SPRUCE RIDGE RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NINE MONTHS ENDED JANUARY 31, 2024

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of the Company for the nine months ended January 31, 2024, have been prepared by and are the responsibility of the Company's management and have not been reviewed by the Company's auditors.

SPRUCE RIDGE RESOURCES LTD.
Condensed Interim Consolidated Statements of Financial Position
As at January 31, 2024
(Unaudited – Expressed in Canadian Dollars)

	Notes	January 31, 2024 $	April 30, 2023 $
Assets			
Current			
Cash		621,415	213,772
Accounts receivable	3	196,015	140,660
Marketable securities – short term	5	9,473,250	9,089,597
Miscellaneous receivable	4	425,000	-
Prepaid expenses	6	23,580	14,522
		10,739,260	9,458,551
Accounts receivable – long term		208,892	208,892
Exploration and evaluation assets	7	195,862	642,647
Marketable securities – long term	5	1,500,000	-
Property and equipment, net	10	126,780	149,628
Security and other deposits	9	608,526	108,526
Total Assets		13,379,320	10,568,244
Liabilities			
Current			
Accounts payable and accrued liabilities	11	196,081	99,159
CEBA loan	12	-	60,000
Total Liabilities		196,081	159,159
Shareholders' Equity			
Share capital	14(a)	18,930,583	17,430,583
Warrants	14(b)	-	25,250
Contributed surplus	14(c)	3,859,526	3,279,276
Dividends Canada Nickel Shares		(11,314,369)	(11,314,369)
Retained earnings		1,707,499	988,345
Total Shareholders' Equity		13,183,239	10,409,085
Total Liabilities and Shareholders' Equity		13,379,320	10,568,244

Nature of operations and going concern (Note 1)

SPRUCE RIDGE RESOURCES LTD.
Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
For the nine months ended January 31, 2024 and 2023
(Unaudited – Expressed in Canadian Dollars)

	Notes	Three months ended January 31, 2024 $	Three months ended January 31, 2023 $	Nine months ended January 31, 2024 $	Nine months ended January 31, 2023 $
Oil and gas revenue		-	-	-	59,688
Oil Expenses					
Accretion		-	2,038	-	13,679
Amortization		-	4,516	-	28,262
Filing fees		-	2,494	(1,000)	6,914
Professional fees		1,171	-	1,584	-
Office and general		-	21,225	(1,821)	27,197
Operator expenses		-	69,210	(4,032)	214,876
Royalties		12,792	-	11,018	878
		13,963	99,483	5,749	291,806
Loss from oil and gas operations		(13,963)	(99,483)	(5,749)	(232,118)
Amortization		5,823	4,118	18,412	12,353
Exploration expenses	8	18,571	6,697	21,694	247,495
Filing fees		9,071	14,385	18,215	22,813
Investor and shareholder relations		13,771	1,104	20,879	12,452
Listing expense		20,032	-	20,032	-
Management fee		292,546	42,000	376,546	118,000
Office and general		36,991	(218)	50,961	3,712
Professional fees		144,265	41,007	380,057	124,835
Property expenses		2,330	11,257	44,509	18,623
Share based compensation		555,000	-	555,000	-
		1,098,400	120,350	1,504,722	560,283
Net operating loss before other income		(1,112,363)	(219,833)	(1,510,471)	(792,401)
Disposition fee		-	(75,000)	-	(75,000)
Dividend income		-	-	-	1,862
Gain on foreign exchange		322	-	64	325
Gain on sale of exploration and evaluation assets		-	-	412,116	-
Gain on sale of marketable securities		59,528	-	103,225	-
Gain on sale of Oil & Gas assets		-	340,706	-	340,706
Gain on sale of property, plant and equipment		-	-	51,628	-
Interest income		4,791	-	13,664	-
Marketable securities – fair value adjustment		3,180,790	1,217,576	1,229,683	(3,312,873)
Other income		20,000		20,000	-
Recovery of miscellaneous receivable	4	180,000	-	605,000	-
Rental income		-	3,750	5,750	9,200
Write-down of mineral property		-	-	211,505	-
Net income before income tax		2,333,068	1,267,199	719,154	(3,828,181)
Net income (loss) and comprehensive income (loss)		2,333,068	1,267,199	719,154	(3,828,181)
Net income (loss) per share		0.01	0.01	0.00	(0.02)
Weighted average outstanding shares		193,902,854	180,207,202	184,772,419	180,207,202

