156)                              | (3,502,027)                              |
| <b>OTHER ITEMS</b>  |  |  |  |  |
| Interest Income   | 9,983                                      | -  | 18,435                                   | -  |
| Foreign exchange gain   | -  | 536  | -  | 841                                      |
| Gain on sale of equipment (Note 6)                                | -  | 8,475                                      | -  | 8,475                                    |
| Recovery of flow-through premium (Note 9)                         | <u>150,335</u>                             | <u>36,576</u>                              | <u>340,713</u>                           | <u>286,993</u>                           |
| <b>Loss and comprehensive loss for the period</b>                 | <b>\$ (501,139)</b>                        | <b>\$ (1,167,434)</b>                      | <b>\$ (1,855,008)</b>                    | <b>\$ (3,205,718)</b>                    |
| Basic and diluted loss per share                                  | (0.00)                                     | (0.00)                                     | (0.01)                                   | (0.01)                                   |
| Weighted average number of common shares<br>outstanding (Note 10) | 282,045,891                                | 246,602,489                                | 277,683,894                              | 239,904,125                              |

*The accompanying notes form an integral part of these condensed interim financial statements.*

**SCOTTIE RESOURCES CORP.****Condensed Interim Statements of Cash Flows***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars)*

| <b>For the six months ended,</b>                   | <b>February 29 ,2024</b> | <b>February 28 ,2023</b> |
|--|--------------------------|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>        |                          |                          |
| <b>Net loss for the period</b>                     | \$ (1,855,008)           | \$ (3,205,718)           |
| Adjustments for items not involving cash:          |                          |                          |
| Amortization (Note 6)                              | 38,047                   | 37,032                   |
| Recovery of flow-through premium                   | (340,713)                | (286,993)                |
| Share-based compensation                           | 39,061                   | 622,268                  |
| Gain on sale of equipment                          | -                        | (8,475)                  |
|  | <u>(2,118,613)</u>       | <u>(2,841,886)</u>       |
| Net changes in non-cash working capital items:     |                          |                          |
| Amounts receivable                                 | (40,939)                 | (69,079)                 |
| Prepaid expenses and advances                      | 132,356                  | (33,478)                 |
| Accounts payable and accrued liabilities           | <u>(2,119,175)</u>       | <u>(2,674,106)</u>       |
| <b>Net cash outflows from operating activities</b> | <u>(4,146,371)</u>       | <u>(5,618,549)</u>       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>        |                          |                          |
| Acquisition of mineral property                    | <u>(1,100)</u>           | <u>(102,500)</u>         |
| <b>Net cash outflows from investing activities</b> | <u>(1,100)</u>           | <u>(102,500)</u>         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>        |                          |                          |
| Share capital issued                               | 5,820,550                | 9,700,250                |
| Share issue costs                                  | <u>(231,028)</u>         | <u>(690,114)</u>         |
| <b>Net cash inflows from financing activities</b>  | <u>5,589,522</u>         | <u>9,010,136</u>         |
| <b>Net increase in cash during the period</b>      | 1,442,051                | 3,289,087                |
| Cash, beginning of period                          | <u>1,457,963</u>         | <u>3,539,530</u>         |
| <b>Cash, end of period</b>                         | <b>\$ 2,900,014</b>      | <b>\$ 6,828,617</b>      |

Supplemental disclosure with respect to cash flows – Note 14

**SCOTTIE RESOURCES CORP.****Condensed Interim Statements of Changes In Equity***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars)*

|   | Number             | Amount               | Contributed<br>Surplus | Deficit                | Total                |
|---|--------------------|----------------------|------------------------|------------------------|----------------------|
| <b>Balance August 31, 2022</b>            | <b>221,733,537</b> | <b>\$ 37,579,779</b> | <b>\$ 4,199,250</b>    | <b>\$ (25,807,693)</b> | <b>\$ 15,971,336</b> |
| Private placement                         | 41,122,530         | 9,700,250            | -                      | -                      | 9,700,250            |
| Share issuance costs                      | -                  | (816,759)            | -                      | -                      | (816,759)            |
| Warrants issued as finders' fees          | -                  | (153,582)            | 153,582                | -                      | -                    |
| Flow-through premium                      | -                  | (1,314,335)          | -                      | -                      | (1,314,335)          |
| Property acquisition                      | 600,000            | 117,000              | -                      | -                      | 117,000              |
| Royalty acquisition                       | 2,500,000          | 637,500              | -                      | -                      | 637,500              |
| Share-based compensation                  | -                  | -                    | 622,268                | -                      | 622,268              |
| Loss and comprehensive loss               | -                  | -                    | -                      | (3,205,718)            | (3,205,718)          |
| <b>Balance February 28, 2023</b>          | <b>265,956,067</b> | <b>45,749,853</b>    | <b>4,975,100</b>       | <b>(29,013,411)</b>    | <b>21,711,542</b>    |
| Share issuance costs                      | -                  | (4,414)              | -                      | -                      | (4,414)              |
| Warrants issued as finders' fees          | -                  | (20,270)             | 20,270                 | -                      | -                    |
| Property acquisition                      | 750,000            | 198,750              | -                      | -                      | 198,750              |
| Shares issued for stock options exercised | 1,187,500          | 258,604              | (115,212)              | -                      | 143,392              |
| Share-based compensation                  | -                  | -                    | 750,306                | -                      | 750,306              |
| Loss and comprehensive loss               | -                  | -                    | -                      | (15,868,329)           | (15,868,329)         |
| <b>Balance August 31, 2023</b>            | <b>267,893,567</b> | <b>46,182,523</b>    | <b>5,630,464</b>       | <b>(44,881,740)</b>    | <b>6,931,247</b>     |
| Private placement                         | 26,503,057         | 5,646,285            | 174,265                | -                      | 5,820,550            |
| Share issuance costs                      | -                  | (160,220)            | -                      | -                      | (160,220)            |
| Warrants issued as finders' fees          | -                  | (25,184)             | 25,184                 | -                      | -                    |
| Flow-through premium                      | -                  | (870,514)            | -                      | -                      | (870,514)            |
| Share-based compensation                  | -                  | -                    | 39,061                 | -                      | 39,061               |
| Loss and comprehensive loss               | -                  | -                    | -                      | (1,855,008)            | (1,855,008)          |
| <b>Balance February 29, 2024</b>          | <b>294,396,624</b> | <b>\$ 50,772,890</b> | <b>\$ 5,868,974</b>    | <b>\$ (46,736,748)</b> | <b>\$ 9,905,116</b>  |

*The accompanying notes form an integral part of these condensed interim financial statements.*

**SCOTTIE RESOURCES CORP.**

**Notes to the Condensed Interim Financial Statements**

**For the three and six-month period ended February 29, 2024 and February 28, 2023**

*(Unaudited – Prepared by Management)*

*(Expressed in Canadian dollars)*

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Scottie Resources Corp. (“Scottie” or the “Company”) is a publicly traded company incorporated on November 24, 2009 under the laws of the Province of British Columbia, Canada. The Company’s shares are listed on the TSX Venture Exchange (“TSX-V”) under the symbol SCOT.

