



Condensed Consolidated Interim Financial Statements
For the three and nine month periods ended May 31, 2022 and 2021
(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 consolidated 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 Consolidated Interim Statements of Financial Position***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars)*

As at	May 31, 2022	August 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,901,487	\$ 7,265,107
Amounts receivable (Note 4)	399,164	234,221
Prepaid expenses and advances (Note 5)	<u>152,864</u>	<u>1,787,346</u>
	5,453,515	9,286,674
Non-current assets		
Deposits	248,432	103,500
Property and equipment (Note 6)	687,118	733,327
Mineral properties (Note 7)	<u>14,174,311</u>	<u>12,431,811</u>
Total assets	\$ 20,563,376	\$ 22,555,312
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 442,818	\$ 600,462
Non-current liabilities		
Flow through liability (Note 9)	<u>1,155,175</u>	<u>191,545</u>
Total liabilities	<u>1,597,993</u>	<u>792,007</u>
Shareholders' equity		
Share capital (Note 10)	37,596,234	34,178,840
Equity reserves (Note 10)	4,059,605	3,876,367
Deficit	<u>(22,690,456)</u>	<u>(16,291,902)</u>
Total shareholders' equity	<u>18,965,383</u>	<u>21,763,305</u>
Total liabilities and shareholders' equity	\$ 20,563,376	\$ 22,555,312

Nature of operations and going concern (Note 1)

Subsequent events (Note 15)

Approved for issue by the Board of Directors on July 27, 2022.

On behalf of the Board of Directors:

“Bradley Rourke”

Bradley Rourke, Director

“Ernest Mast”

Ernest Mast, Director

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

	Three months Ended May 31, 2022	Three months Ended May 31, 2021	Nine months Ended May 31, 2022	Nine months Ended May 31, 2021
EXPENSES				
Exploration expenditures	\$ 360,532	\$ 323,400	\$ 5,345,441	\$ 2,326,227
General and administrative	59,886	41,440	216,868	179,473
Management and consulting fees	30,000	58,000	105,000	165,000
Marketing and investor relations	100,699	136,078	402,590	599,944
Professional fees (Note 11)	138,173	110,371	449,103	191,942
Share-based compensation (Note 10, 11)	<u>27,017</u>	<u>157,670</u>	<u>134,548</u>	<u>360,953</u>
	(716,307)	(826,959)	(6,653,550)	(3,823,539)
OTHER INCOME (EXPENSES)				
Recovery of flow-through premium (Note 9)	8,546	32,224	166,370	240,853
Foreign exchange gain	(680)	-	(350)	-
BCMETC Recovery	<u>-</u>	<u>-</u>	<u>88,976</u>	<u>-</u>
Loss and comprehensive loss for the period	\$ (708,441)	\$ (794,735)	\$ (6,398,554)	\$ (3,582,686)
<hr/>				
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)	\$ (0.03)	\$ (0.03)
Weighted average number of common shares outstanding (Note 10)	213,733,537	120,798,025	218,983,720	120,553,145

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

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

For the nine month period ended	May 31, 2022	May 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (6,398,554)	\$ (3,582,686)
Adjustments for items not involving cash:		
Amortization (Note 6)	56,706	20,095
Recovery of flow-through premium (Note 9)	(166,370)	(240,853)
Share-based compensation (Note 10)	<u>134,548</u>	<u>360,953</u>
	(6,373,670)	(3,442,491)
Net changes in non-cash working capital items:		
Amounts receivable	(164,943)	(38,600)
Prepaid expenses and advances	1,634,482	1,346,157
Accounts payable and accrued liabilities	(229,263)	32,882
Due to related parties	<u>-</u>	<u>(41,047)</u>
Net cash outflows from operating activities	<u>(5,133,394)</u>	<u>(2,143,099)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment acquisitions and improvements (Note 7, 10)	(10,497)	(100,793)
Acquisition of mineral property	(50,000)	(54,467)
Acquisition of royalty	(1,600,000)	-
Reclamation bonds (Note 7)	<u>(144,932)</u>	<u>-</u>
Net cash outflows from investing activities	<u>(1,805,429)</u>	<u>(155,260)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Options exercised	-	50,000
Deferred financing costs	-	(750)
Subscriptions received in advance	-	1,020,000
Proceeds from issuance of shares	<u>4,575,203</u>	<u>3,599</u>
Net cash inflows from financing activities	<u>4,575,203</u>	<u>1,072,849</u>
Net decrease in cash during the period	(2,363,620)	(1,225,510)
Cash, beginning of period	<u>7,265,107</u>	<u>4,742,872</u>
Cash, end of period	\$ 4,901,487	\$ 3,517,362