SPRUCE RIDGE RESOURCES LTD.
Condensed Interim Consolidated Statements of Changes in Equity
As at January 31, 2024 and 2023
(Unaudited – Expressed in Canadian Dollars)

	Shares Issued	Share Capital $	Warrants $	Contributed Surplus $	Dividend $	Retained Earnings (restated) $	Total (restated) $
Balance, April 30, 2022	180,207,202	17,430,583	35,729	3,268,797	(11,314,369)	6,802,526	16,223,266
Warrants expired	-	-	(10,479)	10,479	-	-	-
Net loss and comprehensive loss	-	-	-	-	-	(3,828,181)	(3,828,181)
Balance, January 31, 2023	180,207,202	17,430,583	25,250	3,279,276	(11,314,369)	2,974,345	12,395,085
Net loss and comprehensive loss						(1,986,000)	(1,986,000)
Balance, April 30, 2023	180,207,202	17,430,583	25,250	3,279,276	(11,314,369)	988,345	10,409,085
Options granted		-	-	555,000	-	-	555,000
Private placement	30,000,000	1,500,000	-	-	-	-	1,500,000
Warrants expired		-	(25,250)	25,250	-	-	-
Net loss and comprehensive loss		-	-	-	-	719,154	719,154
Balance, January 31, 2024	210,207,202	18,930,583	-	3,859,526	(11,314,369)	1,707,499	13,183,239

SPRUCE RIDGE RESOURCES LTD.
Condensed Interim Consolidated Statements of Cash Flows
As at January 31, 2024 and 2023
(Unaudited - Expressed in Canadian Dollars)

	2024 $	2023 $
Operating activities		
Net income (loss) for the period	719,154	(3,828,181)
Add back / deduct non-cash expenses		
Accretion	-	13,679
Amortization	18,415	40,615
Interest income	(13,664)	-
Forgivable portion of CEBA loan	(20,000)	-
Gain on sale of marketable securities	(103,225)	-
Gain on sale of Oil & Gas assets	-	(340,706)
Gain on sale of property, plant and equipment	(51,627)	-
(Gain) loss on disposal of exploration and evaluation asset	-	13,679
Security and other deposits	(450,000)	
Recovery of miscellaneous receivable	(425,000)	-
Share-based compensation	555,000	-
Stock dividend	-	(1,862)
Marketable securities - fair value adjustment	(1,229,683)	3,312,874
Write-down of mineral property	211,505	-
Total Non-cash (Income) Expenses	(1,201,241)	
Changes in non-cash balances		
Accounts receivable	(41,691)	(58,800)
Security and other deposits	(50,000)	554,630
Miscellaneous receivable	-	35,699
Prepaid expenses	(9,058)	(21,096)
Accounts payable and accrued liabilities	96,922	(158,805)
Changes in Operating Activities	(3,827)	351,628
Total cash used in operating activities	(1,205,068)	(451,953)
Investing activities		
Net proceeds on sale of exploration and evaluation assets	40,000	-
Net proceeds on sale of marketable securities	124,255	-
Net proceeds from sale of Oil & Gas assets	-	313,401
Net proceeds on sale of property, plant and equipment	83,516	-
Purchase of exploration and evaluation assets	(67,604)	-
Purchase of property, plant and equipment	(27,456)	(42,413)
Total cash provided (used) in investing activities	152,711	270,988
Financing activities		
Private placement	1,500,000	
Repayment of CEBA loan	(40,000)	-
Total cash provided by financing activities	1,460,000	-
Change in cash	407,643	(180,965)
Cash at the beginning of the period	213,772	713,701
Cash at the end of the period	621,416	532,736

