



**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

FOR THE THREE MONTHS ENDED JUNE 30, 2024 AND 2023

(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.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	June 30, 2024	March 31, 2024
		\$	\$
ASSETS			
Current			
Cash		2,472,746	149,404
Accounts receivable		188,642	18,826
Prepaid expenses and deposits	4	125,980	122,884
Due from related parties	9b	713,713	585,867
Marketable securities	5, 6d	826,911	462,067
		4,327,992	1,339,048
Non-current			
Deposits	4	314,253	307,135
Exploration and evaluation assets	6	3,355,097	3,286,907
		7,997,342	4,933,090
LIABILITIES			
Current			
Accounts payable and accrued liabilities		191,261	493,865
Due to related parties	9b	40,403	241,903
		231,664	735,768
SHAREHOLDERS' EQUITY			
Share capital	8	43,206,927	39,167,734
Share-based payment reserve	8f	3,562,592	3,767,625
Deficit		(39,003,841)	(38,738,037)
		7,765,678	4,197,322
		7,997,342	4,933,090

Nature of Operations and Going Concern – Note 1

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

STILLWATER CRITICAL MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED JUNE 30, 2024 AND 2023
(Expressed in Canadian Dollars)

	Note	<u>2024</u>	<u>2023</u>
		\$	\$
EXPENSES			
Consulting	9a	211,465	201,532
Exploration and evaluation expenditures	7	158,544	120,083
Investor relations and corporate development		112,257	99,905
Office and administration		47,702	32,250
Professional fees		37,997	35,724
Share-based payment expense	8f, 9a	62,580	150,913
Transfer agent, regulatory and filing fees		13,989	10,557
Travel and accommodation		6,734	2,083
		<u>(651,268)</u>	<u>(653,047)</u>
Other Items			
Interest income		14,301	269
Unrealized gain(loss) on marketable securities	5, 6d	<u>364,844</u>	<u>(58,500)</u>
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		<u>(272,123)</u>	<u>(711,278)</u>
Basic and diluted loss per share		<u>(0.00)</u>	<u>(0.00)</u>
Weighted average number of shares outstanding		<u>216,985,692</u>	<u>178,035,230</u>

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

	Note	Common shares number	Share Capital \$	Share-based Payment reserve \$	Deficit \$	Total \$
Balance, March 31, 2023		177,392,245	34,895,103	2,828,222	(33,434,589)	4,288,736
Private placement, net of issuance costs	8b	19,758,861	4,056,631	790,354	-	4,846,985
Shares issued pursuant to exercise of RSUs	8b	635,294	216,000	(216,000)	-	-
Share-based payment expense	8g	-	-	150,913	-	150,913
Net loss and comprehensive loss		-	-	-	(711,278)	(711,278)
Balance, June 30, 2023		197,786,400	39,167,734	3,553,489	(34,145,867)	8,575,356
Share-based payment expense	8f	-	-	439,992	-	439,992
Reclass of cancelled/expired options	8f	-	-	(225,856)	225,856	-
Net loss and comprehensive loss		-	-	-	(4,818,026)	(4,818,026)
Balance, March 31, 2024		197,786,400	39,167,734	3,767,625	(38,738,037)	4,197,322
Private placement, net of issuance costs	8b	27,798,000	3,716,186	24,213	-	3,740,399
Shares issued pursuant to exercise of options		376,316	101,468	(63,968)	-	37,500
Shares issued pursuant to exercise of RSUs	8b	1,107,693	221,539	(221,539)	-	-
Share-based payment expense	8f	-	-	62,580	-	62,580
Reclass of cancelled/expired options	8f	-	-	(6,319)	6,319	-
Net loss and comprehensive loss		-	-	-	(272,123)	(272,123)
Balance, June 30, 2024		227,068,409	43,206,927	3,562,592	(39,003,841)	7,765,678

STILLWATER CRITICAL MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JUNE 30, 2024 AND 2023
(Unaudited - Expressed in Canadian Dollars)

