



**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW

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 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 Canada for a review of interim financial statements by an entity's auditor.

STILLWATER CRITICAL MINERALS CORP. (FORMERLY GROUP TEN METALS INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	September 30, 2022	March 31, 2022
		\$	\$
ASSETS			
Current			
Cash		1,135,391	2,401,965
Accounts receivable		21,965	73,430
Prepaid expenses and deposits	4	567,722	215,787
Due from related parties	8b	659,332	613,604
		<u>2,384,410</u>	<u>3,304,786</u>
Non-current			
Deposits	4	262,153	248,342
Marketable securities	5d	364,000	-
Exploration and evaluation assets	5	3,034,012	3,179,082
		<u>6,044,575</u>	<u>6,732,210</u>
LIABILITIES			
Current			
Accounts payable and accrued liabilities		270,897	311,805
Due to related party	8b	47,250	105,489
		<u>318,147</u>	<u>417,294</u>
SHAREHOLDERS' EQUITY			
Share capital	7	34,895,103	33,297,725
Share-based payment reserve	7g	2,426,662	2,174,863
Deficit		(31,595,337)	(29,157,672)
		<u>5,726,428</u>	<u>6,314,916</u>
		<u>6,044,575</u>	<u>6,732,210</u>

Nature of Operations and Going Concern – Note 1

Approved on behalf of the Board:
Michael Rowley , Director
Greg Johnson , Director

STILLWATER CRITICAL MINERALS CORP. (FORMERLY GROUP TEN METALS INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Unaudited - Expressed in Canadian Dollars)

	Note	Three Months ended September 30,		Six months ended September 30,	
		2022	2021	2022	2021
		\$	\$	\$	\$
EXPENSES					
Consulting	8a	292,315	69,608	442,641	287,232
Exploration expenditures	6	628,027	2,852,196	1,078,499	3,203,162
Investor relations and corporate development		69,123	209,421	205,077	290,367
Office and administration		27,064	28,831	52,087	45,057
Professional fees		67,877	96,717	135,481	115,771
Share-based payment expense	7g, 8a	219,758	150,847	474,364	396,328
Transfer agent, regulatory and filing fees		16,420	12,809	24,604	30,174
Travel and accommodation		33,957	1,708	34,437	4,420
		(1,354,541)	(3,422,137)	(2,447,190)	(4,372,511)
Other Items					
Other income		-	4,215	-	7,112
Interest income		2,648	3,741	5,385	4,987
Unrealized loss on marketable securities	5d	(126,000)	-	(126,000)	-
Gain on exploration and evaluation asset	5d	121,060	-	121,060	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		(1,356,833)	(3,414,181)	(2,446,745)	(4,360,412)
Basic and diluted loss per share		(0.01)	(0.02)	(0.01)	(0.03)
Weighted average number of shares outstanding		170,126,141	163,447,858	170,041,745	156,995,381

STILLWATER CRITICAL MINERALS CORP. (FORMERLY GROUP TEN METALS INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Note	Common shares number	Share Capital \$	Share-based Payments reserve \$	Deficit \$	Total \$
Balance, March 31, 2021		147,579,312	26,628,391	1,523,297	(21,938,480)	6,213,208
Private placements, net of issuance costs	7b	14,812,500	5,040,553	396,284	-	5,436,837
Shares issued pursuant to exercise of warrants	7b	1,775,396	441,345	(8,235)	-	433,110
Share-based payment expense	7g	-	-	396,328	-	396,328
Net loss and comprehensive loss		-	-	-	(4,360,412)	(4,360,412)
Balance, September 30, 2021		164,167,208	32,110,289	2,307,674	(26,298,892)	8,119,071
Private placements, net of issuance costs		-	(4,431)	-	-	(4,431)
Shares issued pursuant to exercise of warrants		3,619,921	842,684	(15,420)	-	827,264
Shares issued pursuant to exercise of options		1,824,145	349,183	(322,183)	-	27,000
Share-based payment expense		-	-	244,692	-	244,692
Reclass of cancelled options		-	-	(39,900)	39,900	-
Net loss and comprehensive loss		-	-	-	(2,898,680)	(2,898,680)
Balance, March 31, 2022		169,611,274	33,297,725	2,174,863	(29,157,672)	6,314,916
Shares issued pursuant to exercise of warrants	7b	6,351,871	1,369,289	(21,966)	-	1,347,293
Shares issued pursuant to exercise of options	7b	1,429,100	228,089	(191,489)	-	36,600
Share-based payment expense	7g	-	-	474,364	-	474,364
Reclass of cancelled options		-	-	(9,080)	9,080	-
Net loss and comprehensive loss		-	-	-	(2,446,745)	(2,446,745)
Balance, September 30, 2022		177,392,245	34,895,103	2,426,662	(31,595,337)	5,726,428