1. Nature of operations and going concern

Spruce Ridge Resources Ltd. ("**Spruce**" or the "**Company**") is a public company listed on the TSX Venture Exchange (TSXV - SHL) and operating under the laws of the Province of Ontario. The Company is an exploration stage company that is in the process of exploring its mineral properties located in Canada and has not yet determined whether these properties contain reserves that are economically recoverable. The Company also has producing oil wells in Unity, Saskatchewan from its wholly owned subsidiary Spruce Ridge Oil & Gas Inc. The Company's registered head office is located at 110 Yonge Street, Suite 1601, Toronto, ON M5C 1T4.

These financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from April 30, 2023. At January 31, 2024, the Company has retained earnings of $1,737,499 (April 30, 2023 – $988,345) and has working capital of $10,543,179 (April 30, 2023 - $9,299,392). The Company's ability to continue as a going concern is dependent upon its ability to generate sufficient funds and continue to obtain sufficient capital from investors to meet its current and future obligations. The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development.

The condensed interim consolidated financial statements of the Company for the period ended January 31, 2024, were authorized for issue in accordance with a resolution of the Board of Directors March 26, 2024.

2. Summary of Significant accounting policies

(a) Basis of presentation and statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB, have been omitted or condensed.

The condensed interim consolidated financial statements of the Company include the accounts of its wholly owned subsidiary Spruce Ridge Oil & Gas Inc. and have been prepared on a historical cost basis. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for the investments which have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The condensed interim consolidated financial statements have been prepared on a going concern basis and are presented in Canadian dollars, which is the Company's functional currency.

The condensed interim consolidated financial statements should be read in conjunction with the most recently annual financial statements of Spruce, which includes information necessary or

(Unaudited – Expressed in Canadian Dollars)

2. Summary of Significant accounting policies (continued)

useful to understanding the Company's financial statement presentation. In particular, the Company's significant accounting policies were presented in Note 2 to the consolidated financial statements for the year ended April 30, 2023 and have been consistently applied in the preparation of these condensed interim consolidated financial statements except as described herein.

The operating results for the nine months ended January 31, 2024, are not necessarily indicative of results that may be expected for the full year ended April 30, 2024, due to variation in property expenses and other factors.

3. Accounts Receivable

	31-January-24 $	30-Apr-23 $
HST	108,330	90,223
HST – SRO&G	21,046	21,199
Accounts receivable	34,810	11,074
Royalties receivable (1)	240,721	18,164
Total	196,015	140,660

1 – Royalties receivable

	31-January-24 $	30-Apr-23 $
Balance, beginning of year	227,056	-
Add: Sale of oil and gas assets	-	220,016
Add: Interest income	13,664	7,040
Less: Current portion	(27,037)	(18,164)
Long-term portion	213,683	208,892

4. Miscellaneous receivable

The Company's miscellaneous receivable is due from a former officer and director. This amount is non-interest bearing with no set terms of repayment. A portion of the receivable was secured by a pledge of shares of another publicly traded company. After reviewing the matter with legal counsel, current management is of the opinion that the pledge of securities is unenforceable. Current management has been negotiating with the former officer and director to reach acceptable repayment terms which would not have a negative impact on the Company. Despite best efforts, current management has been unable to reach an acceptable settlement and has commenced litigation to recover the receivable and costs by filing a statement of claim with the Ontario Superior Court of Justice on April 5, 2023. The Company continues to seek full repayment of the receivable.

