

**Scotch Creek Ventures Inc.**  
**Condensed Interim Consolidated Financial Statements**  
**For the nine months ended**  
**September 30, 2022**  
**Unaudited – Prepared by Management**  
**(Expressed in Canadian Dollars)**

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

The accompanying unaudited condensed interim consolidated financial statements for Scotch Creek Ventures Inc. (the "Company") have been prepared by management in accordance with International Financing Reporting Standards (IAS 34). These condensed interim consolidated financial statements are the responsibility of management are unaudited and have not been reviewed by the Company's auditors with the disclosure requirements of National Instruments 51-102 released by the Canadian Securities Administrators.

The Company's Audit Committee and Board of Directors has reviewed and approved these condensed interim consolidated financial statements.

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**Scotch Creek Ventures Inc.****Condensed Interim Consolidated Statements of Financial Position****Unaudited – Prepared by Management**

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**As at September 30, 2022 and December 31, 2021**

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	Note	September 30, 2022 \$	December 31, 2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash		2,877,698	6,220,442
Prepaid expenses		-	408,356
Receivables	3	120,822	71,646
		<b>2,998,520</b>	<b>6,700,444</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	5	7,539,045	3,583,753
		<b>7,539,045</b>	<b>3,583,753</b>
<b>Total assets</b>		<b>10,537,565</b>	<b>10,284,197</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	9	66,726	128,782
<b>Total liabilities</b>		<b>66,726</b>	<b>128,782</b>
<b>Shareholders' equity</b>			
Share capital	7	15,031,109	11,909,998
Reserves	7	1,209,515	892,794
Deficit		(5,769,785)	(2,647,377)
<b>Total shareholders' equity</b>		<b>10,470,839</b>	<b>10,155,415</b>
<b>Total liabilities and shareholders' equity</b>		<b>10,537,565</b>	<b>10,284,197</b>
Nature of operations and going concern	1		
Events after the reporting period	14		

Approved on behalf of the Board of Directors on November 25, 2022:

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*"David Ryan"*

Director

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*"Logan Anderson"*

Director

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

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**Scotch Creek Ventures Inc.****Condensed Interim Consolidated Statements of Changes in Shareholders' Equity****Unaudited – Prepared by Management**

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**For the nine months ended September 30, 2022 and September 30, 2021**

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	<b>Number of shares #</b>	<b>Share capital \$</b>	<b>Reserves \$</b>	<b>Deficit \$</b>	<b>Total shareholders' equity \$</b>
January 1, 2021	15,549,265	627,208	32,441	(601,105)	58,544
Share-based payments	-	-	467,240	-	467,240
Warrants exercised	3,000,000	360,000	-	-	360,000
Private placement units issued	6,566,120	2,298,142	-	-	2,298,142
Share issue costs	-	(318,915)	221,455	-	(97,460)
Shares issued for exploration and evaluation assets	3,500,000	2,730,000	-	-	2,730,000
Loss and comprehensive loss for the period	-	-	-	(1,629,644)	(1,629,644)
<b>September 30, 2021</b>	<b>28,615,385</b>	<b>5,696,435</b>	<b>721,136</b>	<b>(2,230,749)</b>	<b>4,186,822</b>
January 1, 2022	42,011,985	11,909,998	892,794	(2,647,377)	10,155,415
Share-based payments	-	-	487,642	-	487,642
Stock options exercised	150,000	12,000	-	-	12,000
Fair value reversal - stock options exercised	-	1,050	(1,050)	-	-
Warrants exercised	916,379	458,190	-	-	458,190
Fair value reversal - warrants exercised	-	21,608	(21,608)	-	-
Fair value reversal - warrants expired	-	148,263	(148,263)	-	-
Shares issued for exploration and evaluation assets	3,100,000	2,480,000	-	-	2,480,000
Loss and comprehensive loss for the period	-	-	-	(3,122,408)	(3,122,408)
<b>September 30, 2022</b>	<b>46,178,364</b>	<b>15,031,109</b>	<b>1,209,515</b>	<b>(5,769,785)</b>	<b>10,470,839</b>