The Company’s corporate registered and records office is located at #905 – 1111 West Hastings Street, Vancouver, British Columbia, V6E 2J3. The Company is engaged in the identification, acquisition, exploration, and development of mineral properties in British Columbia, Canada. The Company has not placed any of its mineral properties into development and is therefore considered to be in the exploration stage.

The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether any of its properties contain mineral reserves that are economically recoverable. The recoverability of the amounts spent for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company 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.

These condensed interim financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The Company’s ability to continue on a going concern basis beyond the next twelve months depends on its ability to successfully raise additional financing for the substantial capital expenditures required to achieve planned principal operations. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. The Company has not generated any revenues since inception, has a working capital of \$3,643,711 and has a history of losses and accumulated deficit of \$46,736,748 as at February 29, 2024. These factors form a material uncertainty that may cast significant doubt regarding the Company’s ability to continue as a going concern. These condensed interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate, which could be material.

**2. BASIS OF PREPARATION**

**Statement of compliance**

These condensed interim financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and the Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These condensed interim financial statements are compliant with IAS 34 and do not include all of the information required as at February 29, 2024 financial statements.

**SCOTTIE RESOURCES CORP.**

**Notes to the Condensed Interim Financial Statements**

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**2. BASIS OF PREPARATION (Cont'd...)**

**Basis of measurement**

These condensed interim financial statements have been prepared using the historical cost basis, except for certain financial instruments that are measured at fair value, using the accrual basis of accounting, except for cash flow information.

**Functional and presentation currency**

The presentation currency of the Company is the Canadian dollar.

Items included in the condensed interim financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”), which has been determined for each entity within the Company using an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*. The functional currency of the Company and its subsidiary is the Canadian dollar.

**Use of estimates and judgments**

The preparation of the condensed interim financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

a) **Critical Accounting Estimates**

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Share-based compensation and valuation of warrants

The fair value pricing of stock options and warrants issued are subject to the limitations of the Black-Scholes Option-Pricing Model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes Option-Pricing Model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Asset retirement obligations

The Company’s provision for reclamation represents management’s best estimate of the present value of the future cash outflows required to settle estimated reclamation costs at its mineral properties. The provision reflects estimates of future costs, inflation, the timing of future cash outflows and the risk-free interest rate for discounting the future cash outflows. As at February 29, 2024, the Company has recorded \$nil in asset retirement obligations.

**SCOTTIE RESOURCES CORP.**

**Notes to the Condensed Interim Financial Statements**

**For the three and six-month period ended February 29, 2024 and February 28, 2023**

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**2. BASIS OF PREPARATION (Cont'd...)**

**Use of estimates and judgments (Cont'd...)**

b) Critical Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

Going concern presentation

Management has determined that the going concern presentation of the financial statements, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due as discussed in Note 1, is appropriate.

Carrying value and the recoverability of mineral properties

Management has determined that Company-incurred exploration costs that have been capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and other technical information, scoping and feasibility studies, accessibility of facilities, and existing permits.

**3. FINANCIAL INSTRUMENT AND RISK MANAGEMENT**

**Categories of Financial Assets and Financial Liabilities**

Financial instruments are classified into one of the following categories: amortized cost; fair value through profit or loss (“FVTPL”); fair value through other comprehensive income (“FVOCI”).

The carrying values of the Company’s financial instruments are classified into the following categories:

| <b>Financial Instrument</b> | <b>Category</b> | <b>February 29, 2024</b> | <b>August 31, 2023</b> |
|-----------------------------|-----------------|--------------------------|------------------------|
| Cash and cash equivalents   | FVTPL           | \$ 2,900,014             | \$ 1,457,963           |
| Trade receivable            | Amortized cost  | \$ 5,281                 | \$ 71,379              |
| Deposits                    | Amortized cost  | \$ 248,432               | \$ 248,432             |
| Accounts payable            | Amortized cost  | \$ 414,731               | \$ 2,604,714           |

The Company’s financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

**SCOTTIE RESOURCES CORP.**

**Notes to the Condensed Interim Financial Statements**

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**3. FINANCIAL INSTRUMENT AND RISK MANAGEMENT (Cont'd...)**

**Categories of Financial Assets and Financial Liabilities (Cont'd...)**

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for amounts receivable, deposits, and accounts payable approximate their fair value due to their short-term nature. Cash and cash equivalents are recorded at fair value and calculated under the fair value hierarchy and measured using Level 1 inputs.

**Risk Management**

The Company's risk exposures and the impact on the Company's financial instruments are summarized as follows:

Credit Risk

Credit risk is the risk of potential loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and amounts receivable. The Company limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its short-term debt obligations. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due; all of the Company's accounts payable are current and due within 90 days of the balance sheet. As at February 29, 2024, the Company had accounts payable of \$414,731 which are due within 30 days or on demand.

**4. ACCOUNTS RECEIVABLE**

|                   | February 29,<br>2024 | August 31,<br>2023  |
|-------------------|----------------------|---------------------|
| Trade receivable  | \$ 5,281             | \$ 71,379           |
| GST receivable    | 948,267              | 841,230             |
| BCMETS receivable | 94,920               | 94,920              |
| <b>Total</b>      | <b>\$ 1,048,468</b>  | <b>\$ 1,007,529</b> |

**SCOTTIE RESOURCES CORP.****Notes to the Condensed Interim Financial Statements****For the three and six-month period ended February 29, 2024 and February 28, 2023***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars)***5. PREPAID EXPENSES AND ADVANCES**

|                      | February 29,<br>2024 | August 31,<br>2023 |
|----------------------|----------------------|--------------------|
| Exploration advances | \$ 10,000            | \$ 200,000         |
| Prepaid expenses     | 99,960               | 42,316             |
| <b>Total</b>         | <b>\$ 109,960</b>    | <b>\$ 242,316</b>  |

