



**Condensed Interim Financial Statements**

**For the three and nine-month periods ended May 31, 2024 and 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>May 31, 2024</b>	<b>August 31, 2023</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 11,197,498	\$ 1,457,963
Amounts receivable (Note 4)	1,105,979	1,007,529
Prepaid expenses and advances (Note 5)	<u>212,069</u>	<u>242,316</u>
	<b>12,515,546</b>	<b>2,707,808</b>
<b>Non-current assets</b>		
Deposits	248,432	248,432
Property and equipment (Note 6)	680,922	738,350
Mineral properties (Note 7)	<u>4</u>	<u>5,841,371</u>
<b>Total assets</b>	<b>\$ 13,444,904</b>	<b>\$ 9,535,961</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 8)	\$ 454,082	\$ 2,604,714
<b>Non-current liabilities</b>		
Flow through liability (Note 9)	<u>758,660</u>	<u>-</u>
<b>Total liabilities</b>	<b><u>1,212,742</u></b>	<b><u>2,604,714</u></b>
<b>Equity</b>		
Share capital (Note 10)	51,764,821	46,182,523
Equity reserves (Note 10)	6,526,891	5,630,464
Deficit	<u>(46,059,550)</u>	<u>(44,881,740)</u>
<b>Total shareholders' equity</b>	<b><u>12,232,162</u></b>	<b><u>6,931,247</u></b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 13,444,904</b>	<b>\$ 9,535,961</b>

Nature of operations and going concern (Note 1)

Approved for issue by the Board of Directors on July 30, 2024.

On behalf of the Board of Directors:

*"Bradley Rourke"*

Bradley Rourke, Director

*"Ernest Mast"*

Ernest Mast, Director

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

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

	Three months Ended May 31, 2024	Three months Ended May 31, 2023	Nine months Ended May 31, 2024	Nine months Ended May 31, 2023
<b>EXPENSES</b>				
Exploration expenditures (Note 7, 11)	\$ 211,288	\$ 215,365	\$ 1,795,286	\$ 2,239,274
General and administrative (Note 11)	124,260	74,073	324,045	295,444
Advisory fee (Note 7)	736,120	-	736,120	-
Management and consulting fees (Note 11)	75,000	50,000	225,000	150,000
Marketing and investor relations	99,784	185,356	225,385	441,725
Professional fees (Note 11)	115,119	98,213	230,830	376,323
Share-based compensation (Note 10, 11)	<u>411,267</u>	<u>278,785</u>	<u>450,328</u>	<u>901,053</u>
	(1,772,838)	(901,792)	(3,986,994)	(4,403,819)
<b>OTHER ITEMS</b>				
Interest Income	70,867	-	89,302	-
Gain on sale of royalty (Note 7)	2,255,533	-	2,255,533	-
Foreign exchange loss	-	(853)	-	(12)
Gain on sale of equipment (Note 6)	-	-	-	8,475
Recovery of flow-through premium (Note 9)	<u>123,636</u>	<u>51,727</u>	<u>464,349</u>	<u>338,720</u>
<b>Income (loss) and comprehensive income (loss) for the period</b>	<b>\$ 677,198</b>	<b>\$ (850,918)</b>	<b>\$ (1,177,810)</b>	<b>\$ (4,056,636)</b>
Basic and diluted income (loss) per share	0.00	(0.00)	(0.00)	(0.02)
Weighted average number of common shares outstanding (Note 10)	297,108,121	265,982,562	292,135,797	248,692,463

*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 nine months ended,</b>	<b>May 31 ,2024</b>	<b>May 31 ,2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net loss for the period</b>	\$ (1,177,810)	\$ (4,056,636)
Adjustments for items not involving cash:		
Amortization (Note 6)	57,428	37,853
Advisory (Note 7)	208,299	-
Recovery of flow-through premium	(464,349)	(338,720)
Share-based compensation	450,328	901,053
Gain on sale of equipment	-	(8,475)
Gain on sale of royalty	<u>(2,255,533)</u>	<u>-</u>
	(3,181,637)	(3,464,925)
Net changes in non-cash working capital items:		
Amounts receivable	(98,450)	(88,312)
Prepaid expenses and advances	30,247	(508,446)
Accounts payable and accrued liabilities	<u>(2,150,632)</u>	<u>(2,817,270)</u>
<b>Net cash outflows from operating activities</b>	<u>(5,400,472)</u>	<u>(6,878,953)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of royalty	8,100,000	-
Acquisition of mineral property	<u>(3,100)</u>	<u>(102,500)</u>
<b>Net cash inflow (outflows) from investing activities</b>	<u>8,096,900</u>	<u>(102,500)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share capital issued	7,311,873	9,700,250
Proceeds from the exercise of stock options	-	43,375
Share issue costs	<u>(268,766)</u>	<u>(820,495)</u>
<b>Net cash inflows from financing activities</b>	<u>7,043,107</u>	<u>8,923,130</u>
<b>Net increase in cash during the period</b>	9,739,535	1,941,677
Cash, beginning of period	<u>1,457,963</u>	<u>3,539,530</u>
<b>Cash, end of period</b>	<b>\$ 11,197,498</b>	<b>\$ 5,481,207</b>