	Note	2024 \$	2023 \$
Operating activities			
Net loss for the period		(272,123)	(711,278)
Items not involving cash:			
Share-based payment expense	8f	62,580	150,913
Unrealized loss on marketable securities	5, 6d	(364,844)	58,500
		<u>(574,387)</u>	<u>(501,865)</u>
Net change in non-cash working capital items	10	<u>(811,980)</u>	577,675
Cash used in operating activities		<u>(1,386,367)</u>	75,810
Investing activity			
Acquisition of exploration and evaluation assets	6	<u>(68,190)</u>	-
Financing activities			
Proceeds from private placement	8b	3,891,720	4,939,715
Share issue costs	8b	(151,321)	(92,730)
Proceeds on exercise of options	8b	37,500	-
Cash provided by financing activities		<u>3,777,899</u>	4,846,985
Increase (decrease) in cash		2,323,342	4,922,795
Cash, beginning of the period		<u>149,404</u>	27,387
Cash, end of the period		<u>2,472,746</u>	4,950,182

Supplemental cash flow information (Note 10)

STILLWATER CRITICAL MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2024 AND 2023
(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 \$272,123 for the three months ended June 30, 2024 (2023 - \$711,278), and as of that date, had an accumulated deficit of \$39,003,841 (March 31, 2024 - \$38,738,037). At June 30, 2024, the Company had a total of \$4,327,992 (March 31, 2024 - \$1,339,048) in current assets and a working capital of \$4,096,328 (March 31, 2024 - \$603,280) 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS34, 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, 2024, which have been prepared in accordance with IFRS. These 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, 2024.

These financial statements were approved by the board of directors on August 29, 2024.

STILLWATER CRITICAL MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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Basis of consolidation

The condensed interim 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, 2024.

4. PREPAID EXPENSES AND DEPOSITS

	June 30, 2024	March 31, 2024
	\$	\$
Prepaid expenses	35,003	25,907
Deposits	405,230	404,112
	440,233	430,019
Less: non-current portion	(314,253)	(307,135)
	125,980	122,884

In June 2021, the Company re-engaged Earth Labs (Formerly 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 June 30, 2024 a total of \$49,023 was drawn down.

The Company has paid \$285,288 (March 31, 2024 - \$278,170) for bonds in relation to the Company's Stillwater West project and a deposit of \$28,965 (March 31, 2024 - \$28,965) has been made in relation to a corporate credit card.

STILLWATER CRITICAL MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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5. MARKETABLE SECURITIES

	June 30, 2024	March 31, 2024
	\$	\$
Beginning balance	462,067	390,000
Addition	-	488,106
Unrealized gain (loss) on marketable securities	364,844	(416,039)
	826,911	462,067

The Company's accounting policy for marketable securities is to hold the common shares at fair value through profit or loss ("FVTPL") with any unrealized gains and losses being recorded in the consolidated statement of loss.

On September 1, 2022, and November 25, 2022, a total of 2,800,000 and 1,100,000 common shares of Heritage Mining Ltd ("Heritage Mining Shares") were received, respectively, by the Company pursuant to the Definitive Earn-In Agreement (Note 6(d)). The Heritage Mining Shares were initially valued at \$490,000 and \$104,500 respectively.

On November 24, 2023, a total of 1,350,000 Heritage Mining Shares were received by the Company pursuant to an Amended and Restated Agreement of the Definitive Earn-In Agreement (Note 6(d)). These Heritage Mining Shares were initially valued at \$67,500.

The Company received an additional 6,000,000 Heritage Mining Shares and 6,000,000 warrants of Heritage Mining Ltd. ("Heritage Mining Warrants") on January 12, 2024 pursuant to an Amended and Restated Amendment Agreement of the Definitive Earn-In Agreement (Note 6(d)). These Heritage Mining Shares were valued at \$300,000 and the Heritage Mining Warrants were valued at \$120,606 using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate 3.88%; expected life in years: 2 years; expected volatility: 100.0% and expected dividends: 0.0%.

At June 30, 2024, the 11,250,000 Heritage Mining Shares and 6,000,000 Heritage Mining Warrants held by the Company resulted in an unrealized gain of \$364,844 for the three months ended June 30, 2024.

6. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation acquisition costs for the three months ended June 30, 2024 were as follows:

	Montana	Yukon	Alaska	Ontario	
	Stillwater West	Kluane Project	Duke Island	Drayton Black Lake	Total
	\$	\$	\$	\$	\$
Balance, March 31, 2023	2,147,515	777,026	116,262	-	3,040,803
Cash payments	67,658	-	-	-	67,658
Licenses and permits	169,466	-	8,980	-	178,446
Balance, March 31, 2024	2,384,639	777,026	125,242	-	3,286,907
Advance royalty	68,190	-	-	-	68,190
Balance, June 30, 2024	2,452,829	777,026	125,242	-	3,355,097

STILLWATER CRITICAL MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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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 cash payments of United States dollars ("USD") \$40,000 with USD\$20,000 on or before each of May 31, 2018 (paid) and 2019 (paid – \$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 – \$66,500) and thereafter USD\$50,000 annually (paid May 31, 2020 – \$67,654, June 17, 2021 – CDN\$61,900, June 1, 2022 – \$63,370 and July 6, 2023 – \$67,658); 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 redeem 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.

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 redeem 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%.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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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 (completed), 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 redeem the NSR down 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).

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 redeem the NSR down 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:
 - Mineral claims covering 1,224 hectares in the area between Black Lake and Drayton with no royalty obligation.
 - 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 redeem 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.

STILLWATER CRITICAL MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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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 redeem 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 was 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 the Agreement.
- (ii) Heritage was to 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 consolidated statement of loss and comprehensive loss.)
- (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; (On November 25, 2022 the Company received 1,100,000 shares valued at \$104,500 and on November 24, 2023 the Company received 1,100,000 shares valued at \$55,000. Both values were recorded as a gain in the consolidated statement of loss and comprehensive loss);
 - Completing cash payments totaling \$300,000; (On November 24, 2022 the Company received \$150,000 in cash and recorded as a gain in the consolidated statement of loss and comprehensive loss. Refer below regarding the second anniversary payment) and
 - Completing exploration work totaling \$2,500,000 (Heritage has exceeded the minimum first and second annual commitments of \$500,000).

On December 29, 2023, the Company entered into an Amended and Restated Amendment Agreement whereby the Company agreed to accept the following consideration as satisfaction in full of the \$150,000 cash payment that was due on November 25, 2023:

- The issuance of additional 250,000 common shares in the capital of Heritage to the Company; (Received). The shares were valued at \$12,500 and recorded as a gain in the consolidated statement of loss and comprehensive loss); and
- The issuance of 6,000,000 units of Heritage with each unit consisting of one common share in the capital of Heritage and one warrant to purchase a common share in the capital of Heritage at a price of \$0.075 for a period of 24 months from the date of the issuance. (The units were received on January 12, 2024. The Company recorded the 6,000,000 shares of Heritage valued at \$300,000 and 6,000,000 warrants valued at \$120,606, calculated using the Black-Scholes option pricing model) (Note 5).

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(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.

(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

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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, 2021, 2022 and 2023. 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.

7. EXPLORATION AND EVALUATION EXPENDITURES

Exploration and evaluation expenditures incurred for the three months ended June 30, 2024 were as follows:

	Stillwater West	Kluane Project	Total
	\$	\$	\$
Analysis	1,200	-	1,200
Camp	6,457	-	6,457
Community	3,427	-	3,427
Consulting	108,465	3,558	112,024
Consulting, Geophysics	25,824	-	25,824
Equipment	4,980	-	4,980
Fuel	266	-	266
Transport	4,367	-	4,367
	154,986	3,558	158,544

Exploration and evaluation expenditures incurred for the three months ended June 30, 2023 were as follows:

	Stillwater West	Kluane Project	Total
	\$	\$	\$
Analysis	1,055	-	1,055
Camp	23,440	-	23,440
Consulting	49,829	4,362	54,191
Consulting, Geophysics	14,450	-	14,450
Equipment	2,899	-	2,899
Fuel	1,825	-	1,825
Transport	22,223	-	22,223
	115,721	4,362	120,083

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8. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value.

b) Share issuance details

Three months ended June 30, 2024

- (i) The Company closed a non-brokered private placement for gross proceeds of \$3,891,720 through the issuance of 27,798,000 units at a price of \$0.14 per unit. Each unit is comprised of one common share of the Company and one half of one common share purchase warrant, with each full warrant entitling the holder to purchase one common share at an exercise price of \$0.21. The warrants shall be exercisable for three years from the date of issue, subject to early acceleration if the volume weighted average trading price is greater than \$0.315 for a period of 20 consecutive trading days. The Company allocated \$nil to the warrants reserve using the residual value. The Company issued a total of 428,904 broker warrants. The warrants allow the holder to purchase one common share at an exercise price of \$0.21 for a period of three years. The Company attributed a value of \$24,213 to the broker warrants. The company also incurred \$151,321 of cash share issuance costs.
- (ii) The Company issued 250,000 common shares pursuant to the exercise of 250,000 stock options for total gross proceeds of \$37,500. An additional total of 600,000 options were exercised using cashless exercise and 126,316 common shares were issued.
- (iii) The Company issued 1,107,693 common shares pursuant to the exercise of Restricted Share Units ("RSUs").