**6. PROPERTY AND EQUIPMENT**

|   | Equipment        | Computer        | Vehicle           | Land              | Building          | Total             |
|---|------------------|-----------------|-------------------|-------------------|-------------------|-------------------|
| <b>COST</b>   |                  |                 |                   |                   |                   |                   |
| Balance, August 31, 2022                                  | \$ 74,539        | \$ 5,683        | \$ 152,000        | \$ 137,594        | \$ 405,228        | \$ 775,044        |
| Additions   | -                | -               | 20,000            | -                 | 136,250           | 156,250           |
| Disposal  | (20,000)         | -               | -                 | -                 | -                 | (20,000)          |
| <b>Balance, August 31, 2023<br/>and February 29, 2024</b> | <b>\$ 54,539</b> | <b>\$ 5,683</b> | <b>\$ 172,000</b> | <b>\$ 137,594</b> | <b>\$ 541,478</b> | <b>\$ 911,294</b> |

**ACCUMULATED AMORTIZATION**

|                                   |                  |                 |                  |             |                  |                   |
|-----------------------------------|------------------|-----------------|------------------|-------------|------------------|-------------------|
| Balance, August 31, 2022          | \$ 33,447        | \$ 1,316        | \$ 34,043        | \$ -        | \$ 38,331        | \$ 107,137        |
| Amortization                      | 18,448           | 2,186           | 32,230           | -           | 21,418           | 74,282            |
| Disposal                          | (8,475)          | -               | -                | -           | -                | (8,475)           |
| Balance, August 31, 2023          | 43,420           | 3,502           | 66,273           | -           | 59,749           | 172,944           |
| Amortization                      | 6,542            | 1,022           | 17,059           | -           | 13,424           | 38,047            |
| <b>Balance, February 29, 2024</b> | <b>\$ 49,962</b> | <b>\$ 4,524</b> | <b>\$ 83,332</b> | <b>\$ -</b> | <b>\$ 73,173</b> | <b>\$ 210,991</b> |

**CARRYING AMOUNTS**

|                                |                 |                 |                  |                   |                   |                   |
|--------------------------------|-----------------|-----------------|------------------|-------------------|-------------------|-------------------|
| As at August 31, 2023          | \$ 11,119       | \$ 2,181        | \$ 105,727       | \$ 137,594        | \$ 481,729        | \$ 738,350        |
| <b>As at February 29, 2024</b> | <b>\$ 4,577</b> | <b>\$ 1,159</b> | <b>\$ 88,668</b> | <b>\$ 137,594</b> | <b>\$ 468,305</b> | <b>\$ 700,303</b> |

**7. MINERAL PROPERTIES**

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. All of the Company's mineral interests are located near Stewart, British Columbia, Canada in the region known as the Golden Triangle. The properties have been acquired under various option and purchase agreements and by staking. Certain claims are subject to a net smelter returns ("NSR") royalty ranging from 1% to 3%.

The Company has investigated title to all of its mineral property interests and, to the best of its knowledge, title to all of its interests are in good standing.

**SCOTTIE RESOURCES CORP.**

**Notes to the Condensed Interim Financial Statements**

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**7. MINERAL PROPERTIES (Cont'd...)**

**Mineral Property Acquisition Costs by Project**

| Project              | Acquisition costs     |                  |           |                         |           |                  |
|----------------------|-----------------------|------------------|-----------|-------------------------|-----------|------------------|
|                      | As at August 31, 2023 |                  | Cash      | As at February 29, 2024 |           |                  |
|                      |                       |                  |           |                         |           |                  |
| Cambria <sup>1</sup> | \$                    | 1,360,951        | \$        | 1,100                   | \$        | 1,362,051        |
| Georgia River        |                       | 201,609          |           | -                       |           | 201,609          |
| Scottie Gold Mine    |                       | 4,260,802        |           | -                       |           | 4,260,802        |
| Tide North           |                       | 18,009           |           | -                       |           | 18,009           |
| <b>TOTAL</b>         | <b>\$</b>             | <b>5,841,371</b> | <b>\$</b> | <b>1,100</b>            | <b>\$</b> | <b>5,842,471</b> |

| Project              | Acquisition costs     |                   |           |                |           |                       |           |                    |           |                  |
|----------------------|-----------------------|-------------------|-----------|----------------|-----------|-----------------------|-----------|--------------------|-----------|------------------|
|                      | As at August 31, 2022 |                   | Cash      | Shares         | Disposal  | As at August 31, 2023 |           |                    |           |                  |
|                      |                       |                   |           |                |           |                       |           |                    |           |                  |
| Cambria <sup>1</sup> | \$                    | 10,305,329        | \$        | 50,500         | \$        | 198,750               | \$        | (9,193,628)        | \$        | 1,360,951        |
| Enterprise           |                       | 197,516           |           | -              |           | -                     |           | (197,516)          |           | -                |
| Georgia River        |                       | 199,155           |           | 2,454          |           | -                     |           | -                  |           | 201,609          |
| Scottie Gold Mine    |                       | 3,454,302         |           | 52,000         |           | 754,500               |           | -                  |           | 4,260,802        |
| Tide North           |                       | 18,009            |           | -              |           | -                     |           | -                  |           | 18,009           |
| <b>TOTAL</b>         | <b>\$</b>             | <b>14,174,311</b> | <b>\$</b> | <b>104,954</b> | <b>\$</b> | <b>953,250</b>        | <b>\$</b> | <b>(9,391,144)</b> | <b>\$</b> | <b>5,841,371</b> |

<sup>1</sup>Includes Bitter Creek, Black Hills, Champion South (formerly Silver Crown), Confluence, Dorothy 2, Independence, Lower Bear properties (Bay Silver and Lower Bear), and Ruby Silver.