On December 21, 2023 the Company reached a settlement with the former CEO and director which includes a settlement payment of $180,000 plus HST and certain credit card expenses to the former CEO

(Unaudited – Expressed in Canadian Dollars)

4. Miscellaneous receivable (continued)

and director, and the transfer from the former CEO and director to the Company of 5 million shares of the Company with a value of $425,000 which shares are to be cancelled.

As a result, the Company has recognized a miscellaneous receivable equal to the amount which will be recovered and recognized in income an equal amount which was previously impaired.

5. Marketable securities

At January 31, 2024 and April 30, 2023, the Company held marketable securities as follows:

31-January-24	Number of Shares	Cost	Short Term FV Adjustment	Long Term FV Adjustment	Fair Value
Cash					$ 121
Benton Resources Inc. – ST	5,000,000	225,000	525,000	-	750,000
Benton Resources Inc. - LT	10,000,000	450,000	-	1,050,000	1,500,000
Canada Nickel Company	5,655,395	1,043,406	6,874,147	-	7,917,553
Cerro Grande Mining Corp.	26,150	20,593	(20,122)	-	471
Magna Terra Minerals Inc.	2,761,312	173,611	(118,385)	-	55,226
Noble Mineral Exploration	10,000,000	392,894	357,106	-	750,000
			7,617,746	**1,050,000**	**$10,973,371**

The shares of Benton Resources Inc. classified as long-term are held in an Escrow account. The shares are released in 5,000,000 share increments 4-months, 12-months and 24-months from the date of issue.

30-Apr-23	Number of Shares	Cost	Short Term FV Adjustment	Fair Value
Cash				$665
Canada Nickel Company	5,767,495	1,865,720	6,612,498	8,478,218
Noble Mineral Exploration	10,000,000	392,894	107,106	500,000
Magna Terra Minerals Inc.	2,761,312	173,611	(63,159)	110,452
Cerro Grande Mining Corp.	26,150	20,593	(20,331)	262
		2,452,818	6,636,114	**$9,089,597**

6. Prepaid expenses

The prepaid expenses and security deposits for the Company are as follows:

	31-January-24 $	30-Apr-23 $
Prepaid expenses	23,580	14,522
Prepaid expenses - SRO&G	-	-

(Unaudited – Expressed in Canadian Dollars)

7. Exploration and evaluation assets

	Nora Lake $	Viking/Kramer $	Great Burnt Copper/Gold $	Foggy Pond $	8 Dollar $	Total $
Balance, April 30, 2022	**7,500**	**125,000**	**413,392**	**211,505**	**-**	**757,397**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance, January 31, 2023	**7,500**	**125,000**	**413,392**	**211,505**	**-**	**757,397**
Additions	-	-	10,250	-	-	-
Disposals	-	(125,000)	-	-	-	-
Balance, April 30, 2023	**7,500**	**-**	**423,642**	**211,505**	**-**	**642,647**
Additions	-	-	9,050	-	58,554	67,604
Disposals	-	-	(302,884)	-	-	(302,884)
Write-down	-	-	-	(211,505)		(211,505)
Balance, January 31, 2024	**7,500**	**-**	**129,808**	**-**	**58,554**	**195,862**

(a) Crooked Green Property, Pifher Township, Ontario

1% net smelter - The Company sold its interest in mining claim units in Pifher Township in 1999 but retained a royalty equal to 1% of the net smelter returns should the property commence commercial production. As at January 31, 2024, commercial production had not commenced.