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

**Scotch Creek Ventures Inc.**

**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

**Unaudited – Prepared by Management**

**For the three and nine months ended September 30,**

	Note	Three months ended		Nine months ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
		\$	\$	\$	\$
<b>Expenses</b>					
Advertising and marketing expenses		159,724	123,530	1,238,906	534,119
Consulting fees		44,000	-	207,000	-
Directors' fees	9	9,000	3,000	26,000	9,000
Interest expense, net	9	-	-	-	505
Management fees	9	51,000	60,000	153,000	180,000
Office and administrative expenses		28,000	24,192	80,230	74,283
Professional fees		50	958	11,238	48,114
Rent expense	9	7,800	11,500	23,300	26,500
Share-based payments	7,9	-	325,000	487,642	467,240
Social media and other		69,126	64,500	855,294	264,585
Travel and related fees		12,477	2,616	39,798	25,298
<b>Loss and comprehensive loss for the period</b>		<b>(381,177)</b>	<b>(615,296)</b>	<b>(3,122,408)</b>	<b>(1,629,644)</b>
<b>Loss per share</b>					
<b>Weighted average number of common shares outstanding</b>					
- basic #	8	<b>46,178,364</b>	28,615,385	<b>45,577,991</b>	23,593,753
- diluted #	8	<b>46,178,364</b>	28,615,385	<b>45,577,991</b>	23,593,753
<b>Basic loss per share \$</b>	8	<b>(0.01)</b>	(0.02)	<b>(0.07)</b>	(0.07)
<b>Diluted loss per share \$</b>	8	<b>(0.01)</b>	(0.02)	<b>(0.07)</b>	(0.07)

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

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**Scotch Creek Ventures Inc.****Condensed Interim Consolidated Statements of Cash Flows****Unaudited – Prepared by Management**

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**For the nine months ended September 30,**

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	Note	2022 \$	2021 \$
<b>Operating activities</b>			
Loss for the period		(3,122,408)	(1,629,644)
Adjustments for:			
Share-based payments		487,642	467,240
Net change in non-cash working capital items	11	325,364	(130,541)
		<b>(2,309,402)</b>	<b>(1,292,945)</b>
<b>Financing activities</b>			
Promissory notes	6	-	(116,000)
Issue of common shares for cash		470,190	2,658,142
Share issue costs		-	(97,460)
		<b>470,190</b>	<b>2,444,682</b>
<b>Investing activities</b>			
Exploration and evaluation expenditures		(1,503,532)	(500,059)
		<b>(1,503,532)</b>	<b>(500,059)</b>
<b>Change in cash</b>		<b>(3,342,744)</b>	651,678
<b>Cash, beginning of period</b>		<b>6,220,442</b>	33,984
<b>Cash, end of period</b>		<b>2,877,698</b>	685,662

**Supplemental cash flow information**

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

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**Scotch Creek Ventures Inc.****Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

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**For the nine months ended September 30, 2022 and September 30, 2021**

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**1. Nature of operations and going concern**

Scotch Creek Ventures Inc. (the “Company”) was incorporated on January 9, 2017 under the laws of the Province of British Columbia, Canada. The Company’s head office and records office is located at 1140 – 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. Its main business activity is the acquisition, exploration and evaluation of mineral property interests located in the United States. These condensed interim consolidated financial statements (the “financial statements”) of the Company as at September 30, 2022 and December 31, 2021 and for the three and nine months ended September 30, 2022 and September 30, 2021 comprise the Company and its subsidiaries (note 4). The Company’s common shares trade on the Canadian Securities Exchange (“CSE”).

The Company is in the process of exploring its mineral property interests and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company’s continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition of the mineral property interests.

These financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, the Company does not have revenues and historically has recurring operating losses. As at September 30, 2022, the Company had working capital of \$2,931,794 (December 31, 2021 – \$6,571,662) and shareholders’ equity of \$10,470,839 (December 31, 2021 - \$10,155,415). Management has assessed that this working capital is sufficient for the Company to continue as a going concern beyond one year. If the going concern assumption were not appropriate for these financial statements, it could be necessary to restate the Company’s assets and liabilities on a liquidation basis.

The continued impact of the COVID-19 pandemic could include significant COVID-19 specific costs, volatility in the prices for gold and other metals, logistical challenges and delays, additional travel restrictions, and workforce interruptions. Depending on the duration and extent of the impact of COVID-19, this could materially impact the Company’s results of operations, cash flows and financial condition. To date, the restricted nature of the Company’s activities has not qualified it for the various Government wage and loan subsidies.

**2. Basis of preparation****(a) Statement of compliance**

These financial statements have been prepared in conformity with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company’s annual audited consolidated financial statements for the year ended December 31, 2021, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). It is suggested that these financial statements be read in conjunction with the annual audited financial statements.

