

**BITTERROOT RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**January 31, 2024 and 2023**  
**(Unaudited – Prepared by Management)**  
**(Expressed in Canadian Dollars)**

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

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**BITTERROOT RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

	Note	January 31, 2024	October 31, 2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 14,754	\$ 5,845
Accounts receivable		5,730	1,733
<b>Total current assets</b>		<b>20,484</b>	<b>7,578</b>
<b>Non-current assets</b>			
Investment	4	765,394	765,394
Reclamation deposits		5,365	36,589
Exploration and evaluation assets	6	4,767,594	4,761,732
<b>Total non-current assets</b>		<b>5,538,353</b>	<b>5,563,715</b>
<b>TOTAL ASSETS</b>		<b>\$ 5,558,837</b>	<b>\$ 5,571,293</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 87,550	\$ 123,942
Due to related party	9	162,261	127,654
Loans from related party	5	117,413	96,832
<b>Total current liabilities</b>		<b>367,224</b>	<b>348,428</b>
<b>Total liabilities</b>		<b>367,224</b>	<b>348,428</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7	30,437,605	30,437,605
Equity reserves	7	4,943,178	4,943,178
Deficit		(30,189,170)	(30,157,918)
<b>Total shareholders' equity</b>		<b>5,191,613</b>	<b>5,222,865</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 5,558,837</b>	<b>\$ 5,571,293</b>

Nature of operations (Note 1)

Subsequent event (Note 12)

\_\_\_\_\_  
"Michael S. Carr"  
Michael S. Carr, Director

\_\_\_\_\_  
"George W. Sanders"  
George W. Sanders, Director

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

**BITTERROOT RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**For the three months ended January 31,**  
**(Unaudited – Prepared by Management)**  
**(Expressed in Canadian Dollars)**

	Notes	2024	2023
<b>EXPENSES</b>			
Amortization		\$ -	\$ 4,612
Foreign exchange (gain)		(3,057)	(335)
Interest expense	5	1,681	1,032
Management fees	9	30,000	30,000
Office and miscellaneous		2,020	12,794
Professional fees (recovery)	9	(692)	8,160
Shareholder information		400	495
Transfer agent and filing fees		900	645
<b>Loss and comprehensive loss for the period</b>		<b>\$ (31,252)</b>	<b>\$ (57,403)</b>
<b>Basic and diluted loss per share</b>		<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>		<b>93,683,556</b>	<b>85,178,896</b>

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**BITTERROOT RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
For the period ended January 31,  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

	2024	2023
<b>Cash flows used in operating activities</b>		
Loss for the period	\$ (31,252)	\$ (57,403)
Items not involving cash:		
Amortization	-	4,612
Foreign exchange loss (gain)	(3,811)	-
Interest expense	1,681	1,032
Changes in non-cash working capital items:		
Receivables	(3,997)	-
Accounts payable and accrued liabilities	(36,341)	12,232
Due to related party	34,607	31,999
	(39,113)	(7,528)
<b>Cash flows used in investing activities</b>		
Exploration and evaluation asset expenditures	(5,913)	(86,148)
Reclamation deposit	33,935	-
	28,022	(86,148)
<b>Cash flows from financing activities</b>		
Loans from related party	20,000	-
Lease payments	-	(6,059)
	20,000	(6,059)
<b>Change in cash</b>	8,909	(99,735)
<b>Cash, beginning</b>	5,845	105,320
<b>Cash, ending</b>	\$ 14,754	\$ 5,585

Supplemental disclosure with respect to cash flows (Note 8).