(b) Nora Lake Property, Ontario

On May 18, 2005, the Company acquired an option to purchase an eighty nine percent (89%) interest in the Nora Lake area, Ontario for consideration of:

i) 50,000 shares (issued)
ii) 50,000 shares on the first anniversary (issued)

(c) Viking/Kramer Gold Property, Western Newfoundland

On September 8, 2020 the Company entered into an Amended Option Agreements (the "Agreements") with Magna Terra Minerals Inc. ("Magna Terra") for both the Viking and Kramer Properties ("Viking", "Kramer" or the "Properties") situated near the communities of Pollard's Point and Sop's Arm in White Bay, Newfoundland. The original Option Agreements for the Properties were entered into on February 5, 2016 between Spruce Ridge and Anaconda Mining Inc. ("Anaconda") (See Spruce Ridge News Release dated February 10, 2016). On December 5, 2019 Anaconda assigned its interest in the Agreements to a wholly owned subsidiary company – 2647102 Ontario Inc. On August 12, 2020, Magna Terra completed the acquisition of 2647102 Ontario Inc. from Anaconda, and thus took over ownership of the Agreements.

7. Exploration and evaluation assets (continued)

Option Details

Magna Terra earned a 100% interest in the Viking and Kramer Projects by paying Spruce Ridge a total of $300,000 over 4 payment periods ending February 15, 2023. At Magna Terra's election up to half (50%) of the payments can be made via the issuance of Common Share Units (the "Units"). Pricing of the units will be calculated using the 20 day volume weighted average price ("VWAP") of Magna Terra's common shares on the TSX Venture Exchange immediately prior to the payment date. Each Unit consists of one Common Share and ½ Common Share Purchase Warrant. Each whole warrant will be exercisable at a 50% premium to the Common Share VWAP, for a period of 2 years from the payment date. The warrant exercise price will not be less than the market price of the common shares at the time of issuance. The maximum number of Units issuable by Magna Terra is 740,742. Further, Spruce Ridge is entitled to a 0.5% uncapped NSR on all minerals sales from the Viking Property, and a 2.0% NSR on all mineral sales from the Kramer Property, which is capped at $2,500,000, after which the NSR will be reduced to 1.0%.

During the year ended April 30, 2023 the agreement was amended and Magna Terra issued 2,500,000 common shares with a fair market value of $125,000 to complete their 100% acquisition of the Viking and Kramer projects including the cancellation of the NSR's.

As a result of the transaction, a $610,000 write-down was recorded during the year ended April 30, 2022 resulting in no gain or loss recorded during the year ended April 30, 2023.

(d) Great Burnt Copper/Gold Property, Central Newfoundland

At April 30, 2023, the Company owned a 100% undivided interest in the Great Burnt Copper/Gold Property in Central Newfoundland.

On August 15, 2023, the Company entered into a binding Letter of Intent ("LOI") with Benton Resources Inc. ("Benton") whereby Benton can earn a 70% undivided interest in the Great Burnt Copper/Gold Property and certain Foggy Pond properties.

As consideration, Benton agreed to pay cash of $40,000 (paid), issue 15,000,000 common shares and incur $2.5 million in exploration expenditures as follows:

i) Cash payment of $40,000 upon TSXV approval (received)

Issue 15,000,000 common shares as follows:

ii) 5,000,000 shares upon TSXV approval, subject to a 4-month trading restriction (received)
iii) 5,000,000 shares upon TSXV approval, subject to a 12-month trading restriction (received)
iv) 5,000,000 shares upon TSXV approval, subject to a 24-month trading restriction (received)

Incur $2,500,000 in Exploration Expenditures as follows:
v) $1,000,000 on or before the first anniversary of the LOI
vi) $1,500,000 on or before 36-months following the date of the LOI.

(Unaudited – Expressed in Canadian Dollars)

7. Exploration and evaluation assets (continued)

(d) Great Burnt Copper/Gold Property, Central Newfoundland (continued)

Once a 70% interest in the Property is earned by Benton, the Property will be operated as a participating joint venture.

(e) Foggy Pond Property

On September 14, 2021 the Company acquired 767 claims covering 19,175 hectares of land which are contiguous to the Company's Great Burnt Copper/Gold Property.

Spruce Ridge paid the vendors staking fees of $49,855 and issued 2 million Spruce Ridge shares valued at $200,000.

During the nine months ended January 31, 2024, the Company allowed all claims to laps and recorded an impairment of $211,505.