STILLWATER CRITICAL MINERALS CORP. (FORMERLY GROUP TEN METALS INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended September 30,		Six months ended September 30,	
		2022	2021	2022	2021
		\$	\$	\$	\$
Operating activities					
Net loss for the period		(1,356,833)	(3,414,181)	(2,446,745)	(4,360,412)
Items not involving cash					
Other income		-	(4,215)	-	(7,112)
Share-based payment expense	7g	219,758	150,847	474,364	396,398
Unrealized loss on marketable securities	5d	126,000	-	126,000	-
Gain on exploration and evaluation asset	5d	(121,060)	-	(121,060)	-
		<u>(1,132,135)</u>	<u>(3,267,549)</u>	<u>(1,967,441)</u>	<u>(3,971,196)</u>
Net change in non-cash working capital items	9	<u>183,769</u>	<u>964,953</u>	<u>(459,156)</u>	<u>402,119</u>
Cash used in operating activities		<u>(948,366)</u>	<u>(2,302,596)</u>	<u>(2,426,597)</u>	<u>(3,569,077)</u>
Investing activities					
Acquisition of exploration and evaluation assets	5	<u>(160,500)</u>	<u>(141,280)</u>	<u>(223,870)</u>	<u>(203,180)</u>
Financing activities					
Proceeds from private placement	7b	-	-	-	5,925,000
Share issue costs	7b	-	(20,790)	-	(488,163)
Proceeds on exercise of warrants	7b	1,226,793	257,500	1,347,293	433,110
Proceeds on exercise of options	7b	36,600	-	36,600	-
Cash provided by financing activities		<u>1,263,393</u>	<u>236,710</u>	<u>1,383,893</u>	<u>5,869,947</u>
Change in cash		<u>154,527</u>	<u>(2,207,166)</u>	<u>(1,266,574)</u>	<u>2,097,690</u>
Cash, beginning of the period		<u>980,864</u>	<u>6,814,260</u>	<u>2,401,965</u>	<u>2,509,404</u>
Cash, end of the period		<u>1,135,391</u>	<u>4,607,094</u>	<u>1,135,391</u>	<u>4,607,094</u>

Supplemental cash flow information (Note 9)

STILLWATER CRITICAL MINERALS CORP. (FORMERLY GROUP TEN METALS INC.)
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Unaudited - Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Stillwater Critical Minerals Corp. (the “Company”) is a publicly listed company on the TSX Venture exchange (“TSX-V”), incorporated under the laws of British Columbia, Canada on April 28, 2006. The Company’s principal business activities include the acquisition and exploration of mineral properties. The Company’s registered office is 904-409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2. On June 13, 2022, the Company changed its name from Group Ten Metals Inc. to Stillwater Critical Minerals Corp.

These condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve profitable operations. The Company has sustained losses from operations and has an ongoing requirement for capital investment to acquire and explore its mineral properties.

The Company incurred a net loss of \$2,446,745 for the six months ended September 30, 2022 (2021 - \$4,360,412), and as of that date, had an accumulated deficit of \$31,595,337 (March 31, 2022 - \$29,157,672). At September 30, 2022, the Company had a total of \$2,384,410 (March 30, 2022 - \$3,304,786) in current assets and a working capital of \$2,066,263 (March 30, 2022 - \$2,887,492) and no long-term debt.

While the Company has been successful in obtaining the necessary financing to cover its corporate operating costs and advance the development of its projects through the issuance of common shares and the exercise of warrants in the past, there is no assurance it will be able to raise funds in this manner in the future. There remain material uncertainties that may cast significant doubt as to the Company’s ability to continue as a going concern. These consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION

Statement of compliance

The Company’s condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended March 31, 2022, which have been prepared in accordance with IFRS. The condensed interim consolidated financial statements were prepared on a historical cost basis using the accrual basis of accounting, except for cash flow information.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended March 31, 2022.

These financial statements were approved by the board of directors on November 29, 2022.

STILLWATER CRITICAL MINERALS CORP. (FORMERLY GROUP TEN METALS INC.)
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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Basis of consolidation

The consolidated financial statements include the results or financial information of Stillwater Critical Minerals Corp. and its wholly-owned subsidiaries listed in the following table:

Name	Country of incorporation
Yankee Girl Resources Corp	Canada
Group Ten (USA) Inc	USA
Group Ten (Alaska) Inc	USA
1161932 BC Ltd	Canada
1326267 BC Ltd	Canada
1326271 BC Ltd	Canada

The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. All significant intercompany transactions and balances have been eliminated.