**Exploration Expenditures by Project**

| For the six-month period ended February 29, 2024 |                     |                   |                     |
|--|---------------------|-------------------|---------------------|
|  | Scottie Gold Mine   | Cambria Project   | Total               |
| Drilling expense                                 | \$ 164,326          | \$ -              | \$ 164,326          |
| Geochemical and mapping                          | 358,313             | 8,871             | 367,184             |
| Technical and geological consulting              | 700,658             | 88,372            | 789,030             |
| Licence and permits                              | 882                 | -                 | 882                 |
| Camp and field costs                             | 234,983             | 27,593            | 262,576             |
| <b>TOTAL</b>                                     | <b>\$ 1,459,162</b> | <b>\$ 124,836</b> | <b>\$ 1,583,998</b> |

| For the six-month period ended February 28, 2023 |                     |                  |                     |
|--|---------------------|------------------|---------------------|
|  | Scottie Gold Mine   | Cambria Project  | Total               |
| Drilling expense                                 | \$ 590,037          | \$ -             | \$ 590,037          |
| Geochemical and mapping                          | 428,806             | -                | 428,806             |
| Technical and geological consulting              | 635,843             | 36,145           | 671,988             |
| Licence and permits                              | 3,527               | -                | 3,527               |
| Camp and field costs                             | 327,258             | 2,293            | 329,551             |
| <b>TOTAL</b>                                     | <b>\$ 1,985,471</b> | <b>\$ 38,438</b> | <b>\$ 2,023,909</b> |

**SCOTTIE RESOURCES CORP.**

**Notes to the Condensed Interim Financial Statements**

**For the three and six-month period ended February 29, 2024 and February 28, 2023**

*(Unaudited – Prepared by Management)*

*(Expressed in Canadian dollars)*

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**7. MINERAL PROPERTIES (Cont'd...)**

**Scottie Gold Mine Project**

Summit Lake

On April 26, 2019, the Company entered into an option agreement to acquire a 100% interest in the Summit Lake property. Since the commencement of the option agreement, the Company made aggregate cash payments of \$250,000, issued an aggregate of 2,200,000 common share and acquired a 100% interest in the Summit Lake property during the year ended August 31, 2023.

During the year ended August 31, 2023, the Company purchased a 1.8% gross smelter return royalty on the Summit Lake property which was previously held by a third-party over certain Summit Lake Property claims. In consideration of the purchase, the Company issued 2,500,000 common shares to the vendor with a fair value of \$637,500.

During the year ended August 31, 2022, the Company purchased a 3.0% NSR which was previously held by a third-party over certain Summit Lake Property claims for \$1,600,000.

During the year ended August 31, 2022, the Company entered into an option agreement with Europacific Metals Inc. (Formerly Goldplay Mining Inc.) (“Europacific”) whereas Europacific could acquire up to 3.75% interest in the Company’s Summit Lake project by incurring up to \$1,500,000 in exploration expenses on the project until December 31, 2022 (the “Option”).

Following the completion of the earn-in of the Option, Europacific had the right (the “Put Right”) to require Scottie to repurchase the interest earned by Europacific by paying cash, at a price calculated by dividing the total exploration expenditures incurred by Europacific by 1.7 and Scottie had the right (the “Call Right”) to repurchase the interest earned by Europacific by paying cash, at a price calculated by dividing the total exploration expenditures incurred by Europacific by 1.7.

Europacific incurred exploration expenditures of \$1,032,662 during the year ended August 31, 2023 and \$547,338 during the year ended August 31, 2022, for total cumulative exploration expenditures of \$1,580,000. Following the completion of the earn-in of the option Europacific exercised the Put Right and the Company repurchased the earned interest on the Summit Lake project for \$900,000. Consequently, the Company recognized \$564,764 of exploration expenditures during the year ended August 31, 2023 (August 31, 2022 - \$335,236), representing the exploration expenditures incurred by Europacific divided by the Put Right repurchase rate.

**Cambria Project**

Bitter Creek

On March 1, 2019, the Company entered into an option agreement to acquire a 100% interest in the Bitter Creek property, contiguous with the Company’s Black Hills and Ruby Silver properties. In 2020, the Company completed its purchase obligations on the property to earn the 100% interest after renegotiation of the initial option agreement and payment of \$325,000 in cash and issuance of 1,000,000 shares valued at \$235,000.

Bitter Creek is subject to a 2.5% NSR, 60% of which can be purchased for \$1,500,000.

**SCOTTIE RESOURCES CORP.**

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*(Unaudited – Prepared by Management)*

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**7. MINERAL PROPERTIES (Cont'd...)**

**Cambria Project (Cont'd...)**

Black Hills

In 2013, the Company purchased certain tenures of the Black Hills mineral claims for \$10,000. In 2018, the Company staked additional claims at Black Hills for a cost of \$1,680. The Company currently owns 100% of the property.

Champion South

The Champion South property was obtained through the acquisition of AUX and has been optioned out to Mountain Boy Minerals Ltd. (“MBM”) who completed their earn-in on the property during 2021. The original vendors retain a 2% NSR, one half of which can be purchased for \$1,000,000 with a minimum advance annual royalty of \$50,000 to begin after seven years.

Confluence

On October 22, 2020, the Company entered into an agreement to purchase 100% of the Confluence mineral claim tenure for \$1,000 cash.

Dorothy 2

The Dorothy 2 property option agreement was obtained through the acquisition of AUX. The original vendors retain a 2.5% NSR, one half of which can be purchased for \$1,000,000 until 90 days after the start of commercial production. The Company is required to keep the property in good standing and carry out \$150,000 of exploration work over 4 years.

Lower Bear Properties

The Lower Bear properties, including the Bay Silver property, were obtained through the acquisition of AUX. The original vendors retain a 2% NSR, one half of which can be purchased for \$1,000,000 with a minimum advance annual royalty of \$50,000 to begin after seven years.

Ruby Silver

In 2018, the Company purchased a 100% interest in the Ruby Silver property for \$100,000.

Independence Project and Silver Crown

The Company obtained an option to acquire a 100% interest in the Independence and Silver Crown projects through the acquisition of AUX.

During the year ended August 31, 2023, the Company decided to discontinue exploration activities in the Independence and Silver Crown projects. As a result, the option agreement to acquire these properties was terminated during the period ended February 29, 2024. Consequently, the Company recognized an impairment of \$9,193,628 in the Statements of Loss and Comprehensive Loss as at August 31, 2023.

Bayview/Comet

The Bayview/Comet properties were obtained through the acquisition of AUX. The original vendor retains a 1% NSR.

**SCOTTIE RESOURCES CORP.****Notes to the Condensed Interim Financial Statements****For the three and six-month period ended February 29, 2024 and February 28, 2023***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars)***7. MINERAL PROPERTIES (Cont'd...)****Cambria Project (Cont'd...)**Rufus

The Company obtained a 75% interest in the Rufus property through the acquisition of AUX. The original vendors retain a 2% NSR, one half of which can be purchased for \$1,000,000 until 90 days after the start of commercial production.

**Georgia River Project**Exdale

The Exdale property was obtained through the acquisition of AUX. The original vendor retains a 2% NSR.

Georgia River

The Georgie River properties were obtained through the acquisition of AUX.