(f) 8 Dollar Mountain Property, Oregon

During the nine months ended January 31, 2024, the Company staked claims for a total cost of $58,554.

8. Exploration expenses

A summary of exploration expenditures incurred for the period ended January 31, 2024 is as follows:

	Great Burnt	Foggy Pond	Nora Lake	8 Dollar	Totals
	$	$	$	$	$
Assays	3,665	-	-	-	3,665
Field Expenses	(8,985)	-	-	-	(8,985)
Geoscience	5,050	-	-	-	5,050
Miscellaneous	6,000			6,086	12,086
Reports	-	-	-	2,081	2,081
Wages	7,797	-	-	-	7,797
	13,527	-	-	8,167	21,694

9. Security and other deposits

The $608,526 (April 30, 2023 - $108,526) of security deposits are on hand with provincial governments in connection with various mineral rights claims.

The Company acquired certain mineral leases with petroleum and natural gas rights, plus oil and gas wells, pipelines and facilities in the Unity area of southwestern Saskatchewan from Repsol Canada Energy Partnership. Included in the purchase are 793 ha of petroleum and natural gas rights from surface to the

(Unaudited – Expressed in Canadian Dollars)

9. Security and other deposits (continued)

base of the Mannville Group with an average working interest of 84%. The purchase includes 5 active oil wells, 10 suspended oil and gas wells, heavy oil facilities, pipelines, and an active water disposal well.

The purchase price is $50,000 plus $10,000 paid to the Orphan Fund. The purchase price considers the Company's responsibility for the Environmental Liabilities, including Environmental Defects and Abandonment and Reclamation Obligations. An abandonment and reclamation security deposit of $554,630 was paid to the Saskatchewan government.

On December 5, 2022, the Company sold its Saskatchewan oil and gas interests to Original Oil Inc., an Alberta-based oil and gas producer. The Company will receive a total of $500,000 based on an initial $25,000 cash payment and ongoing gross-over-riding royalty payments of 5% on production. The Company also applied to the Saskatchewan Government for return of its security bond in the amount of $554,630. The Ministry of Energy and Resources received the Company's application and agreed there is no longer a security requirement and the Company received the $554,630 refund.

On July 13, 2023, the Company paid a $50,000 deposit in relation to the share purchase agreement with RAB Capital to acquire all the issued and outstanding securities of RFN Holdings Limited.

On December 21, 2023 the Company completed a private placement whereby 9,000,000 units were issued to RAB Capital Holdings Limited in settlement of $450,000 of the purchase price for the transaction with RAB. Units issued to RAB will be held in escrow until the closing of the Transaction.

10. Property and equipment

Cost	**Land**	**Buildings**	**Equipment**	**Office Equipment**	**Trucks**	**Website**	**Total**
	$	$	$	$	$	$	$
Balance, April 30, 2023	40,000	159,000	241,756	9,200	78,413	-	528,369
Additions	-	-	23,000	-	-	4,456	27,456
Disposals	(5,000)	(37,500)	(241,756)	-	-	-	(284,256)
Balance, January 31, 2024	35,000	121,500	23,000	9,200	78,413	4,456	271,569
Accumulated Amortization							
Balance, April 30, 2023	-	131,854	220,296	8,909	17,682	-	378,741
Amortization	-	2,009	2,698	44	13,665	-	18,416
Disposals	-	(31,099)	(221,269)	-	-	-	(252,368)
Balance, January 31, 2024	-	102,764	1,725	8,953	31,347	-	144,789

(Unaudited – Expressed in Canadian Dollars)

10. Property and equipment (continued)

	Land	Buildings	Equipment	Office Equipment	Trucks	Website	Total
	$	$	$	$	$	$	$
Net Book Value							
Balance, April 30, 2023	40,000	27,146	21,460	291	60,731	-	149,628
Balance, January 31, 2024	35,000	18,739	21,275	247	47,066	4,456	126,780