Three months ended June 30, 2023

- (i) In June 2023, the Company completed a 9.99% strategic equity investment by a wholly-owned subsidiary of Glencore. Pursuant to the placement, the Company issued 19,758,861 units at a price of \$0.25 per unit for gross proceeds of \$4,939,715. Each unit consists of one common shares and 0.70 of a share purchase warrant with each full warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.375 for a period of three years. The Company allocated \$790,354 of the gross proceeds to warrant reserve using the residual method. Share issuance costs of \$92,730 were incurred.
- (ii) The Company issued 635,294 common shares pursuant to the exercise of Restricted Share Units ("RSUs").

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c) Stock options

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

	Number of options	Weighted average exercise price
		\$
Balance, March 31, 2023	16,041,200	0.27
Granted	2,975,000	0.17
Cancelled/Forfeited	(825,000)	0.29
Expired	(870,000)	0.17
Balance, March 31, 2024	17,321,200	0.26
Granted	3,570,000	0.14
Exercised	(850,000)	0.15
Cancelled/Forfeited	(16,667)	
Expired	(50,000)	0.17
Balance, June 30, 2024	19,974,533	0.24
Exercisable, June 30, 2024	14,623,978	0.27

The following stock options were outstanding as at June 30, 2024:

Expiry date	Outstanding	Exercisable	Weighted average exercise price	Weighted average remaining life (in years)
			\$	
August 20, 2024 ⁽¹⁾	150,000	150,000	0.30	0.14
September 18, 2024	300,000	300,000	0.18	0.22
January 29, 2025	2,125,000	2,125,000	0.255	0.58
July 10, 2025	1,170,000	1,170,000	0.215	1.03
January 12, 2026	1,895,000	1,895,000	0.40	1.54
April 13, 2026	400,000	400,000	0.38	1.79
June 16, 2026	200,000	200,000	0.40	1.96
February 2, 2027	2,795,000	2,795,000	0.36	2.59
April 25, 2027	685,000	685,000	0.36	2.82
October 25, 2027	3,726,200	3,726,200	0.175	3.32
June 9, 2028	575,000	383,334	0.175	3.95
August 23, 2028	2,383,333	794,444	0.17	4.15
June 26, 2029	3,570,000	-	0.14	4.99
	19,974,533	14,623,978	0.24	2.91

¹ Subsequent to June 30, 2024, these options expired unexercised.

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. All the compensation options expired unexercised.

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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, 2023	35,398,527	0.35
Issued	13,831,203	0.38
Expired	(6,357,277)	0.27
Balance, March 31, 2024	42,872,453	0.37
Issued	14,327,904	0.21
Balance, June 30, 2024	57,200,357	0.33

The following share purchase warrants were outstanding as at June 30, 2024:

Outstanding	Exercise price	Expiry date	Weighted average remaining life (in years)
	\$		
21,635,000 ⁽¹⁾	0.30	July 17, 2024	0.05
7,406,250	0.55	June 16, 2025	0.96
13,831,203	0.375	June 30, 2026	2.00
14,327,904	0.21	May 1, 2029	4.84
<u>57,200,357</u>			

¹ Subsequent to June 30, 2024, these warrants expired unexercised

f) Restricted share units

During the three months ended June 30, 2024, the Company issued 1,104,693 common share pursuant to the exercise of 1,107,693 RSUs that were exercised.

A summary of the changes in RSUs is presented below:

	Number of RSUs
Balance, March 31, 2023	635,294
Issued	1,107,693
Exercised	(635,294)
Balance, March 31, 2024	1,107,693
Exercised	(1,107,693)
Balance, June 30, 2024	-

g) Share-based payment expense and reserve

During the three months ended June 30, 2024, the Company granted 3,570,000 stock options. A total of 1,190,000 will vest 6 months following the date of grant, 1,190,000 will vest 12 months following the date of grant and 1,190,000 will vest 18 months following the date of grant.