West George Copper

The Company obtained a 40% interest in the West George Copper property in the acquisition of AUX, which will be retained until Mountain Boy Minerals (“MBM”) completes Feasibility on the property, at which time the 40% interest will revert to MBM.

The Company holds a 2% NSR, of which 1% can be purchased by MBM for \$1,000,000.

During the year ended August 31, 2023, the Company entered into an agreement such that certain claims under the Enterprise Project were donated toward a wildlife conservation. Consequently, the Company recognized a donation expense of \$83,474 and impairment expense of \$114,042 in the Statements of Loss and Comprehensive Loss for the year ended August 31, 2023.

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

| <b>As at</b>                                 | <b>February 29,<br/>2024</b> | <b>August 31,<br/>2023</b> |
|--|------------------------------|----------------------------|
| Accounts payable                             | \$ 146,576                   | \$ 2,038,354               |
| Accrued liabilities                          | 52,713                       | 329,966                    |
| Payroll liability                            | 2,898                        | 2,898                      |
| Amounts payable to related parties (Note 11) | <u>212,544</u>               | <u>233,496</u>             |
| <b>TOTAL</b>                                 | <b>\$ 414,731</b>            | <b>\$ 2,604,714</b>        |

**9. FLOW THROUGH SHARE LIABILITY AND RECOVERY OF FLOW THROUGH PREMIUM**

During the six-month period ended February 29, 2024, the Company:

- Received \$2,679,000 in flow-through funds (2023 - \$4,000,150) and recognized \$870,514 (2023 - \$1,314,335) in flow-through premium.
- Incurred eligible flow through expenditures of \$1,378,579 (2023 - \$1,300,282).
- Reported a recovery of flow through premium of \$340,713 (2023 – \$286,993), and as at February 29, 2024 had a remaining flow through liability of \$529,801 (August 31, 2023 – \$nil).

**SCOTTIE RESOURCES CORP.**

**Notes to the Condensed Interim Financial Statements**

**For the three and six-month period ended February 29, 2024 and February 28, 2023**

*(Unaudited – Prepared by Management)*

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**9. FLOW THROUGH SHARE LIABILITY AND RECOVERY OF FLOW THROUGH PREMIUM (Cont'd...)**

As at February 29, 2024, the Company had \$1,300,421 in unspent flow through funds (August 31, 2023 – \$nil).

In accordance with the flow through share agreements, the Company may be required to indemnify the holders of any such shares any tax and other costs payable to them in the event the Company does not fulfill its flow through expenditure requirements.

**10. SHARE CAPITAL**

**a) Authorized**

An unlimited number of common shares without par value.

**b) Share Issuance**

As at February 29, 2024, the Company had 294,396,624 (August 31, 2023 – 267,893,567) common shares issued and outstanding.

During the six-month period ended February 29, 2024, the Company:

- Closed three tranches of a non-brokered private placement of securities and raised aggregate gross proceeds of \$2,233,550. Pursuant to the private placement, the Company issued an aggregate of: (i) 3,985,000 non-flow-through units (the “NFT Units”) at a price of \$0.23 per NFT Unit; (ii) 4,112,500 flow-through shares (“FT Shares”) at a price of \$0.24 per FT Share; and (iii) 1,000,000 charity flow-through units (“Charity FT Units”) at a price of \$0.33 per Charity FT Unit, for aggregate gross proceeds of \$2,233,550.

Each NFT Unit is comprised of one common share and one-half of one common share purchase warrant. Each Charity FT Unit is comprised of one common share that will qualify as a “flow-through share” within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the “Tax Act”) and one-half of one warrant. The warrants for all NFT Unit and Charity FT unit will be subject to the same terms, with each warrant entitling the holder thereof to purchase one common share for a period of two years from the date of issuance at an exercise price of \$0.35 per common share. Using the residual value method, \$1,830,688 of the proceeds was allocated to share capital, \$87,237 was allocated to contributed surplus with the remaining \$315,625 recognized as a flow-through premium liability.

In connection with the offering, the Company issued 236,100 finder’s warrants with a fair value of \$14,308 and paid cash commissions of \$54,303 to certain finders. Each finder’s warrant entitles the holder to purchase one common share at a price of \$0.23 per common share for a period of two years from the date of issuance. In connection with the private placement, the Company incurred professional and other share issuance costs of \$21,569. The finders warrants were valued using the Black-Scholes pricing methodology. The Company used the following assumptions when valuing the finders warrants: volatility of 60.91%, risk-free interest rate of 4.90%, life of 2 years, dividend yield of 0% and forfeiture rate of 0%.

**SCOTTIE RESOURCES CORP.**

**Notes to the Condensed Interim Financial Statements**

**For the three and six-month period ended February 29, 2024 and February 28, 2023**

*(Unaudited – Prepared by Management)*

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**10. SHARE CAPITAL**

**b) Share Issuance**

- Closed two tranches of a non-brokered private placement financing and issued an aggregate of 12,361,112 non flow-through units at a price of \$0.18 per non flow-through unit and issued 5,044,445 charity flow-through units at a price of \$0.27 per charity flow-through units for aggregate gross proceeds of \$3,587,000. Each charity flow-through and non flow-through unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant. Each full warrant entitles the holder to purchase an additional common share at an exercise price of \$0.28 per common share for a period of three years from the date of issuance. Using the residual value method, \$2,945,084 of the proceeds was allocated to share capital, \$87,028 was allocated to contributed surplus with the remaining \$554,889 recognized as a flow-through premium liability.

In connection with the offering, the Company issued 288,333 finder's warrants with a fair value of \$10,876 and paid cash commissions of \$51,900 to certain finders. Each finders' warrant entitles the holder thereof to purchase one common share at a price of \$0.28 per common share for a period of three years from the date of issuance. In connection with the private placement, the Company incurred professional and other share issuance costs of \$32,448. The finder's warrants were valued using the Black-Scholes pricing methodology. The Company used the following assumptions when valuing the finders warrants: volatility of 59.94%, risk-free interest rate of 3.90%, life of 3 years, dividend yield of 0% and forfeiture rate of 0%.

During the year ended August 31, 2023, the Company:

- Issued 1,187,500 common shares pursuant to exercise of stock options for total gross proceeds of \$143,392.
- Closed a non-brokered private placement consisting of 18,823,530 units (the "Units") at a price of \$0.17 per Unit for gross proceeds of \$3,200,000. Each Unit consists of one common share of the Company, and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase an additional common share at an exercise price of \$0.25 per common share for a period of two years.