Further, these financial statements have been prepared on an historical cost basis, except for financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts on the financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

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**Scotch Creek Ventures Inc.****Notes to the Condensed Interim Consolidated Financial Statements  
Unaudited – Prepared by Management**

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**For the nine months ended September 30, 2022 and September 30, 2021**

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**2. Basis of preparation** (continued)**(b) Principles of consolidation**

These financial statements include the balances and results of the Company and those entities over which the Company exercises control. Control is achieved where the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain the benefits from its operations.

These financial statements include the assets, liabilities, income and expenses of the Company and its wholly-owned subsidiaries (note 4). All intercompany transactions and balances have been eliminated on consolidation.

**(c) Significant accounting policies**

The accounting policies, estimates and critical judgments, methods of computation and presentation applied in these financial statements are consistent with those of the most recent annual audited consolidated financial statements and are those the Company expects to adopt in its annual consolidated financial statements for the year ended December 31, 2022. Accordingly, these financial statements should be read in conjunction with the Company's most recent annual audited consolidated financial statements.

**(d) New accounting standards**

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2022. The Company has reviewed these updates and determined that many of these updates are not applicable or consequential to the Company and have been excluded from discussion within these significant accounting policies.

**3. Receivables**

Receivables consist of the following:

	<b>September 30, 2022</b>	December 31, 2021
	<b>\$</b>	<b>\$</b>
Sales tax recoverable	120,822	50,010
Other receivables	-	21,636
	<b>120,822</b>	<b>71,646</b>

**4. Subsidiary information**

On January 10, 2019, the Company incorporated a wholly-owned subsidiary company, Scotch Creek Ventures (NV) Inc. in the State of Nevada, USA, to facilitate the exploration of its mining claims (note 5).

On August 5, 2021, the Company incorporated a wholly-owned subsidiary company, Whiskey Glen Ventures Inc. under the laws of the Province of British Columbia, Canada.

From incorporation to September 30, 2022, the subsidiaries did not have any transactions other than to issue nominal share capital to the Company. The head office and records office of the subsidiaries is the same as the Company.



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**Scotch Creek Ventures Inc.****Notes to the Condensed Interim Consolidated Financial Statements**  
**Unaudited – Prepared by Management**

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**For the nine months ended September 30, 2022 and September 30, 2021**

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**5. Exploration and evaluation assets**

The Company's mineral property interests consist of exploration stage properties located in Nevada, USA.

	<b>Clayton Valley Claims</b>	<b>Cupz Claims</b>	<b>Miranda Claims</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
January 1, 2021	-	260,625	-	260,625
Acquisitions/staking/assessments	3,004,176	9,140	-	3,013,316
Exploration and evaluation	216,743	-	-	216,743
<b>September 30, 2021</b>	<b>3,220,919</b>	<b>269,765</b>	<b>-</b>	<b>3,490,684</b>
January 1, 2022	3,312,758	270,995	-	3,583,753
Acquisitions/staking/assessments	23,787	-	2,911,450	2,935,237
Exploration and evaluation	767,182	965	251,908	1,020,055
<b>September 30, 2022</b>	<b>4,103,727</b>	<b>271,960</b>	<b>3,163,358</b>	<b>7,539,045</b>

Exploration and evaluation expenditures on the projects consisted of the following:

	<b>Clayton Valley Claims</b>	<b>Cupz Claims</b>	<b>Miranda Claims</b>	<b>Total</b>
<b>Nine months ended September 30, 2022</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Assays	11,625	-	-	11,625
Drilling	251,266	-	-	251,266
Geophysics, seismic	409,969	-	198,722	608,691
Gravity, other	18,174	-	-	18,174
Reports, mapping	76,148	965	53,186	130,299
<b>Total</b>	<b>767,182</b>	<b>965</b>	<b>251,908</b>	<b>1,020,055</b>

**Clayton Valley Claims**

On June 9, 2021 the Company acquired two lithium properties in the Clayton Valley, Nevada. The two properties, the Highlands West and Macallan East, are located in the Clayton Valley district of Nevada.

The Company issued 3,500,000 common shares at a fair value of \$2,730,000 (note 7) for 100% ownership of these claims and paid various BLM fees, County filing fees, and staking costs.

The Highlands West project consists of a series of placer claims and is located on the southwest side of the Clayton Valley, Nevada.

