

SCOTTIE RESOURCES AND AUX RESOURCES ANNOUNCE CLOSING OF AMALGAMATION

VANCOUVER, BRITISH COLUMBIA – July 16, 2021 – **Scottie Resources Corp.** ("**Scottie**" or the "**Company**") and **AUX Resources Limited** (formerly AUX Resources Corporation) ("**AUX**") are pleased to announce that they have completed their previously announced amalgamation (the "**Transaction**") pursuant to an amalgamation agreement dated May 4, 2021 (the "**Amalgamation Agreement**") among Scottie, 1302668 B.C. Ltd. ("**Subco**"), a wholly-owned subsidiary of Scottie, and AUX Resources Corporation.

Highlights

- **Merger combines two sizeable and complementary land packages in the Stewart Mining Camp – over 52,000 ha combined**
- **Reduces overhead costs and permits numerous operational efficiencies**
- **Management and Board of Scottie Resources remains intact and able to advance the company and its assets**
- **Strong working capital with approximately \$11 million in cash on closing**

CEO and President, Bradley Rourke commented: "We are thrilled to complete this amalgamation with AUX, which significantly increases our land package in the Stewart area from just over 25,000 ha to now more than 50,000 ha. Bringing in the Georgia River Mine project along with the Scottie Gold Mine means we are now simultaneously pushing forward two high-grade gold past-producing mines that have been chronically underexplored. Our seasoned exploration team will use their experience advancing the Scottie Gold Mine to efficiently explore the potential expansion of what is already an incredibly gold-rich system. At Scottie, drilling on the Blueberry Zone has commenced, and additional drills will arrive onsite in the coming days to begin drilling at Georgia River and the Scottie Gold Mine."

2021 Exploration Program Update

With the newly merged property portfolio, over 16,000 m of drilling is planned for the 2021 season. The majority of the drilling is allocated for the Scottie Gold Mine Project (Blueberry, Domino, 'O' and 'M' zones), while a smaller campaign will test targets in the Georgia River Project, and within the Cambria Project.

Drilling has commenced at the Blueberry zone, testing the downward extension of the high-grade ore shoot identified during 2020. Two additional drills are expected to begin turning on the Scottie Gold Mine and Georgia River Projects over the next week. In addition to drilling, multiple geophysical surveys are planned for the season, including 2D and 3D induced polarization ("**IP**"), downhole electromagnetic ("**DHEM**"), and horizontal loop electromagnetic ("**HLEM**") surveys.