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**BITTERROOT RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited – Prepared by Management)  
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	Number of shares		Share capital	Equity reserves	Deficit	Total
<b>Balance – October 31, 2022</b>	<b>88,583,556</b>	<b>\$</b>	<b>30,236,730</b>	<b>\$ 4,877,578</b>	<b>\$ (29,796,004)</b>	<b>\$ 5,318,304</b>
Private placement	3,500,000		140,000	-	-	140,000
Loss for the period	-		-	-	(57,403)	(57,403)
<b>Balance – January 31, 2023</b>	<b>92,083,556</b>	<b>\$</b>	<b>30,376,730</b>	<b>\$ 4,877,578</b>	<b>\$ (29,853,407)</b>	<b>\$ 5,400,901</b>
<b>Balance – October 31, 2023</b>	<b>93,683,556</b>	<b>\$</b>	<b>30,437,605</b>	<b>\$ 4,943,178</b>	<b>\$ (30,157,918)</b>	<b>\$ 5,222,865</b>
Loss for the period	-		-	-	(31,252)	(31,252)
<b>Balance – January 31, 2024</b>	<b>93,683,556</b>	<b>\$</b>	<b>30,437,605</b>	<b>\$ 4,943,178</b>	<b>\$ (30,189,170)</b>	<b>\$ 5,191,613</b>

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**BITTERROOT RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**1. NATURE OF OPERATIONS**

Bitterroot Resources Ltd. (the “Company” or “Bitterroot”) is in the exploration stage and its principal business activity is the sourcing and exploration of resource properties.

The Company was incorporated on March 13, 1951 under the Laws of British Columbia, Canada. The Company’s address is PO Box 91878, West Vancouver, BC, V7V 4S4, Canada. The Company’s registered office address is Suite 2200 – 700 West Georgia Street, Vancouver, BC, V7Y 1K8, Canada. The Company is listed on the TSX Venture Exchange (“Exchange”) under the symbol “BTT”.

These condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going concern depends on its ability to raise adequate financing and to develop profitable operations. The Company had a working capital deficiency of \$346,740 at January 31, 2024 (October 31, 2023 – \$340,850). As of January 31, 2024, the Company had accumulated deficit of \$30,189,170.

Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur.

As the Company is in the exploration and evaluation stage, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints, which may hinder the successful development of the property. To date, the Company has not earned any revenues. The Company expects to incur further losses in the development of its business. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

The condensed consolidated interim financial statements of the Company are presented in Canadian dollars, which is the functional currency, unless otherwise indicated.

**2. BASIS OF PREPARATION**

**Statement of compliance and basis of measurement**

These unaudited condensed consolidated interim financial statements, including comparatives have been prepared using accounting policies consistent with International Accounting Standards (“IAS”) 34, Interim Financial Reporting.

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The condensed consolidated interim financial statements were approved for issuance by the Board of Directors on March 22, 2024.

**Use of estimates and judgments**

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

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

**Use of estimates and judgments (cont'd)**

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.

(i) 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 payments*

The fair value of stock options 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.

*Exploration and evaluation assets*

Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.

(ii) Critical accounting judgments

There are currently no critical accounting judgements.

**Going concern**

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. These condensed consolidated interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed consolidated interim financial statements.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of consolidation**

The condensed consolidated financial interim statements include the accounts of the Company, and its wholly owned subsidiaries Trans Superior Resources, Inc. and Voyageur Lands Corporation, both of which are holding companies incorporated in Michigan, USA. All significant inter-company balances and transactions have been eliminated upon consolidation.

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual consolidated financial statements as at October 31, 2023. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended October 31, 2023.



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**4. INVESTMENT**

**Perseverance Metals Inc.**

The Company's investment in Perseverance Metals Inc. ("Perseverance"), is classified as FVTPL and measured at fair value. The Company acquired 956,742 shares of Perseverance on July 27, 2023 valued at \$765,394 pursuant to an option agreement (Note 6).

**5. LOANS PAYABLE TO RELATED PARTY**

During the period ended January 31, 2024, the Company received loan proceeds of \$20,000 from a non-arm's length party, bearing interest of 6% per annum. During the period ended January 31, 2024, the Company accrued interest expense of \$273 (year ended October 31, 2023 - \$Nil).