The Company paid finder's fees of \$139,281 in cash and issued 819,300 finder's warrants valued at \$53,125 among other expenses. Each warrant will entitle the holder to purchase one common share of the Company at a price of \$0.25 per common share for a period of two years.

- Issued 600,000 common shares in respect of property option agreements on the Summit Lake property, valued at \$117,000, which has been recorded as property acquisition costs (Note 7).
- Issued 2,500,000 common shares with a fair value of \$637,500 in consideration of a royalty purchase agreement (Note 7).
- Issued 750,000 common shares in respect of property option agreements on the Independence project and Silver Crown property, valued at \$198,750, which has been recorded as property acquisition costs (Note 7).

**SCOTTIE RESOURCES CORP.****Notes to the Condensed Interim Financial Statements****For the three and six-month period ended February 29, 2024 and February 28, 2023***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars)***10. SHARE CAPITAL****b) Share Issuance**

- Closed a brokered private placement consisting of 11,429,000 flow-through common shares at a price of \$0.35 per flow-through common share and 10,870,000 common shares at a price of \$0.23 per common share for gross proceeds of \$6,500,250 and recognized a flow through premium liability of \$1,314,335.

The Company paid finder's fees of \$398,023 in cash and issued 1,142,287 finder's warrants valued at \$100,457 ("Finder Warrants") among other expenses. Each Finder Warrant will entitle the holder to purchase one common share of the Company at a price of \$0.23 per common share for a period of two years.

The Company also issued 230,484 compensation warrants ("Compensation Warrants") valued at \$20,270. Each Compensation Warrant entitles the holder to purchase one common share of the Company at a price of \$0.23 per Compensation Warrant share for a period of 24 months from the date of issuance. The Compensation Warrants and the Compensation Warrant shares issued and issuable under this Offering are subject to a statutory hold period and may not be traded until June 17, 2023, except permitted by applicable securities legislation.

In connection with the private placements completed during the year, the Company incurred professional and other share issuance costs of \$283,869.

**b) Stock Options Outstanding**

The Company has a shareholder-approved stock option plan that provides for the reservation for issuance of 20% of the Company's issued and outstanding common shares to its directors, officers, employees, and consultants. The vesting terms of each stock option grant is determined by the Board of Directors at the time of the grant.

The stock option continuity for the six-month period ended February 29, 2024 is as follows:

| Number Outstanding August 31, 2023 | Granted | Exercised | Expired/Cancelled | Number Outstanding February 29, 2024 | Exercise Price per Share | Expiry Date               | Weighted Avg Remaining Contractual Life (in years) |
|------------------------------------|---------|-----------|-------------------|--------------------------------------|--------------------------|---------------------------|--|
| 1,000,000                          | -       | -         | -                 | 1,000,000                            | \$ 0.22                  | Apr 24, 2024*             | 0.15   |
| 1,400,000                          | -       | -         | -                 | 1,400,000                            | \$ 0.20                  | Sep 17, 2024              | 0.55   |
| 50,000                             | -       | -         | (50,000)          | -                                    | \$ 0.23                  | Feb 3, 2024               | -  |
| 3,375,000                          | -       | -         | -                 | 3,375,000                            | \$ 0.22                  | May 25, 2025              | 1.24   |
| 200,000                            | -       | -         | (100,000)         | 100,000                              | \$ 0.26                  | Jan 13, 2026              | 1.87   |
| 2,100,000                          | -       | -         | (300,000)         | 1,800,000                            | \$ 0.25                  | Apr 19, 2026              | 2.14   |
| 100,000                            | -       | -         | -                 | 100,000                              | \$ 0.25                  | May 21, 2026              | 2.22   |
| 1,300,000                          | -       | -         | -                 | 1,300,000                            | \$ 0.42                  | Jul 8, 2025               | 1.36   |
| 1,050,000                          | -       | -         | (250,000)         | 800,000                              | \$ 0.23                  | Mar 22, 2027              | 3.06   |
| 2,354,000                          | -       | -         | -                 | 2,354,000                            | \$ 0.18                  | Sep 8, 2027               | 3.53   |
| 4,850,000                          | -       | -         | (150,000)         | 4,700,000                            | \$ 0.27                  | Jan 16, 2028              | 3.88   |
| 17,779,000                         | -       | -         | (850,000)         | 16,929,000                           | \$ 0.24                  | <i>(weighted average)</i> | 2.38   |
|                                    |         |           | Exercisable       | 16,929,000                           | \$ 0.24                  | <i>(weighted average)</i> | 2.38   |

\*Subsequent to the period ended February 29, 2024, 1,000,000 stock options expired unexercised.

**SCOTTIE RESOURCES CORP.**

**Notes to the Condensed Interim Financial Statements**

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*(Unaudited – Prepared by Management)*

*(Expressed in Canadian dollars)*

**10. SHARE CAPITAL (Cont'd...)**

**c) Stock Options Outstanding (Cont'd...)**

The stock option continuity for the year ended August 31, 2023 is as follows:

| Number Outstanding August 31, 2022 | Granted          | Exercised          | Expired/Cancelled  | Number Outstanding August 31, 2023 | Exercise Price per Share | Expiry Date               | Weighted Avg Remaining Contractual Life (in years) |
|------------------------------------|------------------|--------------------|--------------------|------------------------------------|--------------------------|---------------------------|--|
| 150,000                            | -                | -                  | (150,000)          | -                                  | \$ 0.26                  | Oct 26, 2022              | -  |
| 600,000                            | -                | -                  | (600,000)          | -                                  | \$ 0.26                  | Mar 8, 2023               | -  |
| 1,000,000                          | -                | (1,000,000)        | -                  | -                                  | \$ 0.10                  | Dec 3, 2023               | -  |
| 1,000,000                          | -                | -                  | -                  | 1,000,000                          | \$ 0.22                  | Apr 24, 2024              | 0.65   |
| 1,400,000                          | -                | -                  | -                  | 1,400,000                          | \$ 0.20                  | Sep 17, 2024              | 1.05   |
| 100,000                            | -                | (50,000)           | -                  | 50,000                             | \$ 0.23                  | Feb 3, 2024               | 0.43   |
| 3,425,000                          | -                | (50,000)           | -                  | 3,375,000                          | \$ 0.22                  | May 25, 2025              | 1.73   |
| 250,000                            | -                | (50,000)           | -                  | 200,000                            | \$ 0.26                  | Jan 13, 2026              | 2.37   |
| 2,100,000                          | -                | -                  | -                  | 2,100,000                          | \$ 0.25                  | Apr 19, 2026              | 2.64   |
| 100,000                            | -                | -                  | -                  | 100,000                            | \$ 0.25                  | May 21, 2026              | 2.72   |
| 1,650,000                          | -                | -                  | (350,000)          | 1,300,000                          | \$ 0.42                  | Jul 8, 2025               | 1.85   |
| 1,100,000                          | -                | (37,500)           | (12,500)           | 1,050,000                          | \$ 0.23                  | Mar 22, 2027              | 3.56   |
| -                                  | 2,354,000        | -                  | -                  | 2,354,000                          | \$ 0.18                  | Sep 8, 2027               | 4.02   |
| -                                  | 4,850,000        | -                  | -                  | 4,850,000                          | \$ 0.27                  | Jan 16, 2028              | 4.38   |
| <b>12,875,000</b>                  | <b>7,204,000</b> | <b>(1,187,500)</b> | <b>(1,112,500)</b> | <b>17,779,000</b>                  | <b>\$ 0.25</b>           | <i>(weighted average)</i> | <b>2.88</b>  |
|                                    |                  |                    | <b>Exercisable</b> | <b>16,304,000</b>                  | <b>\$ 0.24</b>           | <i>(weighted average)</i> | <b>2.75</b>  |