Supplemental disclosure with respect to cash flows – Note 14

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

	Number	Amount	Contributed Surplus	Deficit	Total
Balance, August 31, 2020	120,418,898	\$ 16,311,711	\$ 2,241,945	\$ (9,900,590)	\$ 8,653,066
Warrants exercised	14,997	5,157	(1,557)	-	3,600
Options exercised	1,000,000	90,000	(40,000)	-	50,000
Mineral property acquisition	500,000	112,500	-	-	112,500
Share-based compensation	-	-	360,953	-	360,953
Loss and comprehensive loss	-	-	-	(3,582,686)	(3,582,686)
Balance, May 31, 2021	121,933,895	16,519,368	2,561,341	(13,483,276)	5,597,433
Private Placement	26,000,000	7,020,000	-	-	7,020,000
Acquisition of AUX Resources	54,499,642	11,717,423	1,035,710	-	12,753,133
Warrants issued as finders' fee	-	-	176,247	-	176,247
Flow-through Premium	-	(297,774)	-	-	(297,774)
Share issuance costs	-	(780,177)	-	-	(780,177)
Share-based compensation	-	-	103,069	-	103,069
Loss and comprehensive loss	-	-	-	(2,808,626)	(2,808,626)
Balance August 31, 2021	202,433,537	34,178,840	3,876,367	(16,291,902)	21,763,305
Private placement	18,800,000	5,008,000	-	-	5,008,000
Share issuance costs	-	(504,416)	-	-	(504,416)
Warrants issued as finders' fees	-	(48,690)	48,690	-	-
Flow-through premium	-	(1,130,000)	-	-	(1,130,000)
Property acquisition	500,000	92,500	-	-	92,500
Share-based compensation	-	-	134,548	-	134,548
Loss and comprehensive loss	-	-	-	(6,398,554)	(6,398,554)
Balance May 31, 2022	221,733,537	\$ 37,596,234	\$ 4,059,605	\$ (22,690,456)	\$ 18,965,383

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

SCOTTIE RESOURCES CORP.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine-month period ended May 31, 2022 and 2021

(Expressed in Canadian dollars)

1 NATURE OF OPERATIONS

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 production and is therefore considered to be in the exploration stage. These condensed consolidated interim financial statements for the Company for the three and nine months ended May 31, 2022 are comprised of the results of the Company and its former subsidiary which amalgamated on May 31, 2022.

The Company is in the process of exploring 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 consolidated 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 and has a history of losses and accumulated deficit of \$22,690,456 as at May 31, 2022. These factors form a material uncertainty that may raise significant doubt regarding the Company’s ability to continue as a going concern. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate, which could be material.

COVID-19 (the coronavirus) has threatened a slowdown in the global economy as well as caused volatility in the global financial markets. The extent to which COVID-19 may impact the Company’s business will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the virus. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of approval of these condensed consolidated interim financial statements, these conditions could have a significant adverse impact on the Company’s financial position and results of operations for future periods. To date, COVID-19 has had no significant impact on the Company’s business or operations.

2. BASIS OF PREPARATION

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and the Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The policies applied in these condensed consolidated interim financial statements are based on the IFRS issued and outstanding as at May 31, 2022.

Basis of measurement

These condensed consolidated 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 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 Scottie, is the Canadian dollar.

Use of estimates and judgments

The preparation of the condensed consolidated 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.

SCOTTIE RESOURCES CORP.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine-month period ended May 31, 2022 and 2021

(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (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.