3. USE OF ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended March 31, 2022.

4. PREPAID EXPENSES AND DEPOSITS

	September 30, 2022	March 30, 2022
	\$	\$
Prepaid expenses	59,928	93,145
Deposits	769,947	370,984
	829,875	464,129
Less: non-current portion	(262,153)	(248,342)
	567,722	215,787

In June 2021, the Company re-engaged Goldspot Discoveries Corp. to continue to assist the Company in identifying preferential environments for precious and base metal mineralization on the Company's properties by utilizing its proprietary technology which includes the use of artificial intelligence. A payment of \$140,000 was made upon engagement and as at September 30, 2022 a total of \$17,358 was drawn down. The Company has engaged other consultants on the Company's Stillwater West project and made total deposits of \$377,678 during the six months ended September 30, 2022.

The Company has paid \$233,188 (March 31, 2022 - \$233,188) for bonds in relation to the Company's Stillwater West project and a deposit of \$28,965 (March 31, 2022 - \$15,154) has been made in relation to a corporate credit card.

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5. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation acquisition costs for the six months ended September 30, 2022 and 2021 were as follows:

	Montana	Yukon	Alaska	Ontario	
	Stillwater West	Kluane Project	Duke Island	Drayton Black Lake	Total
	\$	\$	\$	\$	\$
Balance, March 31, 2021	1,702,903	774,588	102,813	388,940	2,969,244
Cash payments	61,900	-	-	-	61,900
Licenses and permits	158,842	2,438	6,658	-	167,938
Payment received	-	-	-	(20,000)	(20,000)
Balance, March 31, 2022	1,923,645	777,026	109,471	368,940	3,179,082
Cash payments	63,370	-	-	-	63,370
Licenses and permits	160,500	-	-	-	160,500
Shares received	-	-	-	(368,940)	(368,940)
Balance, September 30, 2022	2,147,515	777,026	109,471	-	3,034,012

a) Stillwater West (Montana, United States)

During the year ended March 31, 2021, the Company satisfied all earn-in requirements and owns 100% of the Stillwater West project. On June 26, 2017, the Company entered into an option agreement to acquire a 100% interest in the Stillwater West project from Picket Pin Resources LLC, a private entity, consisting of 282 claims in south central Montana, USA, covering approximately 22 square kilometers ("km²") in two claim groups. In consideration, the Company agreed to:

- Issue a total of 3,600,000 shares of the Company beginning with 900,000 shares within ten days of regulatory approval (issued) and 900,000 shares on or before May 31 of each of 2018 (issued), 2019 (issued - valued at \$112,500) and 2020 (issued - valued at \$216,000);
- Make United States dollars ("USD") \$40,000 in cash payments with USD\$20,000 on or before each of May 31, 2018 (paid) and 2019 (paid) - CDN \$26,600);
- Make advance royalty payments until commencement of commercial production of USD\$15,000 within ten days of regulatory approval (paid), USD\$30,000 on or before May 31, 2018 (paid) and USD\$50,000 on or before May 31, 2019 (paid - CDN\$66,500) and thereafter USD\$50,000 annually (paid May 31, 2020 - CDN\$67,654, June 17, 2021 - CDN\$61,900, and June 1, 2022 - CDN\$63,370)); and
- Execute a work contract for a minimum of USD\$50,000 per year for the duration of the option agreement for technical and management work, which is three years (completed).

The project is subject to a 2% Net Smelter Return royalty ("NSR") and the Company has an option to buy down the NSR to 1%.

Pursuant to further staking from November 2017 to present, the Company's land holdings at the Stillwater West project have increased to approximately 61 km² consisting of 763 claims.

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b) Kluane PGE -Ni-Cu Project (Yukon, Canada)

The Company owns a 100% interest in four platinum group and battery metals properties totaling over 255 km² in the Kluane Ultramafic Belt in southwestern Yukon. Together, these properties comprise the Kluane PGE-Ni-Cu project.

Catalyst

The Company earned its 100% interest in the Catalyst property on December 5, 2019 by completing the following commitments:

- Pay \$10,000 to Progressive Planet Solutions Inc. ("Progressive" - formerly Ashburton Ventures Inc.) on or before December 29, 2017. The agreement was amended and in lieu of the cash payment, the Company issued 200,000 common shares to Progressive (issued - valued at \$26,000); and
- Issue 300,000 common shares to Denali Resources Ltd. on or before July 31, 2019 (issued - valued at \$52,500).

Certain claims on the Catalyst property are subject to a 3% NSR and the Company has an option to buy the NSR down to 1%.

