



CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2025 AND 2024

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of:
STILLWATER CRITICAL MINERALS CORP.

Opinion

We have audited the consolidated financial statements of Stillwater Critical Minerals Corp. and its subsidiaries (collectively "the Company"), which comprise the consolidated statements of financial position as at March 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describe certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability continue as a going concern.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be a key audit matter to be communicated in our report.

Evaluation of Assessment of Impairment Indicators of Mineral Properties

As described in Note 6, the carrying value of the Company's mineral properties and related deferred costs is \$3,572,867 as at March 31, 2025. Management assesses at each reporting period-end whether there is an indication that an asset or group of assets is impaired. If such indicator exists, the asset's recoverable amount is estimated. Assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (cash generating unit or CGU). An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Management applies significant judgement in order to assess whether indicators of impairment exist. Impairment indicators include internal and external factors, such as (i) evidence indicating that the Group's right to explore the area has expired or will expire in the near future, (ii) management does not have any plans to continue exploration expenditures, (iii) lack of evidence to support technical

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feasibility or commercial viability, and (iv) facts and circumstances that suggest that the carrying amount exceeds recoverable amount. No impairment indicators were identified by management as at March 31, 2025.

We considered this a key audit matter due to (i) the significance of the mineral properties and related deferred costs in the consolidated financial statements, (ii) the level of subjectivity required in applying audit procedures to assess the factors considered by management in its assessment of impairment indicators, and (iii) the significant auditor attention and audit effort the matter required.

Audit Response

We responded to this matter by performing procedures over management's assessment of indicators of impairment which included the following:

- Obtained, for a sample of claims, by reference to government registries, evidence to support the right to explore the area and claim expiration dates;
- Reviewed internal and external resources, such as current year exploration expenditures and work programs to evidence continued exploration expenditures;
- Assessed the Company's market capitalization to net assets ratio at March 31, 2025; and
- Assessed whether there are facts and circumstances that could indicate that the carrying values of the exploration and evaluation assets may not be recoverable, based on evidence obtained in other areas of the audit.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements.
- We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sebastian Tang.

WDM

Chartered Professional Accountants

Vancouver, B.C.
July 28, 2025



WDM

STILLWATER CRITICAL MINERALS CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2025 AND 2024
(Expressed in Canadian Dollars)

	Note	2025	2024
		\$	\$
ASSETS			
Current			
Cash		239,467	149,404
Accounts receivable		91,549	18,826
Prepaid expenses and deposits	4	141,508	122,884
Due from related parties	10b	749,538	585,867
Marketable securities	5, 6d	704,306	462,067
		1,926,368	1,339,048
Non-current			
Deposits	4	314,253	307,135
Exploration and evaluation assets	6	3,572,867	3,286,907
		5,813,488	4,933,090
LIABILITIES			
Current			
Accounts payable and accrued liabilities		286,260	493,865
Due to related parties	10b	162,789	241,903
Flow-through share premium liability	8	177,103	-
		626,152	735,768
SHAREHOLDERS' EQUITY			
Share capital	9	43,786,049	39,167,734
Share-based payment reserve	9f	3,481,662	3,767,625
Deficit		(42,080,375)	(38,738,037)
		5,187,336	4,197,322
		5,813,488	4,933,090

Nature of Operations and Going Concern – Note 1
Subsequent Events – Note 9 and 17

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

STILLWATER CRITICAL MINERALS CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024
(Expressed in Canadian Dollars)

	Note	2025	2024
		\$	\$
EXPENSES			
Consulting	10a	972,824	953,483
Exploration and evaluation expenditures	7, 10a	1,770,238	3,301,508
Investor relations and corporate development		390,348	404,387
Office and administration	10a	161,870	162,854
Professional fees		331,088	125,297
Property evaluation		-	833
Share-based payment expense	9f, 10a	358,374	590,905
Transfer agent, regulatory and filing fees		52,878	48,757
Travel and accommodation		22,729	43,971
		(4,060,349)	(5,631,995)
Other Items			
Other income	8	3,480	-
Interest income		26,559	30,624
Unrealized loss on marketable securities	5, 6d	(106,006)	(416,039)
Gain on disposition of exploration and evaluation asset	5, 6d	348,245	488,106
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		(3,788,071)	(5,529,304)
Basic and diluted loss per share		(0.02)	(0.03)
Weighted average number of shares outstanding		225,197,295	192,875,588