Non-monetary transactions

All non-monetary transactions are measured at the fair value of the asset surrendered or the asset received, whichever is more reliable, unless the transactions lack commercial substance, or the fair value cannot be reliably established. The commercial substance requirement is met when the future cash flows are expected to change significantly due to the transaction.

When the fair value of a non-monetary transaction cannot be reliably measured, it is recorded at the carrying amount (after reduction, when appropriate, for impairment) of the asset given up and adjusted by the fair value of any monetary consideration received or given. When the asset received or the consideration given up is shares in an actively traded market, the market value of those shares on the date of the transaction will be considered fair value.

Acquisition of a business or assets

The determination of whether a corporate entity or set of assets acquired, and liabilities assumed, constitute a business may require the Company to make certain judgements, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs, or economic benefits. The acquisition of AUX Resources Corporation (and its mineral properties) was determined to constitute an acquisition of assets (Note 7). The excess of consideration paid over monetary assets was allocated on a proportional basis to the mineral properties acquired, which constitutes management's determination of the relative importance of the properties to the Company.

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.

SCOTTIE RESOURCES CORP.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine-month period ended May 31, 2022 and 2021

(Expressed in Canadian dollars)

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:

Financial Instrument	Category	May 31, 2022	August 31, 2021
Cash and cash equivalents	FVTPL	\$ 4,901,487	\$ 7,265,107
Amounts receivable	Amortized cost	\$ 399,164	\$ 234,221
Deposits	Amortized cost	\$ 248,432	\$ 103,500
Accounts payable	Amortized cost	\$ 442,818	\$ 600,462

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.
- 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.

SCOTTIE RESOURCES CORP.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine-month period ended May 31, 2022 and 2021

(Expressed in Canadian dollars)

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

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 May 31, 2022, the Company has cash and cash equivalents of \$4,901,487 to settle current liabilities of \$442,818.

4. ACCOUNTS RECEIVABLE

	May 31, 2022	August 31, 2021
GST receivable	\$ 304,244	\$ 139,301
BCMETS receivable	94,920	94,920
Total	\$ 399,164	\$ 234,221

5. PREPAID EXPENSES AND ADVANCES

	May 31, 2022	August 31, 2021
Exploration advances	\$ 100,000	\$ 1,719,964
Prepaid expenses	52,864	67,382
Total receivables	\$ 152,864	\$ 1,787,346

6. PROPERTY AND EQUIPMENT

	Equipment	Computer	Vehicle	Land	Building	Total
COST						
Balance, August 31, 2020	\$ 14,960	\$ -	\$ 5,000	\$ -	\$ -	\$ 19,960
Additions	52,624	2,141	147,000	137,594	405,228	744,587
Balance, August 31, 2021	67,584	2,141	152,000	137,594	405,228	764,547
Additions	6,955	3,542	-	-	-	10,497
Balance, May 31, 2022	\$ 74,539	\$ 5,683	\$ 152,000	\$ 137,594	\$ 405,228	\$ 775,044

ACCUMULATED AMORTIZATION

Balance, August 31, 2020	\$ 1,393	\$ -	\$ 5	\$ -	\$ -	\$ 1,398
Amortization	7,513	602	3,638	-	18,069	29,822
Balance, August 31, 2021	8,906	602	3,643	-	18,069	31,220
Amortization	18,279	534	22,738	-	15,155	56,706
Balance, May 31, 2022	\$ 27,185	\$ 1,136	\$ 26,381	\$ -	\$ 33,224	\$ 87,926

CARRYING AMOUNTS

As at August 31, 2021	\$ 58,678	\$ 1,539	\$ 148,357	\$ 137,594	\$ 387,159	\$ 733,327
As at May 31, 2022	\$ 47,354	\$ 4,547	\$ 125,619	\$ 137,594	\$ 372,004	\$ 687,118

SCOTTIE RESOURCES CORP.**Notes to the Condensed Consolidated Interim Financial Statements****For the three and nine-month period ended May 31, 2022 and 2021***(Expressed in Canadian dollars)***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.