The Macallan East property consists of a series of claims and is located on the southeast side of the Clayton Valley, Nevada.

**Cupz Claims**

On July 12, 2017, the Company entered into a purchase agreement with Curellie LLC ("Curellie") of Elko, Nevada to acquire a 100% undivided interest in the Cupz unpatented lode claims located in Esmeralda County, Nevada.

The terms of the agreement are an outright purchase of the property for \$17,000 (paid) with a 3% net smelter return ("NSR") royalty to Curellie. At any time, the Company may reduce the NSR to 2% by paying \$500,000 to Curellie or to 1% by paying \$1,000,000.

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**Scotch Creek Ventures Inc.****Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

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**For the nine months ended September 30, 2022 and September 30, 2021**

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**5. Exploration and evaluation assets (continued)****Miranda Claims**

On February 1, 2022, the Company entered into a purchase agreement with Miranda Holding Ltd. (“Miranda”) of Henderson, Nevada to acquire a 100% undivided interest in the Miranda unpatented lode claims located in Esmeralda County, Nevada.

The terms of the agreement are an outright purchase of the property for consideration of 3,100,000 common shares of the Company (issued, at a fair value of \$2,480,000) (note 7) and the payment of USD \$120,000 (paid).

**6. Promissory notes**

On March 26, 2020, the Company issued a \$11,000 promissory note to a company that is controlled by a Director. The note bore interest at a rate of 10% and was payable on demand. During the year ended December 31, 2021, the principal of this note was repaid, along with accrued interest of \$925.

On April 21, 2020, the Company issued a \$25,000 promissory note to an arm’s length party which bore interest at a rate of 10% per annum and was due on or before April 21, 2022. During the year ended December 31, 2021, the principal of this note was repaid, along with accrued interest of \$2,172.

On October 17 and October 23, 2019, the Company issued two promissory notes for \$30,000 each (\$60,000 in total) to arm’s length parties. The notes bore interest at a rate of 10% per annum and were due on March 17, 2021 and April 23, 2021. During the year ended December 31, 2021, the principal of these notes was repaid, along with accrued interest of \$7,457.

On May 23, 2018, the Company issued a two-year promissory note to an arm’s length party for \$20,000 which bore interest at a rate of 10% per annum and was due on or before May 23, 2020. During the year ended December 31, 2021, the principal of this note was repaid, along with accrued interest of \$4,872.

**7. Share capital**

The authorized share capital of the Company consists of unlimited common shares without par value, and unlimited preferred shares without par value. No preferred shares have been issued from incorporation to September 30, 2022. All issued shares are fully paid.

**Transactions for the issue of share capital during the nine months ended September 30, 2022:**

- a) During the nine months ended September 30, 2022, the Company issued 150,000 common shares pursuant to the exercise of stock options for gross proceeds of \$12,000. In connection with the exercise, the Company reversed the original fair value of \$1,050 from reserves and credited the amount to share capital.
- b) During the nine months ended September 30, 2022, the Company issued 916,379 common shares pursuant to the exercise of warrants for gross proceeds of \$458,190. In connection with the exercise of certain finders’ warrants, the Company reversed the original fair value of \$21,608 from reserves and credited the amount to share capital.
- c) On February 6, 2022, the Company issued 3,100,000 common shares with a fair value of \$2,480,000 (\$0.80 per share) in connection with the acquisition of the Miranda Claims (note 5).

**Transactions for the issue of share capital during the nine months ended September 30, 2021:**

- a) During the nine months ended September 30, 2021, the Company issued 3,000,000 common shares pursuant to the exercise of warrants for gross proceeds of \$360,000.
- b) On April 26, 2021, the Company closed a private placement of 6,566,120 units at \$0.35 per unit for gross proceeds of \$2,298,142. Each unit consisted of one common share and one share purchase warrant entitling the holder to acquire one additional common share at \$0.50 for a period of two years. No residual value was allocated to the warrant component of the units.

In connection with the unit offering, the Company paid finder’s fees totaling \$97,460 and issued 344,637 finders’ warrants with a fair value of \$221,455. The finders’ warrants were exercisable at a price of \$0.50 for a period of one year.

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**Scotch Creek Ventures Inc.****Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

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**For the nine months ended September 30, 2022 and September 30, 2021**

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**7. Share capital (continued)****Transactions for the issue of share capital  
during the nine months ended September 30, 2021:** (continued)

- c) During the nine months ended September 30, 2021, the Company issued 3,500,000 common shares in connection with the acquisition of the Clayton Valley Nevada claims at a fair value \$2,730,000 (\$0.78 per share) (note 5).