STILLWATER CRITICAL MINERALS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024
(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	9b	19,758,861	4,056,631	790,354	-	4,846,985
Shares issued pursuant to exercise of RSUs	9b	635,294	216,000	(216,000)	-	-
Share-based payment expense	9f	-	-	590,905	-	590,905
Reclass of cancelled/expired options	9f	-	-	(225,856)	225,856	-
Net loss and comprehensive loss		-	-	-	(5,529,304)	(5,529,304)
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	9b	33,631,406	4,475,891	86,903	-	4,562,794
Flow-through share premium liability	8,9b	-	(180,583)	-	-	(180,583)
Shares issued pursuant to exercise of options	9b	376,316	101,468	(63,968)	-	37,500
Shares issued pursuant to exercise of RSUs	9b	1,107,693	221,539	(221,539)	-	-
Share-based payment expense	9f	-	-	358,374	-	358,374
Reclass of cancelled/expired options	9f	-	-	(445,733)	445,733	-
Net loss and comprehensive loss		-	-	-	(3,788,071)	(3,788,071)
Balance, March 31, 2025		232,901,815	43,786,049	3,481,662	(42,080,375)	5,187,336

STILLWATER CRITICAL MINERALS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024
(Expressed in Canadian Dollars)

	Note	2025 \$	2024 \$
Operating activities			
Net loss for the year		(3,788,071)	(5,529,304)
Items not involving cash:			
Other income	8	(3,480)	-
Share-based payment expense	9f	358,374	590,905
Unrealized loss on marketable securities	5, 6d	106,006	416,039
Gain on disposition of exploration and evaluation asset	5, 6d	(348,245)	(488,106)
		<u>(3,675,416)</u>	<u>(5,010,466)</u>
Net change in non-cash working capital items	11	<u>(541,737)</u>	<u>531,602</u>
Cash used in operating activities		<u>(4,217,153)</u>	<u>(4,478,864)</u>
Investing activities			
Acquisition of exploration and evaluation assets		(285,960)	(246,104)
Deposits		<u>(7,118)</u>	<u>-</u>
Cash used by investing activities		<u>(293,078)</u>	<u>(246,104)</u>
Financing activities			
Proceeds from private placement	9b	4,766,731	4,939,715
Share issue costs	9b	(203,937)	(92,730)
Proceeds on exercise of options	9b	37,500	-
Cash provided by financing activities		<u>4,600,294</u>	<u>4,846,985</u>
Increase in cash		90,063	122,017
Cash, beginning of the year		<u>149,404</u>	<u>27,387</u>
Cash, end of the year		<u>239,467</u>	<u>149,404</u>

Supplemental cash flow information - Note 11

STILLWATER CRITICAL MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024
(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.

These 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 \$3,788,071 for the year ended March 31, 2025 (March 31, 2024 - \$5,529,304), and as of that date, had an accumulated deficit of \$42,080,375 (March 31, 2024 - \$38,738,037). At March 31, 2025, the Company had a total of \$1,926,368 (March 31, 2024 - \$1,339,048) in current assets and a working capital of \$1,300,216 (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. Subsequent to March 31, 2025, the Company closed a private placement for gross proceeds of \$7,000,000 (Note 17).

2. BASIS OF PREPARATION

Statement of compliance

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements were prepared on a historical cost basis using the accrual basis of accounting, except for cash flow information. These consolidated financial statements were approved by the board of directors on July 28, 2025.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) 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

STILLWATER CRITICAL MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024
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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.

(b) Foreign Currency

The Company and its wholly owned subsidiaries' functional currency is the Canadian dollar as it is the currency in which the majority of the funding is obtained to continue operations and its presentation currency.

Monetary assets and liabilities of a company that are denominated in a currency other than the functional currency are translated at the exchange rate in effect at the period end. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Revenue and expense items are translated at the average rates of exchange prevailing during the year. Gains or losses from translation are recognized in profit or loss in the period in which they occur.