The fair value of each option granted to employees, officers, and directors was estimated on the date of the grant using the Black-Scholes Option-Pricing Model.

During the six-month periods ended February 29, 2024 and February 28, 2023, the Company granted nil (2023 – 7,204,000) stock options and recorded \$39,061 (2023 - \$622,268) in stock-based compensation expense for options granted and vested during the year.

The assumptions used in the Black-Scholes Option-Pricing Model for the relative fair value allocation were:

| Grant Date              | Jan 16, 2023 | Sep 8, 2022 | Mar 22, 2022 |
|-------------------------|--------------|-------------|--------------|
| Expiry Date             | Jan 16, 2028 | Sep 8, 2027 | Mar 22, 2027 |
| Expected life (years)   | 5            | 5           | 5            |
| Expected dividend       | \$ nil       | \$ nil      | \$ nil       |
| Risk-free interest rate | 2.86%        | 3.20%       | 2.25%        |
| Expected volatility     | 105.05%      | 113.99%     | 117.00%      |
| Fair value              | \$ 0.21      | \$ 0.15     | \$ 0.16      |

**SCOTTIE RESOURCES CORP.**

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**10. SHARE CAPITAL (Cont'd...)**

**d) Share Purchase Warrants**

The share purchase warrant continuity for the three and six-month period ended February 29, 2024 is as follows:

| Number Outstanding August 31, 2023 | Granted           | Exercised | Expired/Cancelled | Number Outstanding February 28, 2023 | Exercise Price per Share | Expiry Date               | Weighted Avg Remaining Contractual Life (in years) |
|------------------------------------|-------------------|-----------|-------------------|--------------------------------------|--------------------------|---------------------------|--|
| 1,128,000                          | -                 | -         | -                 | 1,128,000                            | \$ 0.30                  | April 22, 2024            | 0.15   |
| 18,823,530                         | -                 | -         | -                 | 18,823,530                           | \$ 0.25                  | Oct 7, 2024               | 0.58   |
| 819,300                            | -                 | -         | -                 | 819,300                              | \$ 0.25                  | Oct 7, 2024               | 0.61   |
| 1,372,771                          | -                 | -         | -                 | 1,372,771                            | \$ 0.23                  | Feb 16, 2025              | 0.97   |
| -                                  | 2,492,500         | -         | -                 | 2,492,500                            | \$ 0.35                  | Oct 4, 2025               | 1.60   |
| -                                  | 236,100           | -         | -                 | 236,100                              | \$ 0.23                  | Oct 4, 2025               | 1.60   |
| -                                  | 6,180,555         | -         | -                 | 6,180,555                            | \$ 0.28                  | Jan 22, 2027              | 2.90   |
| -                                  | 2,522,222         | -         | -                 | 2,522,222                            | \$ 0.28                  | Feb 23, 2027              | 2.99   |
| -                                  | 288,333           | -         | -                 | 288,333                              | \$ 0.28                  | Jan 23, 2027              | 2.99   |
| <b>22,143,601</b>                  | <b>11,719,710</b> | -         | -                 | <b>33,863,311</b>                    | <b>\$ 0.27</b>           | <b>(weighted average)</b> | <b>1.29</b>  |

The share purchase warrant continuity for the year ended August 31, 2023 is as follows:

| Number Outstanding August 31, 2022 | Granted           | Exercised | Expired/Cancelled   | Number Outstanding August 31, 2023 | Exercise Price per Share | Expiry Date               | Weighted Avg Remaining Contractual Life (in years) |
|------------------------------------|-------------------|-----------|---------------------|------------------------------------|--------------------------|---------------------------|--|
| 1,560,000                          | -                 | -         | (1,560,000)         | -                                  | \$ 0.25                  | Jun 1, 2023               | -  |
| 11,234,889                         | -                 | -         | (11,234,889)        | -                                  | \$ 0.40                  | Feb 11, 2023              | -  |
| 1,128,000                          | -                 | -         | -                   | 1,128,000                          | \$ 0.30                  | April 22, 2024            | 0.64   |
| -                                  | 18,823,530        | -         | -                   | 18,823,530                         | \$ 0.25                  | Oct 7, 2024               | 1.10   |
| -                                  | 819,300           | -         | -                   | 819,300                            | \$ 0.25                  | Oct 7, 2024               | 1.10   |
| -                                  | 1,372,771         | -         | -                   | 1,372,771                          | \$ 0.23                  | Feb 16, 2025              | 1.47   |
| <b>13,922,889</b>                  | <b>21,015,601</b> | -         | <b>(12,794,889)</b> | <b>22,143,601</b>                  | <b>\$ 0.25</b>           | <b>(weighted average)</b> | <b>1.08</b>  |

The assumptions used in the Black-Scholes Option-Pricing Model for the relative fair value allocation were:

| Grant Date              | Feb 23, 2024 | Oct 4, 2023 | Feb 16, 2023 | Oct 7, 2022 | Apr 22, 2022 |
|-------------------------|--------------|-------------|--------------|-------------|--------------|
| Expiry Date             | Feb 23, 2027 | Oct 4, 2024 | Feb 16, 2025 | Oct 7, 2024 | Apr 22, 2024 |
| Expected life (years)   | 3            | 2           | 2            | 2           | 2            |
| Expected dividend       | \$ nil       | \$ nil      | \$ nil       | \$ nil      | \$ nil       |
| Risk-free interest rate | 3.93%        | 4.90%       | 4.14%        | 4.05%       | 2.65%        |
| Expected volatility     | 59.94%       | 60.91%      | 62.15%       | 64.95%      | 70.30%       |
| Fair value              | \$ 0.04      | \$ 0.06     | \$ 0.09      | \$ 0.06     | \$ 0.06      |