**Escrowed securities**

Of a total of 3,700,001 common shares initially subject to escrow requirements, none remain held in escrow as at September 30, 2022 or December 31, 2021. As at December 31, 2020, 1,110,001 remained in escrow. The original escrowed shares were being released at a rate of 15% every 6 months from the starting date of December 28, 2019.

**Stock options**

On May 30, 2018, the Company adopted a Stock Option Plan (the "Plan") providing for the grant to the Company's Officers, Directors, employees, permitted consultants, and, management company employees, of options to purchase common shares of the Company. Under the Plan, the Company may grant options to purchase up to 10% of the issued and outstanding shares of the Company.

**Stock options granted during the nine months ended September 30, 2022:**

On January 26, 2022, the Company granted 1,000,000 stock options to Directors, Officers, and consultants in accordance with the terms of the Company's Plan. The stock options are exercisable at \$0.69 per share for a period of three years from the date of grant, expiring January 26, 2025, and vest immediately.

The Company has recorded the fair value of the options granted using the Black-Scholes option pricing model. Share-based payment expense was calculated using the following assumptions: expected life of options – 3.0 years, expected stock price volatility – 120%, no dividend yield, and a risk-free interest rate yield – 1.22%. Using these assumptions, the fair value of the options granted was \$0.49 per option, for a total of \$487,642.

**Stock options granted during the year ended December 31, 2021:**

On March 2, 2021, the Company granted 450,000 stock options to consultants in accordance with the terms of the Company's Plan. The stock options are exercisable at \$0.45 per share for a period of three years from the date of grant, expiring March 2, 2024, and vested immediately.

On July 12, 2021, the Company granted 200,000 stock options to consultants in accordance with the terms of the Company's Plan. The stock options are exercisable at \$0.89 per share for a period of three years from the date of grant, expiring July 12, 2024, and vested immediately.

On September 9, 2021, the Company granted 660,000 stock options to consultants in accordance with the terms of the Company's Plan. The stock options are exercisable at \$0.50 per share for a period of two years from the date of grant, expiring September 9, 2023, and vested immediately.

The Company had recorded the fair value of all options granted using the Black-Scholes option pricing model. Share-based payment expense was calculated using the following weighted average assumptions: expected life of options – 2.5 years, expected stock price volatility – 120%, no dividend yield, and a risk-free interest rate yield – 0.35%. Using these assumptions, the weighted average fair value of options granted during the year ended December 31, 2021 was \$0.36 per option, for a total of \$467,240.

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**Scotch Creek Ventures Inc.****Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

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**For the nine months ended September 30, 2022 and September 30, 2021**

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**7. Share capital** (continued)**Stock options** (continued)

A summary of the status of the Company's stock options as at September 30, 2022, and December 31, 2021 and changes during the period/year then ended is as follows:

	Period ended September 30, 2022		Year ended December 31, 2021	
	Options #	Weighted average exercise price \$	Options #	Weighted average exercise price \$
Options outstanding, beginning of period/year	2,710,000	0.30	1,400,000	0.08
Granted	1,000,000	0.69	1,310,000	0.54
Exercised	(150,000)	0.08	-	-
<b>Options outstanding, end of period/year</b>	<b>3,560,000</b>	<b>0.42</b>	<b>2,710,000</b>	<b>0.30</b>

As at September 30, 2022, the Company has stock options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Exercise price \$	Expiry date
1,250,000	1,250,000	0.08	July 15, 2023
660,000	660,000	0.50	September 9, 2023
450,000	450,000	0.45	March 2, 2024
200,000	200,000	0.89	July 12, 2024
1,000,000	1,000,000	0.69	January 26, 2025
<b>3,560,000</b>	<b>3,560,000</b>		

The following table summarizes information about the stock options outstanding as at September 30, 2022:

Exercise price \$	Options #	Weighted average remaining life (years)	Weighted average exercise price \$
0.08 - 0.45	1,700,000	0.96	0.18
0.50 - 0.89	1,860,000	1.78	0.64
	<b>3,560,000</b>	<b>1.39</b>	<b>0.42</b>

The total share-based payment expense for the nine months ended September 30, 2022 was \$487,642 (2021 - \$467,240) which is presented as an operating expense and includes only options that vested during the period.