The Catalyst property also includes claims previously referred to as the CKR claims.

Spy

The Company owns a 100% interest in the Spy property. The Spy claims are subject to a 3% NSR and the Company has an option to buy the NSR down to 1%.

Ultra

The Company owns a 100% interest in the Ultra property and a 100% interest in 24 additional claims adjoining the Ultra property.

The claims are subject to a 2% NSR and the Company has an option to buy the NSR down to 1%.

The Company holds a 100% interest in the Outpost property which is adjacent to and forms part of the Ultra property. As of March 31, 2020, the Company satisfied all earn-in requirements and owns 100% of the Outpost property in addition to the Pacer properties (included with the Ellen property below) by completing the below outstanding requirements:

- Complete \$30,000 of work expenditures (satisfied), make a cash payment of \$20,000 (paid) and issue 400,000 common shares of the Company on or before the first anniversary of signing (issued - valued at \$50,000); and
- Complete an additional \$105,000 of work expenditures (completed) and issue 500,000 common shares of the Company on or before the second anniversary of the acceptance of this agreement (issued - valued at \$125,000).

The claims are subject to a 2% NSR and the Company has the option to buy down the NSR to 1%.

Ellen

The Company owns a 100% interest in the Ellen property, which consists of 72 claims totaling approximately 13km² in the Yukon Territory. The Ellen property includes the adjoining Pacer NW and nearby Pacer SE claim groups, which are owned 100% by the Company and were acquired with the Outpost claims block (see Ultra property, above).

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c) Duke Island (Alaska, United States)

The Company owns a 100% interest in 31 unpatented mineral claims located on Duke Island, Alaska. The claims are subject to a 1% NSR.

d) Drayton-Black Lake (Ontario, Canada)

The Company owns 100% of a total land package of 13,773 continuous hectares of the Drayton-Black Lake properties.

Black Lake

- (i) The Company owns a 100% interest in mineral claims covering 2,430 hectares located in the Patricia Mining Division near Sioux Lookout, Ontario. The claims are subject to a 2% NSR upon commencement of commercial production. The Company has an option to buy down the NSR to 1%.
- (ii) To further consolidate claims in the Black Lake and Drayton property area, the Company acquired 100% of the below land packages through option agreements:
 - a. Mineral claims covering 1,224 hectares in the area between Black Lake and Drayton with no royalty obligation.
 - b. Mineral claims covering 441 hectares in the Black Lake area. The claims are subject to a 3% NSR upon commencement of commercial production and the Company has the option to buy the NSR down to 2%.
- (iii) The Company acquired additional claims adjoining and between the above claims by direct staking at various dates. There are no royalty interests on claims staked by the Company.

Drayton

The Company owns a 100% interest in mineral claims covering 1,983 hectares located in the Patricia Mining Division near Sioux Lookout, Ontario.

Upon commencement of commercial production, the claims are subject to a 1% NSR with no buy-down provision, and an additional 3% NSR with the Company having an option to buy the NSR down to 1.5%.

On August 19, 2021, the Company entered into a binding Letter of Intent (“LOI”) with Heritage Mining Ltd. (“Heritage”), whereby, Heritage can acquire up to a 90% interest in the Company’s Drayton-Black Lake gold properties in Ontario, Canada. The interest can be acquired by issuing a total of 7,200,000 shares, making cash payment of \$320,000, completing exploration and development work totaling \$5,000,000 on the Drayton-Black Lake properties. During the year ended March 31, 2022 the Company completed the Definitive Earn-In Agreement (the “Agreement”) contemplated within the LOI, which defines the details and timing of option payments as follows:

- (i) Heritage is required to pay a \$20,000 cash payment to the Company within three business days of executing the LOI (received), and the LOI is exclusive and binding on the parties for a period of 60 days to allow for completion of Agreement.
- (ii) Heritage shall issue 2,800,000 shares to the Company within ten business days of obtaining a public listing on a specified Canadian exchange. (The Company received 2,800,000 shares of Heritage on September 1, 2022 valued at \$490,000. As the value of the property was less than the value of the shares received a gain of \$121,060 was recorded in the statement of loss and comprehensive loss. As at September 30, 2022 the value of the shares had further reduced to \$364,000 and an unrealized loss of \$126,000 was recorded in the statement of loss and comprehensive loss)

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- (iii) Heritage may earn a 51% interest (the "First Option") by completing the following on or before the third anniversary of the "Agreement":
- Issuing an additional 3,300,000 shares to the Company; (Subsequent to September 30, 2022 the Company received 1,100,000 shares);
 - Completing cash payments totaling \$300,000; (Subsequent to September 30, 2022 the Company received \$150,000) and
 - Completing exploration work totaling \$2,500,000 (Heritage has exceeded the minimum first annual commitment of \$500,000).
- (iv) Upon completion of the First Option, Heritage may earn an additional 39% ownership interest (the "Second Option") for a cumulative 90% interest by completion of the following on or before the fourth anniversary of the Agreement:
- Issuing an additional 1,100,000 shares to the Company; and
 - Completing additional exploration work totaling \$2,500,000.

