

Scotch Creek Ventures Inc.
Condensed Interim Consolidated Financial Statements
For the six months ended
June 30, 2023
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.

Scotch Creek Ventures Inc.**Condensed Interim Consolidated Statements of Financial Position****Unaudited – Prepared by Management****As at June 30, 2023 and December 31, 2022**

	Note	June 30, 2023 \$	December 31, 2022 \$
Assets			
Current assets			
Cash		664,139	1,845,510
Prepaid expenses		77,523	10,830
Receivables	3	13,571	90,708
		755,233	1,947,048
Non-current assets			
Reclamation bonds	5	48,827	48,827
Exploration and evaluation assets	5	8,673,712	8,601,229
		8,722,539	8,650,056
Total assets		9,477,772	10,597,104
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	8	39,868	708,677
Total liabilities		39,868	708,677
Shareholders' equity			
Share capital	6	15,254,351	15,254,351
Reserves	6	898,409	740,336
Deficit		(6,714,856)	(6,106,260)
Total shareholders' equity		9,437,904	9,888,427
Total liabilities and shareholders' equity		9,477,772	10,597,104
Nature of operations and going concern	1		
Events after the reporting period	13		

Approved on behalf of the Board of Directors on August 21, 2023:

"David Ryan"

Director

"Logan Anderson"

Director

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

Scotch Creek Ventures Inc.**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity****Unaudited – Prepared by Management****For the six months ended June 30, 2023 and June 30, 2022**

	Number of shares #	Share capital \$	Reserves \$	Deficit \$	Total shareholders' equity \$
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	-	-	-	(2,741,231)	(2,741,231)
June 30, 2022	46,178,364	15,031,109	1,209,515	(5,388,608)	10,852,016
January 1, 2023	46,178,364	15,254,351	740,336	(6,106,260)	9,888,427
Share-based payments	-	-	158,073	-	158,073
Loss and comprehensive loss for the period	-	-	-	(608,596)	(608,596)
June 30, 2023	46,178,364	15,254,351	898,409	(6,714,856)	9,437,904

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 six months ended June 30,**

	Note	Three months ended		Six months ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		\$	\$	\$	\$
Expenses					
Advertising and marketing expenses		28,856	423,033	131,084	1,079,182
Consulting fees		9,000	16,227	18,000	163,000
Directors' fees	8	9,000	11,000	18,000	17,000
Management fees	8	51,000	51,000	102,000	102,000
Office and administrative expenses	8	31,709	22,570	57,165	52,230
Professional fees (recovery)		(14,049)	7,558	9,811	11,188
Rent expense	8	7,800	7,800	15,600	15,500
Share-based payments	6,8	-	-	158,073	487,642
Social media and other		13,213	30,000	80,856	786,168
Travel and related fees		13,262	7,442	18,007	27,321
Loss and comprehensive loss for the period		(149,791)	(576,630)	(608,596)	(2,741,231)
Loss per share					
Weighted average number of common shares outstanding					
- basic #	7	46,178,364	46,178,364	46,178,364	45,272,829
- diluted #	7	46,178,364	46,178,364	46,178,364	45,272,829
Basic loss per share \$	7	(0.00)	(0.01)	(0.01)	(0.06)
Diluted loss per share \$	7	(0.00)	(0.01)	(0.01)	(0.06)

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

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

For the six months ended June 30,

	Note	2023 \$	2022 \$
Operating activities			
Loss for the period		(608,596)	(2,741,231)
Adjustments for:			
Share-based payments		158,073	487,642
Net change in non-cash working capital items	10	(38,590)	161,052
		(489,113)	(2,092,537)
Financing activities			
Issue of common shares for cash		-	470,190
		-	470,190
Investing activities			
Exploration and evaluation expenditures		(692,258)	(991,265)
		(692,258)	(991,265)
Change in cash		(1,181,371)	(2,613,612)
Cash, beginning of period		1,845,510	6,220,442
Cash, end of period		664,139	3,606,830

Supplemental cash flow information

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

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

For the six months ended June 30, 2023 and June 30, 2022

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 June 30, 2023 and December 31, 2022 and for the six months ended June 30, 2023 and June 30, 2022 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 of accounting principles applicable to a going concern, 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 business. There are conditions and events which constitute material uncertainties that may cast significant doubt on the validity of this assumption.