**Warrants**

As an incentive to complete private placements the Company may issue units which include common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to the units sold in completed private placements. In addition, finders' warrants may be issued as a private placement share issue cost and are valued using the Black-Scholes option pricing model.

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**Scotch Creek Ventures Inc.****Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

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**For the nine months ended September 30, 2022 and September 30, 2021**

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**7. Share capital (continued)****Warrants (continued)**

A summary of the status of the Company's warrants as at September 30, 2022, and December 31, 2021 and changes during the period/year then ended is as follows:

	Period ended September 30, 2022		Year ended December 31, 2021	
	Warrants #	Weighted average exercise price \$	Warrants #	Weighted average exercise price \$
Warrants outstanding, beginning of period/year	20,242,897	0.66	3,000,000	0.12
Issued	-	-	20,579,397	0.66
Exercised	(916,379)	0.50	(3,336,500)	0.16
Expired	(274,615)	0.50	-	-
<b>Warrants outstanding, end of period/year</b>	<b>19,051,903</b>	<b>0.67</b>	<b>20,242,897</b>	<b>0.66</b>

As at September 30, 2022, the Company has warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Exercise price \$	Expiry date
638,540	638,540	0.50	December 14, 2022
5,353,263	5,353,263	0.50	April 26, 2023
2,898,000	2,898,000	0.75	December 13, 2023
9,722,100	9,722,100	0.75	December 14, 2023
440,000	440,000	0.75	December 21, 2023
<b>19,051,903</b>	<b>19,051,903</b>		

During the nine months ended September 30, 2022, 274,615 finders' warrants expired unexercised. In connection with the expiration, the Company reversed the original fair value of \$148,263 from reserves and credited the amount to share capital.

**Reserves**

Reserves include the accumulated fair value of stock options recognized as share-based payments and the fair value of finders' warrants issued on private placements completed. Reserves is increased by the fair value of these items on vesting and is reduced by corresponding amounts when the options or warrants are exercised.

**8. Loss per share**

The calculation of basic and diluted loss per share for the nine months ended September 30, 2022 was based on the loss of \$3,122,408 (2021 – \$1,629,644) and a weighted average number of common shares outstanding of 45,577,991 (2021 – 23,593,753).

All stock options and warrants were excluded from the diluted weighted average number of shares calculation, as their effect would have been anti-dilutive.

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**Scotch Creek Ventures Inc.****Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

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**For the nine months ended September 30, 2022 and September 30, 2021**

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**9. Related party payables and transactions**

A number of key management personnel and Directors hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. There were no loans to key management personnel or Directors, or entities over which they have control or significant influence during the nine months ended September 30, 2022 or September 30, 2021.

During the nine months ended September 30, 2022, the Company paid or accrued:

- \$26,000 (2021 - \$9,000) in Directors' fees to three independent Directors;
- \$153,000 (2021 - \$180,000) in management fees to companies controlled by two Officers and Directors; and
- \$23,300 (2021 - \$26,500) in rent to a company controlled by two Directors.

As at September 30, 2022, \$15,895 (December 31, 2021 - \$10,871) is owing to Directors, Officers and/or companies controlled by Directors and/or Officers and included in accounts payable and accrued liabilities.

During the nine months ended September 30, 2022, 500,000 stock options were granted to key management personnel, having a fair value on issue of \$243,821. There were no stock options granted to key management personnel during the nine months ended September 30, 2021.

During the nine months ended September 30, 2021, the Company repaid a \$11,000 promissory note owing to a company controlled by a Director (note 6). In connection with the note, \$925 in interest was paid to the company.

**10. Segmented information**

The Company's operations are limited to a single industry, being the acquisition, exploration and evaluation of mining projects. Geographic segment information of the Company's total assets as at September 30, 2022 and December 31, 2021 is as follows:

	<b>September 30, 2022</b>	December 31, 2021
	\$	\$
Canada	2,998,520	6,700,444
USA	7,539,045	3,583,753
	<b>10,537,565</b>	10,284,197

All of the Company's non-current assets are located in the United States.