Acquisition of AUX Resources Corporation

On July 16, 2021, the Company completed the acquisition of AUX Resources Corporation by way of a three-corner amalgamation under the provisions of the Business Corporations Act (British Columbia). As a result of the transaction, AUX Resources Corporation merged with a wholly-owned subsidiary of Scottie to become AUX Resources Limited ("AUX"), a wholly-owned subsidiary of the Company. The Company's shareholders retained majority ownership in the course of the transaction and therefore the Company was determined to be the acquirer of AUX. The transaction included the acquisition of all the mineral properties and mineral property options held by AUX, expanding and consolidating the Company's holdings in the Golden Triangle of British Columbia. On May 31, 2022, Scottie fully amalgamated with AUX.

Consideration with a fair value of \$12,753,132 was issued in exchange for all of the issued and outstanding equity of AUX and is comprised of:

- 54,499,642 common shares of the Company at \$0.215 per share (\$11,717,422);
- 18,433,817 warrants of the Company with fair values between \$0.0209 and \$0.0451 per warrant (\$656,675) (Note 10d contains a summary of the assumptions used to calculate fair values); and
- 2,432,000 stock options of the Company with fair values between \$0.0896 and \$0.1938 per stock option (\$379,035) (Note 10c contains a summary of the assumptions used to calculate fair values)

Transaction costs of \$79,103 associated with the acquisition were recorded. The acquisition was accounted for as an asset acquisition because AUX did not meet the definition of a business. The net purchase price was allocated to the assets acquired and liabilities assumed as follows:

Cash	\$	2,757,834
Amounts receivable		18,614
Prepaid expenses		225,138
Deposits		48,000
Mineral properties		9,922,969
Accounts payable and accrued liabilities		(102,546)
Flow through liability		(37,774)
	\$	12,832,235
Consideration issued at fair value		12,753,132
Transaction costs		79,103
Total acquisition costs	\$	12,832,235

SCOTTIE RESOURCES CORP.**Notes to the Condensed Consolidated Interim Financial Statements****For the three and nine-month period ended May 31, 2022 and 2021***(Expressed in Canadian dollars)***7. MINERAL PROPERTIES (Cont'd...)****Acquisition of AUX Resources Corporation (continued)**

The consideration paid over the monetary assets acquired and liabilities assumed was attributed to the value of the mineral properties acquired from AUX, allocated on a proportional basis to individual mineral properties based on management's determination of the relative importance of the properties to the Company.

Mineral Property Acquisition Costs by Project

Project	As at August 31, 2020	Cash	Shares	As at August 31, 2021
Bear Pass	\$ -	\$ -	285,619	\$ 285,619
Cambria ¹	830,000	4,647	4,910,140	5,744,787
Georgia River	-	-	199,155	199,155
Scottie Gold Mine	1,548,249	51,053	112,500	1,711,802
Silver Crown	-	-	4,472,439	4,472,439
Tide North	-	-	18,009	18,009
TOTAL	\$ 2,378,249	\$ 55,700	\$ 9,997,862	\$ 12,431,811

Project	As at August 31, 2021	Cash	Shares	As at May 31, 2022
Bear Pass	\$ 285,619	\$ -	-	\$ 285,619
Cambria ¹	5,744,787	-	-	5,744,787
Georgia River	199,155	-	-	199,155
Scottie Gold Mine	1,711,802	1,650,000	92,500	3,454,302
Silver Crown	4,472,439	-	-	4,472,439
Tide North	18,009	-	-	18,009
TOTAL	\$ 12,431,811	\$ 1,650,000	\$ 92,500	\$ 14,174,311

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

Scottie Gold Mine ProjectSummit Lake

On April 26, 2019, the Company entered into an option agreement to acquire a 100% interest in the Summit Lake property. To complete the option, the Company must:

- a) Make cash payments to the vendor as follows:
 - i) \$50,000 on TSX-V approval of the option agreement (*paid*);
 - ii) \$50,000 on or before April 26, 2020 (*paid*);
 - iii) \$50,000 on or before April 26, 2021 (*paid*);
 - iv) \$50,000 on or before April 26, 2022 (*paid*); and
 - v) \$50,000 on or before April 26, 2023.