11. Accounts payable and accrued liabilities

Payables and accrued liabilities for the Company are as follows:

	31-January-24	30-Apr-23
	$	$
Trade payables	132,856	28,530
Trade payables – SRO&G	12,792	7,118
Accrued liabilities	50,433	63,511
Total	**193,081**	**99,159**

12. CEBA loan

The Company received a $60,000 interest free loan due December 31, 2023 supported by the Government of Canada through the Canada Emergency Business Account (CEBA) program. For qualifying entities, the loan is unsecured and non-interest bearing up until December 31, 2023 and will then bear interest of 5% up to December 31, 2025 at which point the balance is due in full. The loan was repaid December 2023.

13. Reclamation liability

During the year ended April 30, 2022 the Company assumed a reclamation liability of $213,833 as part of the acquisition of the oil and gas assets in Saskatchewan. The reclamation liability was estimated based on the Company's net ownership interest in the oil and gas assets, estimated costs to abandon and reclaim the facilities, and the estimated timing of costs to be incurred in future periods. It was estimated that the oil and gas assets have an estimated useful life of 10 years and a 10% discount rate was used in calculating the net present value of the reclamation liability.

During the year ended April 30, 2023, accretion expense of $13,679 (2022 - $18,981) was recorded.

During the year ended April 30, 2023 the Company sold its oil and gas assets in Saskatchewan and the Company's reclamation liability was extinguished.

(Unaudited – Expressed in Canadian Dollars)

14. Shareholders' Equity

(a) **Share capital**

Authorized:

There is an unlimited number of common shares without par value. As at January 31, 2024 210,207,202 (April 30, 2022 – 180,207,202) common shares have been issued.

During the nine months ended January 31, 2024:

On December 21, 2023, the Company completed a private placement of 30,000,000 units at a price of $0.05 per unit for total proceeds of $1,500,000. Each unit consisted of one common share and one half share purchase warrant. Each whole share purchase warrant entitled the holder to purchase one additional common share at a price of $0.10 per share for a period of two years expiring on December 21, 2025. The Company recognized a value of $nil to the warrants using the residual value method.

(b) **Warrants**

The following common share purchase warrants entitle the holders thereof the right to purchase one common share for each common share purchase warrant. Broker compensation units entitle the holders thereof the right to purchase one common share and one common share purchase warrant for each unit.

Warrants transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
		$
Balance, as at April 30, 2022	**374,990**	0.14
	-	
Balance, as at January 31, 2023	**374,990**	0.14
Warrants expired	(111,990)	0.14
Balance, as at April 30, 2023	**263,000**	0.14
Warrants expired	(263,000)	
Balance, as at January 31, 2024	-	0.14

(c) Stock Options

On December 13, 2023 the Company granted 9,520,000 stock options to directors of the Company and to consultants. The stock options entitle the holders thereof the right to purchase one common share for each option at a price of $0.08 per share expiring on December 13, 2026 and vested on the grant date. The fair value of the stock options of $555,000 was determined using the Black Scholes option pricing model with the following assumptions – Share price on grant date of $0.09; Risk-free interest rate of

(Unaudited – Expressed in Canadian Dollars)

14. Shareholders' Equity (continued)

(c) Stock Options (continued)

2.46%; Dividend yield of nil; Expected volatility of 102%; Expected life of 3 years and forfeiture rate of 0%. Volatility was determined based on the Company's historical data.

A summary of the status of outstanding stock options as of January 31, 2024 is presented below.

	Stock Options	Weighted Average Exercise Price
Balance, as at April 30, 2022	1,350,000	$0.05
	-	
Balance, as at January 31, 2023	1,350,000	$0.05
Options expired	(900,000)	$0.05
Balance, as at April 30, 2023	450,000	$0.05
Options expired	(450,000)	$0.05
Options granted	9,250,000	$0.05
Balance, as at January 31, 2024	9,250,000	$0.08

(d) Restricted Share Units

On January 27, 2024, the Company granted 2,600,000 restricted share units (RSU). The RSUs vest on December 13, 2024.