Supplemental disclosure with respect to cash flows – Note 14

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

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

	Number	Amount	Contributed 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	-	(820,495)	-	-	(820,495)
Warrants issued as finders' fees	-	(173,852)	173,852	-	-
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
Shares issued for stock options exercised	187,500	74,513	(31,138)	-	43,375
Share-based compensation	-	-	901,053	-	901,053
Loss and comprehensive loss	-	-	-	(4,056,636)	(4,056,636)
<b>Balance May 31, 2023</b>	<b>266,143,567</b>	<b>45,800,360</b>	<b>5,243,017</b>	<b>(29,864,329)</b>	<b>21,179,048</b>
Property acquisition	750,000	198,750	-	-	198,750
Shares issued for stock options exercised	1,000,000	183,413	(84,074)	-	99,339
Share-based compensation	-	-	471,521	-	471,521
Loss and comprehensive loss	-	-	-	(15,017,411)	(15,017,411)
<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	31,926,051	7,137,608	174,265	-	7,311,873
Share issuance costs	-	(268,766)	-	-	(268,766)
Warrants issued as finders' fees	-	(63,535)	63,535	-	-
Compensation warrants issued pursuant to Royalty Transaction (Note 7)	-	-	208,299	-	208,299
Flow-through premium	-	(1,223,009)	-	-	(1,223,009)
Share-based compensation	-	-	450,328	-	450,328
Loss and comprehensive loss	-	-	-	(1,177,810)	(1,177,810)
<b>Balance May 31, 2024</b>	<b>299,819,618</b>	<b>\$ 51,764,821</b>	<b>\$ 6,526,891</b>	<b>\$ (46,059,550)</b>	<b>\$ 12,232,162</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 nine-month period ended May 31, 2024 and 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 \$12,061,464 and has a history of losses and accumulated deficit of \$46,059,550 as at May 31, 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 for full annual financial statements.

## **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 May 31, 2024, the Company has recorded \$nil in asset retirement obligations.



**SCOTTIE RESOURCES CORP.****Notes to the Condensed Interim Financial Statements****For the three and nine-month period ended May 31, 2024 and 2023***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars)*

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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>May 31, 2024</b>	<b>August 31, 2023</b>
Cash and cash equivalents	FVTPL	\$ 11,197,498	\$ 1,457,963
Trade receivable	Amortized cost	\$ 5,281	\$ 71,379
Deposits	Amortized cost	\$ 248,432	\$ 248,432
Accounts payable	Amortized cost	\$ 454,082	\$ 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****For the three and nine-month period ended May 31, 2024 and 2023***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars)*

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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 May 31, 2024, the Company had accounts payable of \$454,082 which are due within 30 days or on demand.

**4. ACCOUNTS RECEIVABLE**

	May 31, 2024	August 31, 2023
Trade receivable	\$ 5,281	\$ 71,379
GST receivable	1,005,778	841,230
BCMETC receivable	94,920	94,920
<b>Total</b>	<b>\$ 1,105,979</b>	<b>\$ 1,007,529</b>

**SCOTTIE RESOURCES CORP.****Notes to the Condensed Interim Financial Statements****For the three and nine-month period ended May 31, 2024 and 2023***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars)***5. PREPAID EXPENSES AND ADVANCES**

		May 31, 2024	August 31, 2023
Exploration advances	\$	141,225	\$ 200,000
Prepaid expenses		70,844	42,316
<b>Total</b>	<b>\$</b>	<b>212,069</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 and May 31, 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	9,099	2,181	25,823	-	20,325	57,428
<b>Balance, May 31, 2024</b>	<b>\$ 52,519</b>	<b>\$ 5,683</b>	<b>\$ 92,096</b>	<b>\$ -</b>	<b>\$ 80,074</b>	<b>\$ 230,372</b>