SCOTTIE RESOURCES CORP.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine-month period ended May 31, 2022 and 2021

(Expressed in Canadian dollars)

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

Scottie Gold Mine Project (Cont'd...)

Summit Lake (Cont'd...)

b) Issue shares of the Company to the vendor as follows:

- i) 200,000 shares TSX-V approval of the option agreement (*issued*);
- ii) 400,000 shares on or before April 26, 2020 (*issued*);
- iii) 500,000 shares on or before April 26, 2021 (*issued*);
- iv) 500,000 shares on or before April 26, 2022 (*issued*); and
- v) 600,000 shares on or before April 26, 2023.

During the period ended May 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.

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.

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.

SCOTTIE RESOURCES CORP.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine-month period ended May 31, 2022 and 2021

(Expressed in Canadian dollars)

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

Dorothy 2

The Dorothy 2 property 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 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. To complete the option, the Company must:

- a) Make cash payments to the vendor as follows:
 - i) \$200,000 on closing of the AUX financing on July 6, 2020 (*paid*);
 - ii) \$50,000 on or before July 6, 2021 (*paid*);
 - iii) \$50,000 on or before July 6, 2022;
 - iv) \$75,000 on or before July 6, 2023;
 - v) \$125,000 on or before July 6, 2024; and

- b) \$150,000 on or before July 6, 2025. Issue shares of the Company to the vendor as follows:
 - i) 3,000,000 shares within 5 days of execution of the agreement (*issued*);
 - ii) 250,000 shares on or before July 6, 2021 (*issued*);
 - iii) 250,000 shares on or before July 6, 2022;
 - iv) 500,000 shares on or before July 6, 2023;
 - v) 1,000,000 shares on or before July 6, 2024; and
 - vi) 3,000,000 shares on or before July 6, 2025.

The vendors will retain a 1.8% NSR, 0.8% of which can be purchased for \$1,500,000 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.

SCOTTIE RESOURCES CORP.**Notes to the Condensed Consolidated Interim Financial Statements****For the three and nine-month period ended May 31, 2022 and 2021***(Expressed in Canadian dollars)***7. MINERAL PROPERTIES (Cont'd...)****Bear Pass Project**Bayview/Comet

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

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.

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.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	May 31, 2022	August 31, 2021
Accounts payable	\$ 267,553	\$ 179,009
Accrued liabilities	45,675	58,378
Payroll liability	2,898	42,426
Amounts payable to related parties (Note 11)	<u>126,692</u>	<u>320,649</u>
TOTAL	\$ 442,818	\$ 600,462

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

During the period ended May 31, 2022, the Company:

- Incurred eligible flow through expenditures of \$4,491,984 (2021 – \$1,684,633).
- Reported a recovery of flow through premium of \$166,370 (2021 – \$208,629), and as at May 31, 2022 had a remaining flow through liability of \$1,155,175 (August 31, 2021 – \$191,545).

As at May 31, 2022, the Company had \$4,571,253 in unspent flow through funds (August 31, 2021 – \$5,063,238).

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.

SCOTTIE RESOURCES CORP.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine-month period ended May 31, 2022 and 2021

(Expressed in Canadian dollars)

10. SHARE CAPITAL

a) Authorized

An unlimited number of common shares without par value.

b) Share Issuance

At May 31, 2022, the Company had 221,733,537 common shares issued and outstanding (August 31, 2021 – 202,433,537).

During the period ended May 31, 2022, the Company:

- Issued 500,000 common shares in respect of property option agreements on the Summit Lake property, valued at \$92,500, which has been recorded as property acquisition costs (Note 7).
- Closed private placements consisting of 10,000,000 flow-through shares at a price of \$0.30 per flow-through share, 4,000,000 flow-through shares at a price of \$0.25 per flow-through share, and 4,800,000 common shares at a price of \$0.21 per common share for aggregate gross proceeds of \$5,008,000.