**11. Supplemental cash flow information**

Changes in non-cash operating working capital during the nine months ended September 30, 2022 and September 30, 2021 were comprised of the following:

	<b>September 30, 2022</b>	September 30, 2021
	\$	\$
Receivables	(49,176)	(35,698)
Prepaid expenses	408,356	-
Accounts payable and accrued liabilities	(33,816)	(94,843)
Net change	<b>325,364</b>	(130,541)

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**Scotch Creek Ventures Inc.****Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

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**For the nine months ended September 30, 2022 and September 30, 2021**

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**11. Supplemental cash flow information (continued)**

The Company incurred non-cash financing activities during the nine months ended September 30, 2022 and September 30, 2021 as follows:

	<b>September 30, 2022</b>	September 30, 2021
	\$	\$
Non-cash financing activities:		
Share capital issued for exploration and evaluation assets	2,480,000	2,730,000
Finders' warrants issued as share issue cost	-	221,455
	<b>2,480,000</b>	<b>2,951,455</b>

The Company incurred non-cash investing activities during the nine months ended September 30, 2022 and September 30, 2021 as follows:

	<b>September 30, 2022</b>	September 30, 2021
	\$	\$
Non-cash investing activities:		
Acquisition of exploration and evaluation assets by issue of share capital	(2,480,000)	(2,730,000)
	<b>(2,480,000)</b>	<b>(2,730,000)</b>

During the nine months ended September 30, 2022, \$nil was paid in interest (2021 - \$15,426) and \$nil was paid for income tax expenses (2021 - \$nil).

**12. Financial risk management****Capital management**

The Company is a junior exploration company and considers items included in shareholders' equity as capital. The Company has no debt and does not expect to enter into debt financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or other equity instruments. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company's capital structure as at September 30, 2022 is comprised of shareholders' equity of \$10,470,839 (December 31, 2021 - \$10,155,415). There were no changes to the Company's approach to capital management during the nine months ended September 30, 2022.

The Company currently has no source of revenues. In order to fund future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to borrow or raise additional funds from equity markets.

**Financial instruments - fair value**

The Company's financial instruments consist of cash, and accounts payable and accrued liabilities.

The carrying value of accounts payable and accrued liabilities approximates its fair value because of the short-term nature of this instrument.

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**Scotch Creek Ventures Inc.****Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

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**For the nine months ended September 30, 2022 and September 30, 2021**

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**12. Financial risk management** (continued)**Financial instruments - fair value** (continued)

Financial instruments measured at fair value on the condensed interim consolidated statements of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>September 30, 2022</b>				
Cash	2,877,698	-	-	2,877,698
	<b>2,877,698</b>	-	-	<b>2,877,698</b>
<b>December 31, 2021</b>				
Cash	6,220,442	-	-	6,220,442
	<b>6,220,442</b>	-	-	<b>6,220,442</b>

**Financial instruments - risk**

The Company's financial instruments can be exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and currency risk.

**(a) Credit risk**

The Company is exposed to credit risk by holding cash. This risk is minimized by holding the funds in Canadian banks and credit unions or with Canadian governments. The Company has minimal receivables exposure as its refundable credits are due from the Canadian Government.

**(b) Interest rate risk**

The Company is exposed to interest rate risk because of fluctuating interest rates. For the nine months ended September 30, 2022, and September 30, 2021, every 1% fluctuation in interest rates up or down would have an insignificant impact on loss for the period.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

**(d) Currency risk**

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. Management does not believe the Company has a significant level of exposure to currency risk.

**13. Proposed transaction**

On September 1, 2021, the Company announced its intention to spin-off its precious and base metals project (the Cupz Claims (note 5)) to its shareholders (the "Transaction"). For the purposes of completing the Transaction, the Company had incorporated a new subsidiary, Whiskey Glen Ventures Inc. ("Whiskey Glen") (note 4).

The Transaction was terminated by the Company's Directors in February 2022.



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**Scotch Creek Ventures Inc.**

**Notes to the Condensed Interim Consolidated Financial Statements**

**Unaudited – Prepared by Management**

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**For the nine months ended September 30, 2022 and September 30, 2021**

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**14. Events after the reporting period**

Subsequent to September 30, 2022, the Company:

- (a) Granted 300,000 stock options to a Director and two consultants, exercisable at a price of \$0.23 per share for a period that is two years from the date of grant, expiring October 12, 2024;
- (b) Granted 440,000 stock options to a consultant, exercisable at a price of \$0.275 per share for a period that is one year from the date of grant, expiring November 3, 2023; and
- (c) Cancelled 200,000 stock options exercisable at \$0.89 with an expiration date of July 12, 2024, and 450,000 stock options exercisable at \$0.69 with an expiration date of January 26, 2025.