15. Related Party Transactions

No director fees have been paid to directors.

During the nine months ended January 31, 2024, $158,248 (January 31, 2023 - $Nil) of expenses were incurred to a company controlled by the CEO for management services.

During the nine months ended January 31, 2024, $21,000 (January 31, 2023 - $10,000) of expenses were incurred to a company controlled by the CFO for accounting services.

During the nine months ended January 31, 2024, $180,000 (January 31, 2023 - $45,000) of expenses were incurred to a company controlled by the former president of the Company for management and accounting services. This payment was part of the settlement reached with the former president.

During the nine months ended January 31, 2024, $Nil (January 31, 2023 - $46,486) of expenses were incurred to the former Vice President of Exploration for geological services.

16. Contingencies

In the normal course of operations, the Company may become subject to a variety of legal and other claims. Management and legal counsel evaluate all claims on their apparent merits, and accrue

16. Contingencies (continued)

management's best estimate of the estimated costs to satisfy such claims. No amounts have been recorded as the outcome of the current legal claims is determined to be unknown.

17. Capital and financial risk management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of the CEBA loan and shareholders' equity comprised of issued share capital and warrants.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended April 30, 2023.

<u>Fair Value</u>

The carrying values for primary financial instruments, including cash, accounts receivable, miscellaneous receivable, security deposits, accounts payable and accrued liabilities and CEBA loan approximate fair values due to their short-term maturities. The Company's exposure to potential loss from financial instruments relates primarily to its cash held with Canadian financial institutions.

The fair value of financial instruments that are measured subsequent to initial recognition at their fair value, is measured within a 'fair value hierarchy' which has the following levels:

i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
ii) Level 2: valuation techniques using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
iii) Level 3: valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's marketable securities are considered Level 1.

There have been no major or significant changes that have had an impact on the overall risk assessment of the Company during the year. The objectives and strategy for the exploration and evaluation asset portfolio remains unchanged.

The Company's exploration and development activities expose it to the following financial risks:

<u>Credit Risk</u>

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

17. Capital and Financial Risk Management (Continued)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign currency exchange rates, commodity prices, interest rates and liquidity. A discussion of the Company's primary market risk exposures, and how those exposures are currently managed, follows:

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Company has historically had insignificant operations in United States ("US") dollars. The Company has no US dollar hedging program due to its minimal exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities. The Company is exposed to price risk with the marketable securities held in publicly-traded companies. The Company's marketable securities are subject to risks associated with fluctuations in the market price of the marketable securities.

Interest Rate Risk

The Company's cash may contain highly liquid investments that earn interest at market rates. The Company manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short term to maturity of the investments held.

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 currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

18. Subsequent Events

On February 23, 2024, 5,000,000 shares with a value of $425,000 previously held by the former CEO and director were cancelled by the Company's transfer agent.

On March 1, 2024, the Company has completed its acquisition with RAB Capital Holdings Limited ("RAB Capital") of all the issued and outstanding securities of RFN Holdings Limited ("RFN"), which is the holder of an 80% interest in Homeland Nickel Corporation ("Homeland Nickel"). Spruce Ridge now owns 80% of Homeland Nickel, which owns the Cleopatra and Red Flat nickel laterite deposits in southwest Oregon (the "Properties").

On March 1, 2024, the Company issued 10,000,000 common shares to RAB Capital Holdings Limited as part of the terms of the acquisition noted above.

On March 11, 2024 the Company has entered into an agreement with Northwest Nickel Corp. to acquire a 100% interest in the Shamrock Nickel Sulphide Property, located near Medford in southwest Oregon, USA.

On March 20, 2024 the Company began trading on the OTCQB Venture Market under the trading symbol SRCGF.