The Company paid share issuance costs of \$504,416 and issued 1,128,000 finders' warrants valued at \$48,680. Each finders' warrant is exercisable into a common share at a price of \$0.30 per share for a period of 24 months. The finders' warrants were valued using the following Black-Scholes Option-Pricing Model assumptions: expected life of 2 years, an expected dividend of \$nil, a risk-free interest rate of 2.65%, and an expected volatility of 57.40%.

The Company recorded a \$1,130,000 flow through premium associated with the flow-through shares issued.

During the year ended August 31, 2021, the Company:

- Issued 14,997 common shares following the exercise of share purchase warrants at a price of \$0.24 per common share for gross proceeds of \$3,599.
- Issued 500,000 common shares in respect of property option agreements on the Summit Lake property at a price of \$0.23 per common share for which \$112,500 has been recorded as property acquisition costs (Note 7).
- Issued 1,000,000 common shares following the exercise of stock options at a price of \$0.05 per common share for gross proceeds of \$50,000.
- Closed private placements consisting of 26,000,000 flow through common shares at a price of \$0.27 per share for gross proceeds of \$7,020,000.

Cash share issuance costs of \$603,929 were paid in relation to the brokered private placement, in addition to an issuance of 1,560,000 finders' warrants exercisable into a common share at a price of \$0.25 per share for a period of 24 months, valued at \$176,248 using the following Black-Scholes Option-Pricing Model assumptions: expected life of 2 years, an expected dividend of \$nil, a risk-free interest rate of 0.32%, and an expected volatility of 78.53%.

The Company recorded a \$260,000 flow through premium associated with the placement.

SCOTTIE RESOURCES CORP.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine-month period ended May 31, 2022 and 2021

(Expressed in Canadian dollars)

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

- Acquired AUX through the issuance 54,499,642 common shares of the Company at \$0.215 per share, 18,433,817 warrants of the Company, and 2,432,000 stock options of the Company in exchange for all of the issued and outstanding equity of AUX for a total fair value of \$12,753,133 (Note 7).

c) 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 period ended May 31, 2022 is as follows:

Number Outstanding August 31, 2021	Granted	Exercised	Expired/Cancelled	Number Outstanding May 31, 2022	Exercise Price per Share	Expiry Date	Weighted Avg Remaining Contractual Life (in years)
300,000	-	-	(300,000)	-	\$ 0.20	May 24, 2022	-
150,000	-	-	-	150,000	\$ 0.26	Oct 26, 2022	0.41
600,000	-	-	-	600,000	\$ 0.26	Mar 8, 2023	0.77
1,000,000	-	-	-	1,000,000	\$ 0.10	Dec 3, 2023	1.51
1,000,000	-	-	-	1,000,000	\$ 0.22	Apr 24, 2024	1.9
2,400,000	-	-	(1,000,000)	1,400,000	\$ 0.20	Sep 17, 2024	2.30
100,000	-	-	-	100,000	\$ 0.23	Feb 3, 2024	1.68
3,625,000	-	-	(200,000)	3,425,000	\$ 0.22	May 25, 2025	2.99
300,000	-	-	(50,000)	250,000	\$ 0.26	Jan 13, 2026	3.62
2,100,000	-	-	-	2,100,000	\$ 0.25	Apr 19, 2026	3.89
100,000	-	-	-	100,000	\$ 0.25	May 21, 2026	3.98
80,000	-	-	(80,000)	-	\$ 0.25	Sep 24, 2024	2.32
80,000	-	-	(80,000)	-	\$ 0.25	Feb 8, 2027	4.7
72,000	-	-	(72,000)	-	\$ 0.30	Jul 7, 2024	2.1
2,200,000	-	-	(550,000)	1,650,000	\$ 0.42	Jul 8, 2025	3.1
14,107,000	-	-	(2,332,000)	11,775,000	\$ 0.24	(weighted average)	2.73
			Exercisable	11,225,000	\$ 0.24	(weighted average)	2.67

SCOTTIE RESOURCES CORP.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine-month period ended May 31, 2022 and 2021

(Expressed in Canadian dollars)

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

The stock option continuity for the year ended August 31, 2021 is as follows:

Number Outstanding August 31, 2020	Granted	Exercised	Expired/Cancelled	Number Outstanding August 31, 2021	Exercise Price per Share	Expiry Date	Weighted Avg Remaining Contractual Life (in years)
1,000,000	-	(1,000,000)	-	-	\$ 0.05	May 16, 2021	-
300,000	-	-	-	300,000	\$ 0.20	May 24, 2022	0.73
150,000	-	-	-	150,000	\$ 0.26	Oct 26, 2022	1.15
600,000	-	-	-	600,000	\$ 0.26	Mar 8, 2023	1.52
1,000,000	-	-	-	1,000,000	\$ 0.10	Dec 3, 2023	2.26
1,000,000	-	-	-	1,000,000	\$ 0.22	Apr 24, 2024	2.65
2,400,000	-	-	-	2,400,000	\$ 0.20	Sep 17, 2024	3.05
100,000	-	-	-	100,000	\$ 0.23	Feb 3, 2024	2.43
3,625,000	-	-	-	3,625,000	\$ 0.22	May 25, 2025	3.73
200,000	-	-	(200,000)	-	\$ 0.42	Aug 21, 2021	-
-	300,000	-	-	300,000	\$ 0.26	Jan 13, 2026	4.37
-	2,100,000	-	-	2,100,000	\$ 0.25	Apr 19, 2026	4.64
-	100,000	-	-	100,000	\$ 0.25	May 21, 2026	4.72
-	80,000	-	-	80,000	\$ 0.25	Sep 24, 2024	3.07
-	80,000	-	-	80,000	\$ 0.25	Feb 8, 2027	5.44
-	72,000	-	-	72,000	\$ 0.30	Jul 7, 2024	2.85
-	2,200,000	-	-	2,200,000	\$ 0.42	Jul 8, 2025	3.85
10,375,000	4,932,000	(1,000,000)	(200,000)	14,107,000	\$ 0.24	(weighted average)	3.42
			Exercisable	12,357,000	\$ 0.24	(weighted average)	3.90

Stock-Based Compensation

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 period ended May 31, 2022 and 2021, the Company did not grant any stock options.

The Company recorded \$134,548 in stock-based compensation expense (2021 - \$360,953) for options vested during the period.

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

Grant Date	Jul 16, 2021	Jul 16, 2021	Jul 16, 2021	Jul 16, 2021	May 21, 2021	Apr 19, 2021	Jan 13, 2021
Expiry Date	Jul 8, 2025	Jul 7, 2024	Feb 8, 2027	Sep 24, 2024	May 21, 2026	Apr 19, 2026	Jan 13, 2026
Expected life (years)	4	2	5.5	3	5	5	5
Expected dividend	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil
Risk-free interest rate	0.75%	0.43%	0.87%	0.62%	0.93%	0.94%	0.44%
Expected volatility	128.32%	95.00%	142.97%	117.64%	102.84%	99.64%	101.93%
Fair value	\$ 0.35	\$ 0.17	\$ 0.22	\$ 0.17	\$ 0.18	\$ 0.17	\$ 0.19

SCOTTIE RESOURCES CORP.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine-month period ended May 31, 2022 and 2021

(Expressed in Canadian dollars)

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

Share Purchase Warrants

The share purchase warrant continuity for the period ended May 31, 2022 is as follows:

Number Outstanding August 31, 2021	Granted	Exercised	Expired/Cancelled	Number Outstanding May 31, 2022	Exercise Price per Share	Expiry Date	Weighted Avg Remaining Contractual Life (in years)
10,600,000	-	-	(10,600,000)	-	\$ 0.30	Jan 16, 2022	-
758,457	-	-	(758,457)	-	\$ 0.24	May 14, 2022	-
2,332,000	-	-	-	2,332,000	\$ 0.34	Jun 8, 2022*	0.02
1,560,000	-	-	-	1,560,000	\$ 0.25	Jun 1, 2023	1.00
7,198,928	-	-	-	7,198,928	\$ 0.40	Jul 6, 2022*	0.10
11,234,889	-	-	-	11,234,889	\$ 0.40	Feb 11, 2023	0.70
-	1,128,000	-	-	1,128,000	\$ 0.30	April 22, 2024	1.90
33,684,274	1,128,000	-	(11,358,457)	23,453,817	\$ 0.35	(weighted average)	0.53

*Subsequent to period end, 9,530,928 share purchase warrants expired unexercised.