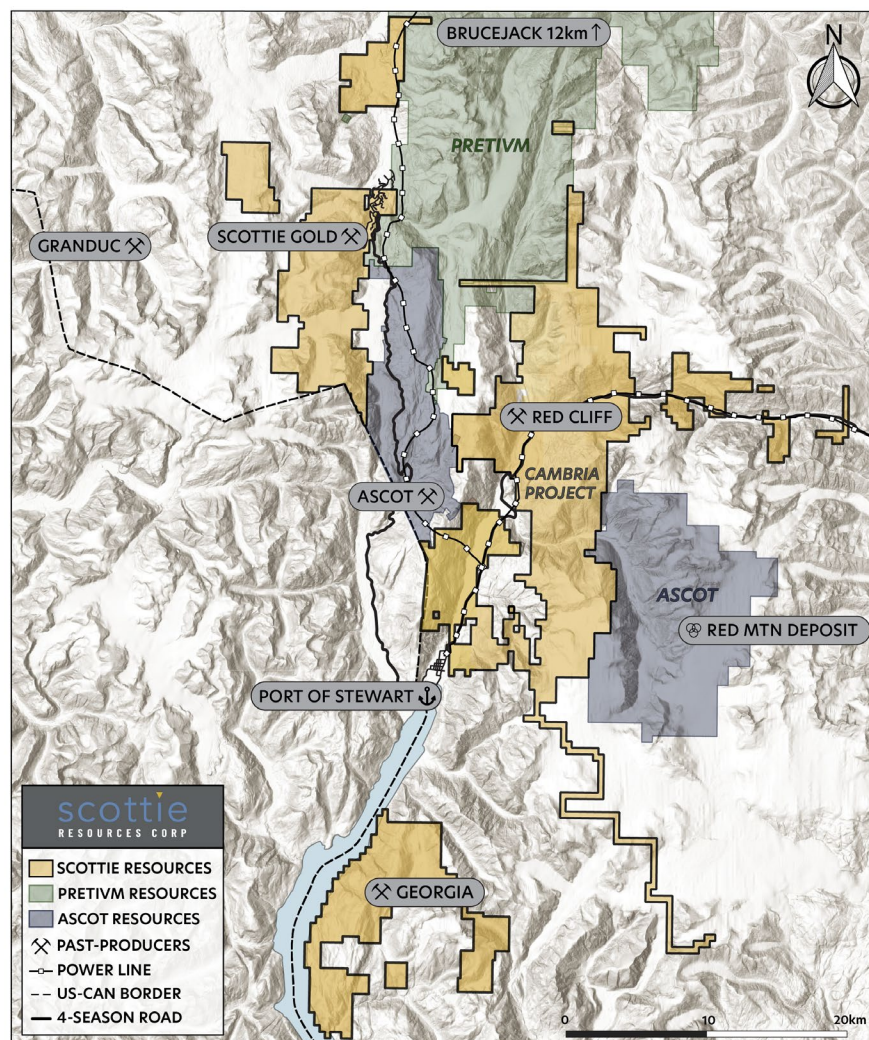


Figure 1: Overview map of the Scottie Resources mineral tenures in the Stewart Mining Camp after the merger with AUX Resources.

The Transaction

The Transaction was completed by way of a three-cornered amalgamation whereby AUX and Subco amalgamated under the *Business Corporations Act* (British Columbia) to form AUX Resources Limited, a wholly-owned subsidiary of Scottie. All of the issued and outstanding common shares of AUX (“**AUX Shares**”) were exchanged for common shares in the capital of Scottie (“**Scottie Shares**”) on a one-for-one basis. All of AUX’s issued and outstanding warrants (“**AUX Warrants**”) and options (“**AUX Options**”) were exchanged for equivalent warrants (“**Scottie Warrants**”) and options (“**Scottie Options**”) of Scottie, respectively, on a one-for-one basis, and immediately cancelled. Pursuant to the Transaction, Scottie issued:

- a total of 54,499,642 Scottie Shares to the former holders of AUX Shares;

- a total of 18,433,817 Scottie Warrants to the former holders of AUX Warrants, with each Scottie Warrant exercisable to purchase one Scottie Share at a price of \$0.40 until expiry dates ranging from July 6, 2022 to February 19, 2023; and
- a total of 2,432,000 Scottie Options to the former holders of AUX Options, with each Scottie Options exercisable to purchase one Scottie Share, at exercise prices ranging from \$0.25 to \$0.42 and expiry dates ranging from July 7, 2024 to February 8, 2027, subject to the stock option plan of Scottie.

Upon completion of the Transaction, Scottie has 202,433,537 Scottie Shares, 33,531,274 Scottie Warrants and 14,307,000 Scottie Options issued and outstanding.

Upon closing of the Transaction, all directors and officers of AUX resigned. Bradley Rourke, the President, CEO and a Director of Scottie, and Thomas Mumford, the VP Exploration of Scottie, will serve as directors of AUX, which will continue as a wholly-owned subsidiary of Scottie.

AUX also wishes to clarify its news release dated July 12, 2021. AUX Resources Corporation previously announced that the AUX Shares would be delisted from the TSX Venture Exchange (the “TSXV”) effective as of close of markets on Wednesday, July 14, 2021. However, Scottie and AUX now expect delisting from the TSXV to occur on or about the close of market on Monday, July 19, 2021. The trading of the AUX Shares was halted on Wednesday, July 14, 2021 in connection with closing of the Amalgamation.

The Scottie Shares will continue to trade on the TSX Venture Exchange under the symbol “SCOT”.

For more information regarding the Transaction, please refer to news release of Scottie and AUX dated May 6, 2021, available on Scottie’s profile at www.sedar.com, and the management information circular of AUX filed June 10, 2021 (the “Circular”), available on AUX’s profile at www.sedar.com.