In addition, the LOI provides the following:

- (i) Upon completion of the Second Option, the Company will retain a 10% free carried interest in the Drayton-Black Lake properties, with Heritage being responsible for all property costs until completion by Heritage of a positive feasibility study supported by a technical report prepared in accordance with NI 43-101 on the Property (the "FS").
- (ii) A discovery payment of \$1.00 per ounce of gold or gold equivalent shall be made on mineral resource estimates as filed from time-to-time on the Drayton-Black Lake properties and shall, in Heritage's discretion, be paid in cash or shares (or a combination thereof), capped at a maximum of \$10,000,000.
- (iii) The LOI provides for the formation of a Joint Venture ("JV") based on the then legal and beneficial ownership levels in the Property following completion of the FS. A JV may also be formed in the event Heritage does not complete the requirements of the Second Option, in which case Heritage is required to maintain minimum exploration and development expenditures of \$500,000 per annum until the completion of the FS in order to maintain status as operator of the JV. The Company maintains certain back-in rights to the property in the event that Heritage does not meet the minimum exploration requirements.
- (iv) The Company is required to complete \$300,000 of exploration work on the properties within the first year of the Agreement (completed), provided any shortfall by the Company shall reduce Heritage's obligation on a dollar-for-dollar basis.

e) Yankee Dundee (British Columbia, Canada)

Yankee Dundee consists of 26 Crown-granted mineral claims located in the Nelson Mining District near Ymir, British Columbia. On June 25, 2013, the Company closed the sale of its interests and obligations in the properties to Armex Mining Corp. ("Armex") in exchange for advance royalty payments, royalty payments, and production payments.

The remaining terms of the agreement are as follows:

- (i) Armex is to pay remaining advance royalty payments of:
- \$50,000 on or before August 28, 2015 (unpaid); and
 - \$50,000 on or before August 28, 2016 (unpaid) and annually thereafter until the commencement of commercial production.

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(ii) Armex is to pay production and additional payments of:

- \$250,000 upon the commencement of commercial production;
- \$250,000 upon the first anniversary of commencement of commercial production; and
- additional production payments aggregating \$1,000,000 payable from 30% of net revenues as defined in the agreement.

Armex has the right to satisfy the production and additional payments by paying the aggregate sum of \$1,250,000 any time during the first year of commercial production.

Armex will also assume all obligations per existing underlying option agreements with respect to the Yankee Dundee claims which consist of a 1% NSR upon commencement of commercial production until the recovery of the lesser of aggregate expenditures incurred and \$5,000,000, after such time, the NSR will increase to 2.5%. At any time up to the commencement of commercial production, an option is available to purchase 1.5% of the NSR for \$500,000 and the remaining 1% for \$500,000.

The Company will also be entitled to a 2.5% NSR upon commencement of commercial production, with Armex holding the right to repurchase the royalty at any time on the basis of \$1,000,000 for each 1%. In addition, the Company retains back-in rights pursuant to the agreement by which it can re-acquire the property in the event specific production milestones are not met.

Armex disputes the overdue advance royalty payments that were payable on or before August 28, 2015, 2016, 2017, 2018, 2019, 2020 and 2021. As the Company believes that the financial situation of Armex has deteriorated to an extent that precludes it from completing the sale agreement, the capitalized costs relating to Yankee Dundee have been reduced to \$Nil.

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6. EXPLORATION EXPENDITURES

Exploration expenditures incurred for the three months ended September 30, 2022 were as follows:

	Stillwater West	Kluane Project	Duke Island	Drayton Black Lake	Total
	\$	\$	\$	\$	\$
Analysis	38,921	-	-	-	38,921
Camp	48,762	9,705	-	-	58,467
Consulting	289,799	26,593	-	357	316,749
Consulting, Geophysics	55,955	13,651	-	-	69,606
Equipment	9,979	-	-	-	9,979
Fuel	2,716	5,133	-	-	7,849
Permitting	3,611	5,084	-	-	8,695
Transport	47,754	6,204	-	-	53,958
Transport, Helicopter	28,811	34,992	-	-	63,803
	526,308	101,719	-	357	628,027