**CARRYING AMOUNTS**

As at August 31, 2023	\$ 11,119	\$ 2,181	\$ 105,727	\$ 137,594	\$ 481,729	\$ 738,350
<b>As at May 31, 2024</b>	<b>\$ 2,020</b>	<b>\$ -</b>	<b>\$ 79,904</b>	<b>\$ 137,594</b>	<b>\$ 461,404</b>	<b>\$ 680,922</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%. During the period ended May 31, 2024, the Company granted a 2% gross production royalty on all of the mineral property interests held by Scottie to an arms length third-party, see *Royalty Transaction* section below.

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**
**For the three and nine-month period ended May 31, 2024 and 2023**
*(Unaudited – Prepared by Management)*
*(Expressed in Canadian dollars)*
**7. MINERAL PROPERTIES (Cont'd...)**
**Mineral Property Acquisition Costs by Project**

Acquisition costs				
Project	As at August 31, 2023	Cash	Royalty Sale	As at May 31, 2024
Cambria <sup>1</sup>	\$ 1,360,951	\$ 1,100	\$ (1,362,050)	\$ 1
Georgia River	201,609	2,000	(203,608)	1
Scottie Gold Mine	4,260,802	-	(4,260,801)	1
Tide North	18,009	-	(18,008)	1
<b>TOTAL</b>	<b>\$ 5,841,371</b>	<b>\$ 3,100</b>	<b>\$ (5,844,467)</b>	<b>\$ 4</b>

Acquisition costs						
Project	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
TOTAL	\$	14,174,311	\$ 104,954	\$ 953,250	\$ (9,391,144)	\$ 5,841,371

<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 nine-month period ended May 31, 2024			
	Scottie Gold Mine	Cambria Project	Total
Drilling expense	\$ 164,326	\$ -	\$ 164,326
Geochemical and mapping	375,354	8,871	384,225
Technical and geological consulting	876,848	96,032	972,880
Licence and permits	11,570	-	11,570
Camp and field costs	234,692	27,593	262,285
<b>TOTAL</b>	<b>\$ 1,662,790</b>	<b>\$ 132,496</b>	<b>\$ 1,795,286</b>

For the nine-month period ended May 31, 2023			
	Scottie Gold Mine	Cambria Project	Total
Drilling expense	\$ 590,037	\$ -	\$ 590,037
Geochemical and mapping	469,728	-	469,728
Technical and geological consulting	744,572	50,016	794,588
Licence and permits	6,088	-	6,088
Camp and field costs	376,539	2,294	378,833
<b>TOTAL</b>	<b>\$ 2,186,964</b>	<b>\$ 52,310</b>	<b>\$ 2,239,274</b>

**SCOTTIE RESOURCES CORP.****Notes to the Condensed Interim Financial Statements****For the three and nine-month period ended May 31, 2024 and 2023***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars)*

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

During the nine-month period ended May 31, 2024, the Company entered into an agreement with Franco-Nevada Corp ("Franco-Nevada") pursuant to which the Company granted of a 2% gross production royalty (the "Royalty") to Franco-Nevada Corp for gross proceeds of \$8,100,000 (the "Royalty Transaction"). The Royalty applies to all minerals produced on the Company's claims in the Stewart Mining Camp in the Golden Triangle, including those claims which are held under option by the Company and any claims subsequently acquired by the Company within an 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 the Company to proceed with construction of a project or acceptance by Scottie of a project study on its properties (the "Additional Royalty").

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 with a fair value of \$246,650 for acting as financial advisors in connection with the Royalty Transaction and a charity flow-through financing (note 10). Each common share purchase warrant is exercisable at a price of \$0.19 for a period of two years. The Company allocated \$527,821 of the cash fee and \$208,299 of the fair value of the compensation warrants to advisory fee's and the remaining \$97,179 of the cash fee and \$38,351 of the fair value of the compensation were allocated to share issuance costs.

In connection with the Royalty Transaction, the Company recognized a recovery against capitalized mineral property acquisition costs of \$5,841,367 and recognized a gain on sale of royalty of \$2,255,533.

**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.

**SCOTTIE RESOURCES CORP.**

**Notes to the Condensed Interim Financial Statements**

**For the three and nine-month period ended May 31, 2024 and 2023**

*(Unaudited – Prepared by Management)*

*(Expressed in Canadian dollars)*

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

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

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.