During the year ended October 31, 2023, the Company received loan proceeds of \$50,000 from a non-arm's length party, which was repaid in full during the year. This amount was non-interest bearing with no stated terms of payment.

During the year ended October 31, 2023, the Company received loan proceeds of \$33,405 (US\$25,000) from a non-arm's length party. This amount is interest bearing at 6% per annum with no stated terms of payment. During the period ended January 31, 2024, the Company accrued interest expense of \$501 (year ended October 31, 2023 - \$1,108) and recorded a foreign exchange gain of \$1,100 (year ended October 31, 2023 – loss of \$1,226).

During the year ended October 31, 2023, the Company received loan proceeds of \$60,000 from a non-arm's length party. This amount is interest bearing at 6% per annum with no stated terms of payment. During the period ended January 31, 2024, the Company accrued interest expense of \$907 (year ended October 31, 2023 - \$1,093).

The loans have been secured under an agreement whereby the Company's shares of Perseverance (Note 4) have been pledged as security for the repayment of the debts.

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**6. EXPLORATION AND EVALUATION ASSETS**

	Michigan Lands, Michigan, USA	Nighthawk, Nevada, USA	Total
<b>Balance – October 31, 2022</b>	\$ 5,233,231	\$ -	\$ 5,233,231
Acquisition costs – cash	9,279	-	9,279
Acquisition costs – shares	4,500	-	4,500
Claims, leases and permits	43,296	117,677	160,973
Consulting and professional	2,310	25,432	27,742
Drilling	(2,180)	-	(2,180)
Field supplies	130	45	175
Fuel	-	355	355
Geochemistry	-	15,884	15,884
Geophysics	390	65,020	65,410
Ground transportation	131	2,149	2,280
Legal	4,732	-	4,732
Other	1,018	304	1,322
Room and board	-	3,991	3,991
Storage	24,455	-	24,455
Travel and freight	71	4,470	4,541
Expenditures during the year	88,132	235,327	323,459
Recovery of costs	(794,958)	-	(794,958)
<b>Balance – October 31, 2023</b>	4,526,405	235,327	4,761,732
Acquisition costs – cash	2,177	-	2,177
Claims, leases and permits	-	384	384
Consulting and professional	3,564	1,282	4,846
Drilling	2,465	-	2,465
Storage	1,234	-	1,234
Travel and freight	96	-	96
Expenditures during the period	9,536	1,666	11,202
Recovery of costs	(5,340)	-	(5,340)
<b>Balance – January 31, 2024</b>	\$ 4,530,601	\$ 236,993	\$ 4,767,594

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**6. EXPLORATION AND EVALUATION ASSETS (cont'd)**

Title to exploration and evaluation assets involves certain inherent risks due to 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 exploration and evaluation assets. The Company has investigated title to its exploration and evaluation assets and to the best of its knowledge, title to its exploration and evaluation assets are in good standing.

**Michigan Lands, Michigan, U.S.A.**

During the year ended October 31, 2015, a subsidiary of Altius Minerals Corporation acquired a 50.1% interest in the Company's Michigan Lands by funding \$600,000 of exploration expenditures. Altius had the right to acquire an additional 19.9% of the properties by completing \$2,500,000 in exploration spending by September 29, 2021, plus the right to acquire an additional 10% of the properties by completing exploration spending of a further \$5,000,000 or completing an NI 43-101 compliant pre-feasibility study on a mineral resource on the properties, before September 29, 2025. Altius failed to complete the additional expenditures required prior to September 29, 2021 and both options have expired. The Company (49.9%) and Altius (50.1%) jointly contribute to the property based on their ownership interest. The Company also granted to Altius a 2% net smelter returns royalty ("NSR") on the Voyageur Lands (covering approximately 250 square miles of mineral rights) and assigned to Altius its right to repurchase a 1% NSR held by a third party on the Copper Range Lands by paying \$1,000,000 U.S. to the third party before December 31, 2048.