Exploration expenditures incurred for the three months ended September 30, 2021 were as follows:

	Stillwater West	Yukon Properties	Duke Island	Drayton Black Lake	Total
	\$	\$	\$	\$	\$
Analysis	(18)	-	-	-	(18)
Camp	67,565	20	-	1,562	69,147
Consulting	693,813	(12,004)	-	30,815	712,624
Consulting, Geophysics	87,524	9,946	-	-	97,470
Drilling	960,078	-	-	4,313	964,391
Equipment	51,778	-	-	38	51,816
Fuel	95,386	-	-	1,313	96,699
Permitting	75	15	6,658	-	6,748
Transport	28,858	-	-	335	29,193
Transport, Helicopter	824,126	-	-	-	824,126
	2,809,126	(2,023)	6,658	38,376	2,852,196

Exploration expenditures incurred for the six months ended September 30, 2022 were as follows:

	Stillwater West	Kluane Project	Duke Island	Drayton Black Lake	Total
	\$	\$	\$	\$	\$
Analysis	204,467	-	-	902	205,369
Camp	62,445	9,705	-	-	72,150
Consulting	424,874	45,810	-	16,998	487,682
Consulting, Geophysics	92,009	13,651	-	-	105,660
Drilling	5,508	-	-	-	5,508
Equipment	36,565	-	-	-	36,565
Fuel	6,502	5,133	-	-	11,635
Permitting	3,611	5,084	-	-	8,695
Transport	75,228	6,204	-	-	81,432
Transport, helicopter	28,811	34,992	-	-	63,803
	940,020	120,579	-	17,900	1,078,499

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Exploration expenditures incurred for the six months ended September 30, 2021 were as follows:

	Stillwater West	Yukon Properties	Duke Island	Drayton Black Lake	Total
	\$	\$	\$	\$	\$
Analysis	73,863	-	-	-	73,863
Camp	81,905	20	-	1,562	83,487
Consulting	748,880	61,518	-	50,154	860,552
Consulting, Geophysics	219,888	9,946	-	-	229,834
Drilling	982,481	-	-	4,313	986,794
Equipment	76,438	-	-	38	76,476
Fuel	97,277	-	-	1,313	98,590
Permitting	175	1,703	6,658	-	8,536
Transport	31,084	-	-	335	31,419
Transport, Helicopter	824,126	-	-	-	824,126
	3,136,117	73,187	6,658	57,715	3,273,677
Les: Government grants	-	(70,515)	-	-	(70,515)
	3,136,117	2,672	6,658	57,715	3,203,162

7. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value.

b) Share issuance details

Six months ended September 30, 2022

- (i) A total of 2,277,833 options were exercised using Share Appreciation Rights ("SARs") and 1,124,100 common shares were issued and 305,500 options were exercised for proceeds of \$36,600.
- (ii) The Company issued 6,351,871 common shares pursuant to the exercise of share purchase warrants with a weighted average exercise price of \$0.21 per share for proceeds of \$1,347,293. The weighted average share price on the date of exercise was \$0.24.

Six months ended September 30, 2021

- (i) In June 2021, the Company completed a non-brokered private placement for gross proceeds of \$5,925,000. A total of 14,812,500 units were issued at a price of \$0.40 per unit with each unit consisting of one common share and one-half share purchase warrant, with each full warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.55 per share until June 16, 2023. The Company allocated \$296,250 of the gross proceeds to warrant reserve using the residual method. Finder's fees of \$244,764 cash and 611,911 brokers' warrants were paid and/or issued in connection with the financing. The value of the brokers' warrants was \$100,034. Additional shares issuance costs of \$243,399 were incurred.
- (ii) The Company issued 1,775,396 common shares pursuant to the exercise of share purchase warrants with a weighted average exercise price of \$0.24 per share. The weighted average share price on the date of exercise was \$0.38.

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c) Stock options

The Company has a Long-Term Incentive Plan whereby the Company may grant certain awards to directors, officers, employees and consultants, including stock options, to a maximum of a rolling 10% of the issued and outstanding share capital of the Company. The exercise price, term and vesting period of each award are determined by the Board within regulatory guidelines.