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.

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

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

#### 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 period ended May 31, 2024, 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. 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.

#### 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.

**SCOTTIE RESOURCES CORP.****Notes to the Condensed Interim Financial Statements****For the three and nine-month period ended May 31, 2024 and 2023***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars)***7. MINERAL PROPERTIES (Cont'd...)****Georgia River Project**Exdale

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

Georgia River

The Georgia 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>May 31, 2024</b>	<b>August 31, 2023</b>
Accounts payable	\$ 311,883	\$ 2,038,354
Accrued liabilities	71,575	329,966
Payroll liability	2,898	2,898
Amounts payable to related parties (Note 11)	67,726	233,496
<b>TOTAL</b>	<b>\$ 454,082</b>	<b>\$ 2,604,714</b>

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

During the nine-month period ended May 31, 2024, the Company:

- Received \$4,170,324 in flow-through funds (2023 - \$4,000,150) and recognized \$1,223,009 (2023 - \$1,314,335) in flow-through premium.
- Incurred eligible flow through expenditures of \$1,682,049 (2023 - \$1,497,097).
- Reported a recovery of flow through premium of \$464,349 (2023 - \$338,720), and as at May 31, 2024 had a remaining flow through liability of \$758,660 (August 31, 2023 - \$nil).

As at May 31, 2024, the Company had \$2,488,274 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 May 31, 2024, the Company had 299,819,618 (August 31, 2023 – 267,893,567) common shares issued and outstanding.

During the nine-month period ended May 31, 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%.

## **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%.

- 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 gross proceeds of \$1,491,323 in connection with the Royalty Transaction (note 7).

Agentis Capital Mining Partners were paid a cash fee of \$625,000 and issued 3,000,000 common share purchase warrants with a fair value of \$246,650 for acting as financial advisors in connection with the Royalty Transaction. Each common share purchase warrant is exercisable at a price of \$0.19 for a period of two years. The Company allocated \$97,179 of the cash fee and \$38,351 of the value of the warrants to share issuance costs. The share purchase warrants were valued using the Black-Scholes pricing methodology. The Company used the following assumptions when valuing the share purchase warrants: volatility of 59.98%, risk-free interest rate of 4.23%, life of 2 years, dividend yield of 0% and forfeiture rate of 0%. In connection with the private placement the Company incurred professional and other share issuance costs of \$10,274.

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.

## **10. SHARE CAPITAL**

### **b) Share Issuance**

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).
- 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.

### **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.

**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**
**c) Stock Options Outstanding**

The stock option continuity for the nine-month period ended May 31, 2024 is as follows:

Number Outstanding August 31, 2023	Granted	Exercised	Expired/ Cancelled	Number Outstanding May 31, 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	-
1,400,000	-	-	-	1,400,000	\$ 0.195	Sep 17, 2024	0.30
50,000	-	-	(50,000)	-	\$ 0.225	Feb 3, 2024	-
3,375,000	-	-	-	3,375,000	\$ 0.215	May 25, 2025	0.98
200,000	-	-	(100,000)	100,000	\$ 0.255	Jan 13, 2026	1.62
2,100,000	-	-	(300,000)	1,800,000	\$ 0.25	Apr 19, 2026	1.88
100,000	-	-	-	100,000	\$ 0.25	May 21, 2026	1.97
1,300,000	-	-	-	1,300,000	\$ 0.42	Jul 8, 2025	1.10
1,050,000	-	-	(250,000)	800,000	\$ 0.23	Mar 22, 2027	2.81
2,354,000	-	-	-	2,354,000	\$ 0.18	Sep 8, 2027	3.27
4,850,000	-	-	(150,000)	4,700,000	\$ 0.27	Jan 16, 2028	3.63
-	7,400,000	-	-	7,400,000	\$ 0.195	Apr 17, 2029	4.88
17,779,000	7,400,000	-	(1,850,000)	23,329,000	\$ 0.23	(weighted average)	3.10
Exercisable				17,779,000	\$ 0.24	(weighted average)	2.54

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
12,875,000	7,204,000	(1,187,500)	(1,112,500)	17,779,000	\$ 0.25	(weighted average)	2.88
Exercisable				16,304,000	\$ 0.24	(weighted average)	2.75

**SCOTTIE RESOURCES CORP.**
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*(Expressed in Canadian dollars)*
**10. SHARE CAPITAL (Cont'd...)**
**c) Stock Options Outstanding (Cont'd...)**

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 nine-month periods ended May 31, 2024, the Company granted 7,400,000 (2023 – 7,204,000) stock options and recorded \$450,328 (2023 - \$901,053) in stock-based compensation expense for options granted and vested during the period.