During the year ended October 31, 2023, the Company and Altius Minerals Corp. entered into an option agreement with Perseverance, whereby Perseverance can acquire a 100% interest in the Voyageur nickel-copper-PGM (platinum group metals) project.

The option agreement gives Perseverance the exclusive option until December 31, 2025, to earn a 100% interest in the Voyageur project from Altius Resources Michigan Inc., a wholly owned subsidiary of Altius Minerals, and from Trans Superior Resources, Inc. and Voyageur Lands Corporation, each a wholly owned subsidiary of the Company by:

- Initial equity: issuing to the Company and Altius a total of 20% ownership in the equity of Perseverance, to be distributed based on their pro rata ownership of the Voyageur project (956,742 shares received by the Company at a value of \$765,394);
- Exploration commitment: incurring \$2,000,000 in exploration expenditures on the Voyageur project before December 31, 2025, including \$250,000 within the first 12 months of the option;
- Financing commitment: raising aggregate gross proceeds of \$5,000,000 within 18 months, with the Company and Altius retaining a combined 20% free-carry interest on any common shares issued pursuant to the equity financings;
- Go-public commitment: Perseverance becoming a reporting issuer in Canada within 18 months, subject to a conditional six-month extension.
- The Company and Altius also retain Participation Rights in any future financings after Perseverance raises aggregate gross proceeds of \$5,000,000, whereby the Company and Altius can maintain their pro-rata interests or increase them to a maximum of 14.9% each, subject to retaining ownership of at least 5% of Perseverance.
- The Company and Altius also retain a Right of First Refusal on any royalties or metals streams generated within 10 years of the date of the exercise of the option agreement.

*Mineral Rights Leased from the State of Michigan*

During the year ended October 31, 2016, the Company (49.9%) and Altius (50.1%) acquired State of Michigan metallic minerals leases covering 3,051 acres. A cash bond of US\$30,000 was posted by a subsidiary of Altius. In the year ended October 31, 2023, the cash bond was refunded to Altius and replaced by an equivalent cash bond posted by Perseverance, under the terms of an option agreement.

*LM Property*

The Company's Michigan subsidiary, Trans Superior Resources, Inc., leases 40 acres of minerals rights in Baraga County, Michigan, known as the LM Property. The lessors have granted the Company the option to reduce the current 3% NSR to a 2% NSR by paying US\$1,000,000 prior to December 31, 2064. The 2023 advance royalty payment was US\$180/acre (paid). The advance royalty payments increase by \$10/acre/year. The LM Property is not subject to the joint venture with Altius.

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**6. EXPLORATION AND EVALUATION ASSETS (cont'd)**

During the year ended October 31, 2020, the Company, through its US subsidiary Trans Superior Resources, Inc., entered into an option/joint venture agreement whereby Below Exploration, Inc., ("Below") a private Michigan corporation, could earn a 49% joint venture interest in the Company's 100%-leased LM nickel-copper-platinum-palladium property in Baraga County, Michigan. During the year ended October 31, 2020, Below funded \$370,061 (US\$285,000) of exploration expenditures prior to the first anniversary of the agreement and earned a 49% joint venture interest. The Company is the project operator, regardless of its ownership level, and retains a right of first refusal over Below's property interest. Following vesting of its 49% interest, Below had a 90-day option to convert its interest in the project into the Company's shares. Below did not exercise the share conversion option and the joint venture is continuing.