The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations. These factors challenge the Company's ability to continue as a going concern for a year from the date these financial statements were approved.

As at June 30, 2023, the Company had not achieved profitable operations, has a working capital surplus of \$715,365 (December 31, 2022 – \$1,238,371) but has a history of losses and has an accumulated deficit of \$6,714,856 (December 31, 2022 - \$6,106,260). There is a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. These financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. These adjustments could be material.

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, 2022, 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.

Scotch Creek Ventures Inc.**Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management****For the six months ended June 30, 2023 and June 30, 2022****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, 2023. 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, 2023. The Company has reviewed these updates and determined that many of these updates are not applicable to or consequential to the Company and have been excluded from discussion within these significant accounting policies.

3. Receivables

Receivables consist of the following:

	June 30, 2023	December 31, 2022
	\$	\$
Sales tax recoverable	13,571	90,708
	13,571	90,708

4. Subsidiary information

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

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

From incorporation to June 30, 2023, 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.

Scotch Creek Ventures Inc.**Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management****For the six months ended June 30, 2023 and June 30, 2022****5. Exploration and evaluation assets**

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

	Clayton Valley Claims \$	Cupz Claims \$	Miranda Claims \$	Total \$
January 1, 2022	3,312,758	270,995	-	3,583,753
Acquisitions/staking/assessments	23,787	-	2,722,280	2,746,067
Exploration and evaluation	488,718	965	207,275	696,958
June 30, 2022	3,825,263	271,960	2,929,555	7,026,778
January 1, 2023	5,250,159	300,917	3,050,153	8,601,229
Exploration and evaluation	72,483	-	-	72,483
June 30, 2023	5,322,642	300,917	3,050,153	8,673,712

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

	Clayton Valley Claims \$	Cupz Claims \$	Miranda Claims \$	Total \$
Six months ended June 30, 2022				
Assays	7,702	-	-	7,702
Drilling	139,952	-	-	139,952
Geophysics, seismic, other	301,506	-	198,722	500,228
Gravity, other	7,769	-	-	7,769
Reports and mapping	31,789	965	8,553	41,307
Total	488,718	965	207,275	696,958

	Clayton Valley Claims \$	Cupz Claims \$	Miranda Claims \$	Total \$
Six months ended June 30, 2023				
Assays	7,235	-	-	7,235
Drilling	32,283	-	-	32,283
Geophysics, seismic, other	3,962	-	-	3,962
Gravity, other	26,683	-	-	26,683
Reports and mapping	2,320	-	-	2,320
Total	72,483	-	-	72,483

Clayton Valley Claims

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

During the year ended December 31, 2021, the Company issued 3,500,000 common shares at a fair value of \$2,730,000 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.

The Macallan East property consists of a series of mineral claims.

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 3.0% 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.

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

For the six months ended June 30, 2023 and June 30, 2022

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 during the year ended December 31, 2022, at a fair value of \$2,480,000) and the payment of USD \$120,000 (paid).

Reclamation bonds

During the year ended December 31, 2022, the Company made cash deposits of \$48,827 with the Bureau of Land Management to ensure that specified properties are properly restored after exploration. Management has determined that the Company has no material reclamation work related to the properties requiring the deposit.

6. 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 June 30, 2023. All issued shares are fully paid.

Transactions for the issue of share capital during the six months ended June 30, 2023:

- a) There were no transactions involving the issuance of share capital during the six months ended June 30, 2023.

Transactions for the issue of share capital during the six months ended June 30, 2022:

- a) 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) 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).

Stock options

In 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 six months ended June 30, 2023:

On January 11, 2023, the Company granted 800,000 stock options to Directors and consultants. The stock options are exercisable at a price of \$0.20 per share for a period that is three years from the date of grant, expiring January 11, 2026, and vested immediately.

On February 6, 2023, the Company granted 200,000 stock options to a consultant. The stock options are exercisable at a price of \$0.30 per share for a period that is three years from the date of grant, expiring February 6, 2026, and vested immediately.