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

Grant Date	Apr 17, 2024	Jan 16, 2023	Sep 8, 2022	Mar 22, 2022
Expiry Date	Apr 17, 2029	Jan 16, 2028	Sep 8, 2027	Mar 22, 2027
Expected life (years)	5	5	5	5
Expected dividend	\$ nil	\$ nil	\$ nil	\$ nil
Risk-free interest rate	3.73%	2.86%	3.20%	2.25%
Expected volatility	81.12%	105.05%	113.99%	117.00%
Fair value	\$ 0.12	\$ 0.21	\$ 0.15	\$ 0.16

**d) Share Purchase Warrants**

The share purchase warrant continuity for the three and nine-month period ended May 31, 2024 is as follows:

Number Outstanding August 31, 2023	Granted	Exercised	Expired/ Cancelled	Number Outstanding May 31, 2024	Exercise Price per Share	Expiry Date	Weighted Avg Remaining Contractual Life (in years)
1,128,000	-	-	(1,128,000)	-	\$ 0.30	April 22, 2024	-
18,823,530	-	-	-	18,823,530	\$ 0.25	Sep 26, 2024	0.32
819,300	-	-	-	819,300	\$ 0.25	Oct 7, 2024	0.35
1,372,771	-	-	-	1,372,771	\$ 0.23	Feb 16, 2025	0.72
-	2,492,500	-	-	2,492,500	\$ 0.35	Oct 4, 2025	1.35
-	236,100	-	-	236,100	\$ 0.23	Oct 4, 2025	1.35
-	5,555,555	-	-	5,555,555	\$ 0.28	Jan 22, 2027	2.65
-	3,435,555	-	-	3,435,555	\$ 0.28	Feb 23, 2027	2.73
-	3,000,000	-	-	3,000,000	\$ 0.19	Apr 15, 2026	1.87
22,143,601	14,719,710	-	(1,128,000)	35,735,311	\$ 0.26	(weighted average)	1.14

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
13,922,889	21,015,601	-	(12,794,889)	22,143,601	\$ 0.25	(weighted average)	1.08

**SCOTTIE RESOURCES CORP.****Notes to the Condensed Interim Financial Statements****For the three and nine-month period ended May 31, 2024 and 2023***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars)***10. SHARE CAPITAL (Cont'd...)****d) Share Purchase Warrants (Cont'd...)**

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

<b>Grant Date</b>	<b>Apr 15, 2024</b>	<b>Feb 23, 2024</b>	<b>Oct 4, 2023</b>	<b>Feb 16, 2023</b>	<b>Oct 7, 2022</b>	<b>Apr 22, 2022</b>
Expiry Date	Apr 15, 2026	Feb 23, 2027	Oct 4, 2024	Feb 16, 2025	Oct 7, 2024	Apr 22, 2024
Expected life (years)	2	3	2	2	2	2
Expected dividend	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil
Risk-free interest rate	4.23%	3.93%	4.90%	4.14%	4.05%	2.65%
Expected volatility	59.98%	59.94%	60.91%	62.15%	64.95%	70.30%
Fair value	\$ 0.08	\$ 0.04	\$ 0.06	\$ 0.09	\$ 0.06	\$ 0.06

**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 nine-month period ended May 31,</b>	<b>2024</b>	<b>2023</b>
Management fees – YMI	\$ 150,000	\$ 150,000
Professional fees – Rhodanthe	27,000	27,000
Professional fees – Red Fern	67,500	67,750
Exploration Expenses – 1255483	172,494	155,000
Exploration Expenses – Serac	676,726	584,812
<b>TOTAL</b>	<b>\$ 1,093,720</b>	<b>\$ 984,562</b>

In addition to the fees paid above, the Company recognized \$349,141 (2023 - \$360,071) in share-based compensation related to the granting and vesting of stock options to the officers and directors of the Company.

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**11. RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd...)**

- 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, 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 nine-month period ended May 31,</b>		<b>2024</b>	<b>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		63,535	173,852
Recognition of flow-through premium liability		1,223,009	1,314,335