In February 2021, the Company entered into a minerals lease and purchase option with a privately-held corporation ("MPC") covering 80 acres of mineral rights adjacent to the LM Property. MPC leases the mineral rights exclusively to the Company for a term of forty years. Under the term of the agreement the Company is required to make the following payments and share issuances:

- (i) US\$15,000 (paid) and issuance of 100,000 common shares within 10 days of the TSX-V approval date, February 25, 2021 (the "Approval Date") (issued);
- (ii) US\$15,000 (paid) and issuance of 100,000 (issued at a fair value of \$9,500) common shares on the first anniversary of the Approval Date;
- (iii) US\$16,000 (paid) and issuance of 100,000 (issued at a fair value of \$4,500) common shares on the second anniversary of the Approval Date;
- (iv) an amount equal to the rental payment of the preceding year, plus an additional US\$20 per acre of the mineral rights, on or before each anniversary of the Approval Date commencing on the third anniversary and continuing so long as the agreement is in effect.

At any time while the agreement remains in effect, the Company has the exclusive right and option to purchase the mineral rights from MPC for US\$1,000/acre for the first five years of the agreement, US\$2,500/acre in years 6 through 10, and then escalating US\$2,500/acre for each subsequent five years for the first 20 years. MPC will retain a 2% net smelter royalty ("NSR") for products from the mineral rights generated from underground mining and a 3% NSR for products from the mineral rights generated from open-pit mining. The Company will have the option to purchase 1% of each of the NSRs from US\$1,000,000 and a further option to purchase an additional 1% of the NSR from open-pit mining for an additional US\$1,000,000.

**Nighthawk Property, Nevada, U.S.A.**

During the year ended October 31, 2023, the Company staked federal unpatented mining claims and subsequently renewed 66 of these claims, comprising the Nighthawk Property in Esmeralda County, Nevada.

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**7. SHARE CAPITAL AND EQUITY RESERVES**

The authorized share capital consists of an unlimited number of common shares without par value.

As at January 31, 2024, the Company had 93,683,556 shares issued and outstanding.

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

- (i) closed a private placement in two tranches for a total of 5,000,000 units at \$0.04 per unit for gross proceeds of \$200,000. Each unit consists of one common share and one-half share purchase warrant, exercisable at \$0.08 for two years from the date of issuance. The Company paid \$3,625 in cash share issuance costs in relation to the private placement.
- (ii) issued 100,000 shares for property option payments with fair value of \$4,500.

**Warrants**

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
<b>Balance – October 31, 2022</b>	18,732,600	\$ 0.16
Issued	2,500,000	0.08
Expired	(14,571,100)	0.15
<b>Balance – October 31, 2023 and January 31, 2024</b>	6,661,500	\$ 0.15

As at January 31, 2024, the following share purchase warrants were issued and outstanding:

Expiry Date	Number of Warrants	Exercise Price
March 29, 2024	4,161,500	0.20
January 27, 2025	1,750,000	0.08
February 21, 2025	750,000	0.08
	6,661,500	\$ 0.15

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**7. SHARE CAPITAL AND EQUITY RESERVES (cont'd...)**

**Stock options**

The Company, in accordance with the policies of the Exchange, has a stock option plan in place under which it is authorized to grant options to directors, employees, and consultants, to acquire up to 10% of the issued and outstanding common shares. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years. Pursuant to the stock option plan, vesting restrictions may be applied to certain other options grants, at the discretion of the directors.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>
<b>Balance – October 31, 2022</b>	6,600,000	\$ 0.12
Expired	(900,000)	0.08
Granted	1,800,000	0.05
<b>Balance – October 31, 2023 and January 31, 2024</b>	<b>7,500,000</b>	<b>\$ 0.11</b>

As at January 31, 2024, the following stock options were outstanding and exercisable:

<b>Number of Options</b>	<b>Exercise Price (\$)</b>	<b>Expiry Date</b>
1,100,000	0.05	May 19, 2025
2,000,000	0.16	January 4, 2026
1,350,000	0.17	June 1, 2026
1,250,000	0.10	April 21, 2027
1,800,000	0.05	March 5, 2028
<b>7,500,000</b>		

The weighted average fair value of each stock option granted during the period was \$nil (October 31, 2023 - \$0.04), calculated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions:

	<b>Period ended January 31, 2024</b>	<b>Year ended October 31, 2023</b>
Volatility	-	152.88%
Risk-free interest rate	-	3.58%
Expected life	-	5 years

**8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

Significant non-cash transactions during the period ended January 31, 2024 included:

- Included in exploration and evaluation assets is \$9,007 which relates to accounts payable and accrued liabilities.