A summary of the changes in stock options is presented below:

	Number of options	Weighted average exercise price
		\$
Balance, March 31, 2021	13,575,000	0.22
Granted	3,720,000	0.36
Exercised	(2,673,333)	0.16
Cancelled	(241,667)	0.36
Expired	(150,000)	0.28
Balance, March 31, 2022	14,230,000	0.27
Granted	785,000	0.36
Exercised	(2,583,333)	0.38
Cancelled/Forfeited	(116,667)	
Balance, September 30, 2022	12,315,000	0.30
Exercisable, September 30, 2022	9,333,333	0.28

The following stock options were outstanding as at September 30, 2022:

Expiry date	Outstanding	Exercisable	Weighted average exercise price	Weighted average remaining life (in years)
			\$	
August 23, 2023	275,000	275,000	0.18	0.9
November 23, 2023	100,000	100,000	0.15	1.15
February 28, 2024	495,000	495,000	0.20	1.41
June 14, 2024	950,000	950,000	0.15	1.71
September 18, 2024	300,000	300,000	0.18	1.97
January 29, 2025	2,275,000	2,275,000	0.255	2.33
July 10, 2025	1,270,000	1,270,000	0.215	2.78
January 12, 2026	2,270,000	2,270,000	0.40	3.29
April 13, 2026	400,000	266,667	0.38	3.54
June 16, 2026	200,000	133,333	0.40	3.71
February 2, 2027	2,995,000	998,333	0.36	4.35
April 25, 2027	785,000	-	0.36	4.57
	12,315,000	9,333,333	0.30	3.11

d) Compensation options

A total of 390,000 compensation options were issued in July 2020 pursuant to a private placement. Each compensation option entitles the holder to acquire one Unit at a price of \$0.20 until July 17, 2023. Each Unit consists of one common share and one warrant. The warrant entitles the holder to purchase an additional common share at a price of \$0.30 until July 17, 2023.

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e) Share purchase warrants

A summary of the changes in warrants is presented below:

	Number of warrants	Weighted average exercise price \$
Balance, March 31, 2021	39,748,201	0.27
Issued	8,018,161	0.54
Exercised	(5,395,317)	0.23
Expired	(141,520)	0.23
Balance, March 31, 2022	42,229,525	0.33
Exercised	(6,351,871)	0.21
Expired	(157,850)	0.21
Balance, September 30, 2022	35,719,804	0.35

The following share purchase warrants were outstanding as at September 30, 2022:

Outstanding	Exercise price \$	Expiry date	Weighted average remaining life (in years)
5,555,093	0.25	November 21, 2022	0.64
22,146,550	0.30	July 17, 2023	0.79
7,406,250	0.55	June 16, 2023	0.71
611,911	0.40	June 16, 2023	0.71
<u>35,719,804</u>			

Subsequent to September 30, 2022, a total of 5,233,823 warrants with an exercise price of \$0.25 expiring on November 21, 2022 were extended to May 31, 2023.

f) Restricted share units

During the six months ended September 30, 2022, 635,294 Restricted Share Units ("RSUs") (2021 – Nil) were awarded. The fair value of the RSUs, which is determined with reference to the trading price of the Company's common shares immediately preceding the date of issuance, was determined to be \$216,000 in 2022 (2021 – Nil). All RSUs will vest 12 months following the date of grant. During the six months ended September 30, 2022, \$93,501 was recognized as share-based payment expense.

A summary of the changes in restricted share units (RSUs) is presented below:

	Number of RSUs
Balance, March 31, 2022	-
Issued	635,294
Balance, September 30, 2022	635,294
Unvested	(635,294)
Vested, September 30, 2022	-

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g) Share-based payment expense and reserve

During the six months ended September 30, 2022, the Company granted 785,000 stock options. A total of 261,667 will vest 6 months following the date of grant, 261,667 will vest 12 months following the date of grant and 261,666 will vest 18 months following the date of grant.

During the six months ended September 30, 2021, the Company granted 700,000 stock options.

During the six months ended September 30, 2022, total share-based payment expense was \$474,364 (2021 - \$396,328) in respect of the vesting of previously granted stock options and newly granted options. The weighted average fair value on grant date of the options granted during the six months ended September 30, 2022 was \$130,279 (2021 - \$139,821), or \$0.17 (2021 - \$0.20) per option.

The fair value of the stock options that were granted during the six months ended September 30, 2022 and 2021 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2022	2021
Risk free interest rate	2.62%	0.78%
Expected life in years	5	5
Expected volatility	56.0%	61.1%
Expected dividends	0.0%	0.0%

The fair value of the 611,911 broker's warrants, valued at \$100,034, that were issued during the six months ended September 30, 2021 pursuant to the private placement described in Note 8(b) was calculated using the following weighted average assumptions:

	2021
Risk free interest rate	0.44%
Expected life in years	2
Expected volatility	82.9%
Expected dividends	0.0%

8. RELATED PARTY TRANSACTIONS

Key management personnel are the Directors and Executive Officers of the Company. Key management personnel, or their related parties, may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties and are reviewed and approved by the Company's Board. These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

In addition to key management personnel, the Company transacted with the following related parties during the six months ended September 30, 2022 and 2021:

- TruePoint Exploration Inc. ("TruePoint") is a privately held exploration service company that provides exploration and administrative services to the Company as well as to other exploration companies. Costs covered by TruePoint include exploration expenditures (technical work on the project such as drilling, sampling and geophysics), consulting, investor relations and corporate development costs and other admin costs. Michael Rowley, Director, President and CEO, and Greg Johnson, Director of the Company are shareholders of TruePoint; and
- MVR Consulting Inc. ("MVR"), a private company controlled by Michael Rowley, President and CEO.