The share purchase warrant continuity for the year ended August 31, 2021 is as follows:

Number Outstanding August 31, 2020	Granted	Exercised	Expired/Cancelled	Number Outstanding August 31, 2021	Exercise Price per Share	Expiry Date	Weighted Avg Remaining Contractual Life (in years)
10,600,000	-	-	-	10,600,000	\$ 0.30	Jan 16, 2022	0.38
773,454	-	(14,997)	-	758,457	\$ 0.24	May 14, 2022	0.70
2,332,000	-	-	-	2,332,000	\$ 0.34	Jun 8, 2022	0.77
-	1,560,000	-	-	1,560,000	\$ 0.25	Jun 1, 2023	1.75
-	7,198,928	-	-	7,198,928	\$ 0.40	Jul 6, 2022	0.85
-	11,234,889	-	-	11,234,889	\$ 0.40	Feb 11, 2023	1.45
13,705,454	19,993,817	(14,997)	-	33,684,274	\$ 0.35	(weighted average)	0.93

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

Grant Date	Apr 22, 2022	Jul 16, 2021	Jul 16, 2021	Jun 1, 2021
Expiry Date	Apr 22, 2023	Feb 11, 2023	Jul 16, 2022	Jun 1, 2023
Expected life (years)	2	1.5	1	2
Expected dividend	\$ nil	\$ nil	\$ nil	\$ nil
Risk-free interest rate	2.65%	0.43%	0.43%	0.32%
Expected volatility	57.40%	81.71%	70.44%	78.53%
Fair value	\$ 0.04	\$ 0.05	\$ 0.02	\$ 0.11

SCOTTIE RESOURCES CORP.**Notes to the Condensed Consolidated Interim Financial Statements****For the three and nine-month period ended May 31, 2022 and 2021***(Expressed in Canadian dollars)***11. RELATED PARTY TRANSACTIONS**

- 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:

Related Party Name	Nature of Transactions
Red Fern Consulting Ltd. (" Red Fern "), a company related to Stephen Sulis	Consulting as CFO
Rhodanthe Corporate Services (" Rhodanthe "), a company related to Christina Boddy	Consulting as Corporate Secretary
Slater Corporate Services Corporation (" Slater "), a company related to Lisa Peterson	Consulting as Former CFO
Serac Exploration Ltd. (" Serac "), a company related to Bradley Rourke and Thomas Mumford	Geological consulting
YMI Inc. (" YMI "), a company related to Bradley Rourke	Consulting as CEO

The Company incurred the following fees in connection with 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.

	For the nine months ended May 31,	
	2022	2021
Professional fees – Red Fern	\$ 42,000	\$ 49,500
Professional fees – Rhodanthe	27,000	18,000
Professional fees – Slater	45,000	-
Exploration Expenses – Serac	437,615	-
Management fees – YMI	90,000	90,000
TOTAL	\$ 641,615	\$ 157,500

In addition to the fees paid above, the Company recognized \$96,379 (2021 - \$215,579) 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.

13. MANAGEMENT OF CAPITAL

The Company manages its common shares, stock options and warrants 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.

SCOTTIE RESOURCES CORP.**Notes to the Condensed Consolidated Interim Financial Statements****For the three and nine-month period ended May 31, 2022 and 2021***(Expressed in Canadian dollars)***13. MANAGEMENT OF CAPITAL (Cont'd...)**

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

For the period ended	May 31, 2022	May 31, 2021
Non-cash investing and financing activities:		
Shares issued under property acquisition option agreements.	\$ 92,500	\$ -
Recognition of flow-through premium liability	1,130,000	-
Broker warrants issued as share issuance costs	48,690	-
Share issuance costs in accounts payable	71,619	-
Acquisition of property and building with funds held on deposit in trust	-	435,485
Contributed surplus on broker warrants exercised	-	1,557