Scotch Creek Ventures Inc.**Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management****For the six months ended June 30, 2023 and June 30, 2022****6. Share capital (continued)****Stock options (continued)**

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 – 3.00 years, expected stock price volatility – 120%, no dividend yield, and a risk-free interest rate yield – 3.93%. Using these assumptions, the weighted average fair value of options granted during the six months ended June 30, 2023 was \$0.16 per option, for a total of \$158,063.

Stock options granted during the year ended December 31, 2022:

On January 26, 2022, the Company granted 1,000,000 stock options to Directors, Officers, and consultants. 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 vested immediately.

On October 12, 2022, the Company granted 300,000 stock options to a Director and consultants. The stock options are exercisable at \$0.23 per share for a period of two years from the date of grant, expiring October 12, 2024, and vested immediately.

On November 3, 2022, the Company granted 440,000 stock options to a consultant. The stock options are exercisable at \$0.275 per share for a period of one year from the date of grant, expiring November 3, 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 – 2.32 years, expected stock price volatility – 120%, no dividend yield, and a risk-free interest rate yield – 2.41%. Using these assumptions, the weighted average fair value of options granted during the year ended December 31, 2022 was \$0.34 per option, for a total of \$586,344.

A summary of the status of the Company's stock options as at June 30, 2023, and December 31, 2022 and changes during the period/year then ended is as follows:

	Period ended June 30, 2023		Year ended December 31, 2022	
	Options #	Weighted average exercise price \$	Options #	Weighted average exercise price \$
Options outstanding, beginning of period/year	3,650,000	0.33	2,710,000	0.30
Granted	1,000,000	0.22	1,740,000	0.51
Exercised	-	-	(150,000)	0.08
Cancelled	-	-	(650,000)	0.75
Options outstanding, end of period/year	4,650,000	0.31	3,650,000	0.33

As at June 30, 2023, 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
440,000	440,000	0.275	November 3, 2023
450,000	450,000	0.45	March 2, 2024
300,000	300,000	0.23	October 12, 2024
550,000	550,000	0.69	January 26, 2025
800,000	800,000	0.20	January 11, 2026
200,000	200,000	0.30	February 6, 2026
4,650,000	4,650,000		

Scotch Creek Ventures Inc.**Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management****For the six months ended June 30, 2023 and June 30, 2022****6. Share capital (continued)****Stock options (continued)**

The following table summarizes information about the stock options outstanding as at June 30, 2023:

Exercise price \$	Options #	Weighted average remaining life (years)	Weighted average exercise price \$
0.08 - 0.45	3,440,000	1.00	0.21
0.50 - 0.69	1,210,000	0.82	0.59
	4,650,000	0.95	0.31

The total share-based payment expense for the six months ended June 30, 2023 was \$158,073 (2022 - \$487,642) which is presented as an operating expense and includes only options that vested during the period.

During the year ended December 31, 2022, the Company 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.

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.

A summary of the status of the Company's warrants as at June 30, 2023, and December 31, 2022 and changes during the period/year then ended is as follows:

	Period ended June 30, 2023		Year ended December 31, 2022	
	Warrants #	Weighted average exercise price \$	Warrants #	Weighted average exercise price \$
Warrants outstanding, beginning of period/year	18,413,363	0.68	20,242,897	0.66
Exercised	-	-	(916,379)	0.50
Expired	(5,353,263)	0.50	(913,155)	0.50
Warrants outstanding, end of period/year	13,060,100	0.75	18,413,363	0.68

As at June 30, 2023, the Company has warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Exercise price \$	Expiry date
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
13,060,100	13,060,100		

Scotch Creek Ventures Inc.**Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management****For the six months ended June 30, 2023 and June 30, 2022****6. Share capital (continued)****Warrants (continued)**

During the six months ended June 30, 2023, 5,353,263 warrants expired unexercised.

During the year ended December 31, 2022, 913,155 finders' warrants expired unexercised.

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, expired, or cancelled.

7. Loss per share

The calculation of basic and diluted loss per share for the six months ended June 30, 2023 was based on the loss of \$608,596 (2022 – \$2,741,231) and a weighted average number of common shares outstanding of 46,178,364 (2022 – 45,272,829).