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Details of transactions between the Company and related parties, in addition to those transactions disclosed elsewhere in these consolidated financial statements, are described below.

a) Related Party Transactions

The Company's related party transactions for the three and six months ended September 30, 2022 and 2021 were as follows:

	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Consulting and management fees ⁽¹⁾	147,620	54,195	200,189	220,377
Share-based payments ⁽²⁾	46,868	50,794	130,762	134,456
Exploration and administrative costs ⁽³⁾	176,282	205,777	316,569	425,705
	370,770	310,766	647,520	780,538

¹ Consulting fees for the six months ended September 30, 2022 and 2021 consisted of fees earned by key management personnel.

² Share-based payments expense is a non-cash item that consisted exclusively of the fair value of stock options that were granted to key management personnel.

³ Transactions with TruePoint for the six months ended September 30, 2022 consisted of exploration expenditures (\$165,349), consulting fees (\$10,500) and investor relations and corporate development fees (\$140,720).

b) Related Party Balances

The Company's related party balances consisted of the following:

	September 30, 2022	March 31, 2022
	\$	\$
Due to Related Parties		
MVR Consulting Inc.	47,250	15,750
Greg Johnson	-	85,000
Michael Rowley	-	4,739
	47,250	105,489
	September 30, 2022	March 31, 2022
	\$	\$
Due from Related Parties		
TruePoint ⁽¹⁾	609,332	563,604
Michael Rowley	50,000	50,000
	659,332	613,604

¹ This amount was the net of cash advances made to TruePoint, partially offset by charges from TruePoint.

Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

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c) Insider Participation in Private Placements

A summary of insider participation in the Company's private placements for the six months ended September 30, 2022 and 2021 was as follows:

	Number of Units	Price \$	Proceeds \$
June 2021 Private Placement			
A. Milne Consulting Corp	8,000	0.40	3,200
Gregor Hamilton	62,500	0.40	25,000
Greg Johnson	125,000	0.40	50,000
Michael Rowley	125,000	0.40	50,000
Gordon Toll	1,000,000	0.40	400,000

9. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in non-cash operating working capital balances for the three and six months ended September 30 consisted of the following:

	Three months ended September 30, 2022		Six months ended September 30, 2021	
	\$	\$	\$	\$
Accounts receivable	54,225	(5,011)	51,465	13,177
Due to / from related parties	77,221	(54,944)	(103,967)	(115,703)
Prepaid expenses	15,476	58,929	(365,746)	(503,054)
Accounts payable and accrual liabilities	36,847	965,979	(40,908)	1,007,699
	183,769	964,953	(459,156)	402,119

The non-cash transactions for the six months ended September 30, 2022 consisted of the Company:

- (i) Issuing 1,124,100 common shares pursuant to the exercise of 2,277,833 options using SARs.
- (ii) Receiving 2,800,000 heritage shares valued at \$490,000. The property was valued at \$368,940 and the remaining 4121,060 was taken into the statement of loss and comprehensive loss as a gain on exploration and evaluation asset.

The non-cash transactions for the six months ended September 30, 2021 consisted of the Company:

- (i) issuing 611,911 broker's warrants valued at \$100,034 pursuant to the private placement noted in Note 7(b).

10. FINANCIAL INSTRUMENTS

The Company's financial instruments include cash, accounts receivable, due from related parties, accounts payable and accrued liabilities and due to related parties. The Company has classified its financial instruments as amortized cost.

The carrying values of accounts payable and accrued liabilities, due to related parties and short-term loans approximate their fair values due to the short period to maturity.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. There have been no changes in any risk management policies since March 31, 2022.

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11. SEGMENTED INFORMATION

The Company has one operating segment, acquisition, exploration and development of mineral properties. The table below shows consolidated data by geographic segment based on the location:

	September 30, 2022	March 31, 2022
	\$	\$
Non-current assets by geographic segment		
Canada	1,169,991	1,161,120
United States	2,490,174	2,266,304
	<u>3,660,165</u>	<u>3,427,424</u>