**SCOTTIE RESOURCES CORP.****Notes to the Condensed Interim Financial Statements****For the three and six-month period ended February 29, 2024 and February 28, 2023***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars)***11. RELATED PARTY TRANSACTIONS AND BALANCES**

- a) The Company's related parties consist of companies with directors and officers in common, and companies owned in whole or in part by executive officers and directors as follows:

| <b>Related Party Name</b>  | <b>Nature of Transactions</b>     |
|--|-----------------------------------|
| YMI Inc. ("YMI"), a company related to Bradley Rourke                                    | Consulting as CEO                 |
| Rhodanthe Corporate Services ("Rhodanthe"), a company related to Christina Boddy         | Consulting as Corporate Secretary |
| Serac Exploration Ltd. ("Serac"), a company related to Bradley Rourke and Thomas Mumford | Geological consulting             |
| 1255483 BC Ltd. ("1255483"), a company related to Thomas Mumford                         | Geological consulting             |
| Red Fern Consulting Ltd. ("Red Fern"), a company related to Stephen Sulis                | Consulting as CFO                 |

The Company incurred the following fees in connection with key management compensation and expenses incurred from companies owned or partially owned by key management (Chief Executive Officer, Chief Financial Officer, Corporate Secretary) and/or directors. Expenses have been measured at the exchange amount, which is determined on a cost recovery basis.

| <b>For the six months period ended</b> | <b>February 29<br/>2024</b> | <b>February 28<br/>2023</b> |
|--|-----------------------------|-----------------------------|
| Management fees – YMI                  | \$ 100,000                  | \$ 100,000                  |
| Professional fees – Rhodanthe          | 18,000                      | 18,000                      |
| Professional fees – Red Fern           | 45,000                      | 45,100                      |
| Exploration Expenses – 1255483         | 114,996                     | -                           |
| Exploration Expenses – Serac           | 616,237                     | 520,311                     |
| <b>TOTAL</b>                           | <b>\$ 894,233</b>           | <b>\$ 683,411</b>           |

In addition to the fees paid above, the Company recognized \$26,796 (2023 - \$360,071) in share-based compensation related to the granting and vesting of stock options to the officers and directors of the Company.

- b) Amounts owing to directors and officers and companies with directors and officers in common are disclosed in Note 8. All amounts are unsecured, with no specific terms of repayment.

**12. SEGMENT DISCLOSURE**

The Company has one reportable operating segment in Canada which operates in the acquisition, exploration and evaluation of mineral resources. All of the Company's non-current assets are located in Canada.

**SCOTTIE RESOURCES CORP.****Notes to the Condensed Interim Financial Statements****For the three and six-month period ended February 29, 2024 and February 28, 2023***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars)***13. MANAGEMENT OF CAPITAL**

The Company manages its common shares, stock options, warrants and deficit as capital (Note 10). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable level of risk.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash.

To facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors including successful capital deployment and general industry conditions.

To maximize ongoing exploration expenditures, the Company does not pay dividends. The Company's investment policy is to keep its cash treasury on deposit in interest-bearing Canadian chartered bank accounts and short-term guaranteed investment certificates.

The Company estimates that it will require additional funding to carry out its exploration plans and operations through the next twelve months. The Company is not subject to any externally imposed capital restrictions. There were no changes to the Company's approach to capital management.

**14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASHFLOWS**

| <b>For the six-month period ended,</b>                      | <b>February 29,<br/>2024</b> | <b>February 28,<br/>2023</b> |
|---|------------------------------|------------------------------|
| Non-cash investing and financing activities:                |                              |                              |
| Shares issued under property acquisition option agreements. | \$ -                         | \$ 117,000                   |
| Shares issued for royalty acquisition                       | -                            | 637,500                      |
| Broker warrants issued as share issuance costs              | 25,184                       | 153,582                      |
| Share issuance costs in accounts payable                    | 70,808                       | 126,645                      |
| Sale of equipment in accounts payable                       | -                            | 20,000                       |
| Recognition of flow-through premium liability               | 870,514                      | 1,314,335                    |

**15. SUBSEQUENT EVENTS**

Subsequent to the period ended February 29, 2024, the Company:

- completed a sale and grant of a 2.0% gross production royalty (the "Royalty") to Franco-Nevada Corp ("Franco-Nevada") for \$8.1-million (the "Royalty Transaction"). The Royalty applies to all minerals produced on Scottie's claims in the Stewart Mining Camp in the Golden Triangle, including those claims which are held under option by Scottie and any claims subsequently acquired by Scottie within a customary area of interest around its existing claims.

Franco-Nevada has also been granted the option to purchase an additional 0.5% gross production royalty upon the decision by Scottie to proceed with construction of a project or acceptance by Scottie of a project study on its properties (the "Additional Royalty").

**SCOTTIE RESOURCES CORP.**

**Notes to the Condensed Interim Financial Statements**

**For the three and six-month period ended February 29, 2024 and February 28, 2023**

*(Unaudited – Prepared by Management)*

*(Expressed in Canadian dollars)*

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**15. SUBSEQUENT EVENTS (Cont'd...)**

The purchase price in respect of the Additional Royalty will be determined at the time of exercise based on a net present value calculation at consensus commodity prices. Franco-Nevada has been further granted a right of first refusal to purchase any new royalty, streaming or similar interest in Scottie's properties which is offered to be purchased by a third party.

In conjunction with the Royalty Transaction, the Company closed a charity flow-through private placement of 5,422,994 flow-through common shares at a price of \$0.275 per flow through common share for additional gross proceeds of \$1,491,323.

Agentis Capital Mining Partners were paid a cash fee of \$625,000 and issued 3,000,000 common share purchase warrants exercisable at a price of \$0.19 for a period of two years for acting as financial advisors in connection with the Royalty Transaction.

- Issued 7,400,000 stock options to certain officers, directors, and consultants of the Company. The stock options vest 25% upon grant, and 25% every three months thereafter. The stock options are exercisable at a price of \$0.195 for a period of five years.