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

8. Related party payables and transactions

The Company defines key management as Executive Officers and Directors. 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 six months ended June 30, 2023, or June 30, 2022.

During the six months ended June 30, 2023, the Company paid or accrued:

- \$18,000 (2022 - \$17,000) in Directors' fees to three independent Directors;
- \$102,000 (2022 - \$102,000) in management fees to companies controlled by two Officers and Directors;
- \$15,600 (2022 - \$15,500) in rent to a company controlled by two Directors; and
- \$30,000 (2022 - \$30,000) in administrative costs (included in office and administrative expenses) to a company controlled by the spouse of an Officer and Director.

As at June 30, 2023, \$9,686 (December 31, 2022 - \$48,917) is owing to Directors, Officers and/or companies controlled by Directors and/or Officers and included in accounts payable and accrued liabilities.

During the six months ended June 30, 2023, 450,000 stock options were granted to key management personnel, having a fair value on issue of \$64,652.

During the six months ended June 30, 2022, 500,000 stock options were granted to key management personnel, having a fair value on issue of \$243,821.

9. Segmented information

The Company's operations are limited to a single industry, being the acquisition, exploration and evaluation of mineral resource projects. Geographic segment information of the Company's total assets as at June 30, 2023 and December 31, 2022 is as follows:

	June 30, 2023	December 31, 2022
	\$	\$
Canada	755,233	1,947,048
USA	8,722,539	8,650,056
	9,477,772	10,597,104

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

Scotch Creek Ventures Inc.**Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management****For the six months ended June 30, 2023 and June 30, 2022****10. Supplemental cash flow information**

Changes in non-cash operating working capital during the six months ended June 30, 2023 and June 30, 2022 were comprised of the following:

	June 30, 2023	June 30, 2022
	\$	\$
Receivables	77,137	(23,588)
Prepaid expenses	(66,693)	211,711
Accounts payable and accrued liabilities	(49,034)	(27,071)
Net change	(38,590)	161,052

The Company incurred non-cash financing activities during the six months ended June 30, 2023 and June 30, 2022 as follows:

	June 30, 2023	June 30, 2022
	\$	\$
Non-cash financing activities:		
Share capital issued for exploration and evaluation assets	-	2,480,000
	-	2,480,000

The Company incurred non-cash investing activities during the six months ended June 30, 2023 and June 30, 2022 as follows:

	June 30, 2023	June 30, 2022
	\$	\$
Non-cash investing activities:		
Acquisition of exploration and evaluation assets by issue of share capital	-	(2,480,000)
Deferred exploration costs remaining in accounts payable and accrued liabilities	2,414	-
	2,414	(2,480,000)

During the six months ended June 30, 2023, \$nil was paid in interest (2022 - \$nil) and \$nil was paid for income tax expenses (2022 - \$nil).

11. 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 June 30, 2023 is comprised of shareholders' equity of \$9,437,904 (December 31, 2022 - \$9,888,427). There were no changes to the Company's approach to capital management during the six months ended June 30, 2023.

The Company currently has no source of revenue. 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.

Scotch Creek Ventures Inc.**Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management****For the six months ended June 30, 2023 and June 30, 2022****11. Financial risk management (continued)****Financial instruments - fair value**

The Company's financial instruments consist of cash, reclamation bonds, 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.

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
	\$	\$	\$	\$
June 30, 2023				
Cash	664,139	-	-	664,139
Reclamation bonds	48,827	-	-	48,827
	712,966	-	-	712,966
December 31, 2022				
Cash	1,845,510	-	-	1,845,510
Reclamation bonds	48,827	-	-	48,827
	1,894,337	-	-	1,894,337

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 six months ended June 30, 2023, and June 30, 2022, 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.

Scotch Creek Ventures Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Unaudited – Prepared by Management

For the six months ended June 30, 2023 and June 30, 2022

12. 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.

13. Events after the reporting period

Subsequent to June 30, 2023, the Company received \$100,000 pursuant to the exercise of 1,250,000 stock options with a an exercise price of \$0.08 per option.