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During the three months ended June 30, 2023, the Company granted 575,000 stock options. A total of 191,667 will vest 6 months following the date of grant, 191,667 will vest 12 months following the date of grant and 191,666 will vest 18 months following the date of grant.

During the three months ended June 30, 2024, total share-based payment expense was \$62,580 (2023 - \$115,200) in respect of the vesting of previously granted stock options, newly granted options and RSU's. The weighted average fair value on grant date of the options granted during the year ended June 30, 2024, was \$0.09 (2023 - \$0.09) per option.

The fair value of the stock options that were granted during the three months ended June 30, 2024 and 2023 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2024	2023
Risk free interest rate	3.53%	3.70%
Expected life in years	5	5
Expected volatility	52.5%	52.0%
Expected dividends	0.0%	0.0%

The fair value of the 428,904 broker's warrants, valued at \$24,213, that were issued during the three months ended June 30, 204 pursuant to the private placement described in Note 8(b) was calculated using the following weighted average assumptions:

	2024
Risk free interest rate	4.3%
Expected life in years	3
Expected volatility	59.8%
Expected dividends	0.0%

During the three months ended June 30, 2024, the Company reclassified from share-based payment reserve to deficit \$6,319 (2023 - \$225,856) with respect to options that were cancelled or expired during the period.

9. RELATED PARTY TRANSACTIONS

Key management are the persons responsible for the planning, directing, and controlling the activities of the Company. They include both executive officers and directors, and entities associated and controlled by such persons including the following:

- TruePoint Exploration Inc. and its wholly owned subsidiary TruePoint Exploration (USA) Inc. ("TruePoint") are privately held exploration service companies that provide 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 administrative costs. Michael Rowley, Director, President and CEO, and Greg Johnson, Director of the Company are minority shareholders of TruePoint; and
- MVR Consulting Inc. ("MVR"), a private company controlled by Michael Rowley, President and CEO.

The amounts paid by the Company for the services provided by key management 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.

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a) Compensation

Compensation paid or payable to key management for the three months ended June 30, 2024 and 2023 were as follows:

	2024	2023
	\$	\$
Consulting and management fees ⁽¹⁾	57,297	52,341
Share-based payments ⁽²⁾	14,226	30,655
Exploration and administrative costs ⁽³⁾	224,947	118,435
	296,470	201,431

¹ Consulting fees for the three months ended June 30, 2024 and 2023 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 three months ended June 30, 2024 consisted of exploration expenditures (\$3,558), investor relations and corporate development fees (\$21,194), consulting (\$159,499) and other/office (\$40,695).

b) Balances

The Company's balances due from and owing to key management consisted of the following:

	June 30, 2024	March 31, 2024
	\$	\$
Due to Related Parties		
MVR Consulting Inc.	15,750	47,250
Greg Johnson	-	85,000
Gregor Hamilton	-	85,000
Michael Rowley	24,653	24,653
	40,403	241,903
Due from Related Parties		
TruePoint ⁽¹⁾	713,713	585,867
	713,713	585,867

¹ This amount was the net of cash advances made to TruePoint to cover future exploration costs partially offset by charges from TruePoint.

Amounts due to and due from key management are unsecured, non-interest-bearing, and have no formal terms of repayment.

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10. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in non-cash operating working capital balances for the periods ended June 30, 2024 and 2023 consisted of the following:

	2024	2023
	\$	\$
Accounts receivable	(169,816)	35,813
Due to / from related parties	(329,346)	520,602
Prepaid expenses	(10,214)	(218,630)
Accounts payable and accrued liabilities	(302,604)	239,890
	(811,980)	577,675

The non-cash transactions for the three months ended June 30, 2024 consisted of the following:

- (i) Issuing 1,107,693 common shares pursuant to the exercise of 1,107,693 RSUs for a value of \$221,539.
- (ii) Issuing 126,316 common shares pursuant to the exercise of 600,000 options using SAR for a value of \$63,968.

The non-cash transactions for the three months ended June 30, 2023 consisted of the following:

- (i) Issuing 635,294 common shares pursuant to the exercise of 635,294 RSUs for a value of \$216,000.

11. 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, 2024.

12. 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 location:

	June 30, 2024	March 31, 2024
	\$	\$
Non-current assets by geographic segment		
Canada	805,991	805,991
United States	2,863,359	2,788,051
	3,669,350	3,594,042