Early Warning Disclosure Pursuant to National Instrument 62-103

Immediately prior to the closing of the Transaction, Scottie held no AUX Shares. Upon closing of the Transaction, Scottie acquired one AUX Share, representing 100% of the issued and outstanding AUX Shares upon completion of the Transaction. As a result of the Transaction, AUX intends to apply to cease to be a reporting issuer in the Provinces of British Columbia and Alberta, and to delist from the TSXV. Scottie will continue to conduct its business as described in the Circular.

Immediately prior to closing of the Transaction, 2176423 Ontario Ltd. (“**2176423**”), a company controlled by Eric Sprott, held 10,000,000 Scottie Shares and 10,000,000 Scottie Warrants, representing approximately 6.76% of the issued and outstanding Scottie Shares on a non-diluted basis and 12.66% of the issued and outstanding Scottie Shares on a partially diluted basis assuming exercise of the Scottie Warrants. Upon closing of the Transaction, Mr. Sprott holds 18,888,889 Scottie Shares and 18,888,889 Scottie Warrants representing approximately 9.33% of the issued and outstanding Scottie Shares on a non-diluted basis and 17.07% of the issued and outstanding Scottie Shares on a partially diluted basis assuming exercise of the Scottie Warrants.

The Scottie Shares and Scottie Warrants were acquired by Mr. Sprott for investment purposes and with a long-term view of the investment. Mr. Sprott may acquire additional securities of Scottie either on the open market or through private acquisitions or sell securities of Scottie either on the open market or through private dispositions in the future, depending on market conditions, reformulation of plans and/or other relevant factors.

A copy of the Early Warning Reports prepared in connection with the acquisition of the AUX Shares by Scottie and the Scottie Shares and Scottie Warrants held by Mr. Sprott, respectively, can be obtained on Scottie's SEDAR profile or, with respect to Scottie's Early Warning Report, by contacting Bradley Rourke, President and CEO of Scottie at (250) 877-9902 (905-1111 West Hastings Street, Suite 905, Vancouver, BC V6E 2J3) or, with respect to Mr. Sprott's Early Warning Report, or by contacting Mr. Sprott's office at (416) 945-3294 (200 Bay Street, Suite 2600, Royal Bank Plaza, South Tower, Toronto, Ontario M5J 2J1).

About Scottie Resources Corp.

Scottie owns a 100% interest in the high-grade, past-producing Scottie Gold Mine and Bow properties and has the option to purchase a 100% interest in Summit Lake claims which are contiguous with the Scottie Gold Mine property. Scottie also owns 100% interest in the Georgia Project which contains the high-grade past-producing Georgia River Mine, as well as the Cambria Project properties and the Sulu property. Altogether, Scottie holds more than 52,000 ha of mineral claims in the Golden Triangle.

Scottie's focus is on expanding the known mineralization around the past-producing mine while advancing near mine high-grade gold targets, with the purpose of delivering a potential resource.

All of Scottie's properties are located in the area known as the Golden Triangle of British Columbia which is among the world's most prolific mineralized districts.

Additional Information

Brad Rourke
President and CEO
+1 250 877 9902
brad@scottieresources.com

Gordon Robb
Business Development
+1 250 217 2321
gordon@scottieresources.com

Reader Advisory

*Certain information set forth in this news release contains forward-looking statements or information ("**forward-looking statements**"), including Scottie's proposed exploration and drilling activities, details about the Transaction, receipt of all required regulatory and TSXV approvals, the application of AUX to cease to be a reporting issuer and the delisting of the AUX Shares on the TSXV. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the control of Scottie and AUX, including those set out in the Circular available on AUX's SEDAR profile at www.sedar.com. Although Scottie and AUX believe that the expectations in its forward-looking statements are reasonable, these forward-looking statements have been based on factors and assumptions concerning future events which may prove to be inaccurate. Those factors and assumptions are based upon currently available information. Such statements are subject to*

known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on the forward-looking statements, as no assurance can be provided as to future results, levels of activity or achievements. Risks, uncertainties, material assumptions and other factors that could affect actual results are discussed in the Circular available on AUX's SEDAR profile at www.sedar.com. Furthermore, the forward-looking statements contained in this document are made as of the date of this document and, except as required by applicable law, Neither Scottie nor AUX undertakes any obligation to publicly update or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.