Significant non-cash transactions during the period ended January 31, 2023 included:

- Included in exploration and evaluation assets is \$24,626 which relates to accounts payable and accrued liabilities.

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**9. RELATED PARTY TRANSACTIONS**

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

The following is a summary of related party transactions and balances during the period ended January 31, 2024, not disclosed elsewhere in the condensed consolidated interim financial statements:

- (a) Management fees of \$30,000 (2023 - \$30,000) and professional fees of \$600 (2023 - \$475) were incurred from a company controlled by a director of the Company. As at January 31, 2024, \$162,261 (October 31, 2023 - \$127,654) was owing to this company for management fees, professional fees and reimbursable expenses. This amount is non-interest bearing with no stated terms of payment.
- (b) During the period ended January 31, 2024, the Company received loans from non-arm's length parties described in Note 5.

**10. SEGMENTED INFORMATION**

**Industry information**

The Company operates in one reportable operating segment, being the acquisition, exploration and development of exploration and evaluation assets.

**Geographic information**

The Company operates in both Canada and the United States. The Company's reclamation deposits are in the United States and the exploration and evaluation assets are also located in the United States.

**11. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT**

**Capital management**

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in share capital as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses and private placements or return capital to shareholders. As at January 31, 2024, the Company is not subject to externally imposed capital requirements.

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk, interest rate risk and price risk. Where material, these risks are reviewed and monitored by the Board of Directors.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is considered to be in the exploration stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash consists of cash deposited in business accounts and redeemable guaranteed investment certificates held by high credit quality financial institutions. The Company is not invested in any asset backed commercial paper.

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**BITTERROOT RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**For the three months ended January 31, 2024 and 2023**  
**(Unaudited – Prepared by Management)**  
**(Expressed in Canadian Dollars)**

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**11. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (cont'd...)**

**Credit risk**

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash, receivables and reclamation deposits. The Company limits exposure to credit risk by maintaining its cash and reclamation deposits with high-credit quality financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The receivables balance consists mainly of GST recoverable. There is ongoing review to evaluate the credit worthiness of these counterparties. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash, receivables and reclamation deposits.

**Currency risk**

The Company's operations are in Canada and the United States. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in a foreign currency. The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently, have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time. A strengthening (weakening) of the Canadian dollar against the US dollar of 10% would not have a significant effect on net loss.

**Interest rate risk**

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. The Company's practice has been to invest cash at floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash as they are generally held with large financial institutions. The Company does not have any variable interest-bearing debt.

**Price risk**

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

**Fair value**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1* – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2* – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and
- Level 3* – Inputs that are not based on observable market data.

The estimated fair value of cash, reclamation deposits, accounts payable and accrued liabilities, due to related party and loans from related party are equal to their carrying values due to the short-term nature of these instruments. The fair value of lease liability is initially recorded at fair value and subsequently carried at amortized cost using rates comparable to market interest rates. The fair value of the investment is measured based on level 3 inputs of the fair value hierarchy. The investment is in a privately held company that is not currently quoted on an exchange. The Company utilized the most recent financing price of the underlying investment company to value the shares received.

**12. SUBSEQUENT EVENTS**

Subsequent to January 31, 2024, the Company received loan proceeds of \$50,000 from a non-arm's length party, bearing interest of 6% per annum. The loan, including the loans described in Note 5, have been secured under an agreement whereby the Company's shares of Perseverance have been pledged as security for the repayment of the debts.

On March 13, 2024, the Company granted stock options to geological consultants to acquire 300,000 common shares exercisable at \$0.03 per share expiring on March 12, 2029.