(c) Significant Accounting Estimates and Judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and judgments that affect amounts reported in the consolidated financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and subject to measurement uncertainty. The effect on the consolidated financial statements of changes in such estimates in future reporting periods could be significant. Significant estimates and areas where judgment is applied that have significant effect on the amount recognized in the consolidated financial statements include:

Impairment of long-lived assets

The carrying value of mineral property acquisition costs is reviewed each reporting period to determine whether there is any indication of impairment. The determination of the impairment involves the application of a number of significant judgments and estimates to certain variables including metal price trends, plans for properties, and the results of exploration and evaluation to date.

Determination of, and provision for, reclamation and remediation obligations

The Company assesses its provision for asset retirement obligations on an annual basis or when new material information becomes available. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation.

Deferred taxes

The Company recognizes a deferred tax asset to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit against which deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. In addition, changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods.

Share-based payments

Share-based payments are determined using the Black-Scholes option pricing model at the date of grant and are expensed to net loss over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

(d) Exploration and Evaluation Assets

All expenditures related to the acquisition of mineral properties are capitalized on a property-by-property basis, net of recoveries which are recorded when received, until these mineral properties are placed into commercial production, sold or abandoned. If commercial production is achieved from a mineral property, the related mineral properties are tested for impairment and reclassified to mineral property in production. If a mineral property is sold or abandoned, the related capitalized costs will be expensed to profit or loss in that period.

All expenditures related to the exploration and evaluation of mineral properties, net of recoveries which are recorded when received, are expensed to net loss in the period in which they are incurred.

From time to time, the Company may acquire or dispose of all or part of its mineral property interests under the terms of property option agreements. Options are exercisable entirely at the discretion of the optionee, and accordingly, option payments are recognized when paid or received. If recoveries are received and exceed the capitalized expenditures, the excess is reflected in profit or loss.

All capitalized mineral property costs are reviewed at each reporting date, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the carrying value, provision is made for the impairment in value. The amounts capitalized for mineral properties represent costs incurred to date less write-downs, and are not intended to reflect present or future values.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest in accordance with general industry standards, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and, as such, title may be affected.

(e) Related Party Transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

(f) Share Capital

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. Proceeds from the issue of units, consisting of common shares and share purchase warrants, are first allocated to common shares based on the quoted market value of the common shares at the time the units are priced, and the balance, if any, is allocated to the attached warrants. Share issue costs are netted against share proceeds prorated to common shares and share purchase warrants.

(g) Non-monetary Transactions

Shares issued for non-monetary consideration to non-employees are recorded at the fair value of the goods or services received. When such fair value cannot be estimated reliably, fair value is measured based on the quoted market value of the Company's shares on the date of share issuance. Shares to be issued, which are contingent upon future events or actions, are recorded by the Company when it is reasonably determinable that the shares will be issued.

(h) Share-based Payments

Share-based payments for employees are measured at fair value of the instruments issued on the date of grant and amortized over the vesting period. Share-based payments for non-employees are measured at the fair value of the goods or services received, and if it is determined that the fair value of the goods or services cannot be reliably measured, at the fair value of value of the equity instrument issued, and are recorded on the date the goods or services are received. The fair value of stock options is charged to profit or loss using the graded vesting method, with the offset credit to share-based payment reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related fair value previously recorded is transferred from share-based payment reserve to share capital. Upon expiry or cancellation, related fair value previously recorded is transferred from share-based payment reserve to deficit.

(i) Flow-through Shares

The Company has financed a portion of its exploration expenditures through the issuance of flow-through shares. Canadian income tax law permits the Company to transfer the tax deductibility of qualifying resource expenditures financed by such shares to the flow-through shareholders.

On issuance, the Company allocates the flow-through share proceeds into i) share capital, ii) warrants, and iii) a flow-through share premium, if any, using the residual value method. If investors pay a premium for the flow-through feature, it is recognized as a liability. Upon incurring qualifying expenditures, the Company reduces the liability and recognizes a deferred income tax recovery in income for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision. At the end of a period, the flow-through share premium liability consists of the portion of the premium on flow-through shares that corresponds to the portion of qualifying exploration expenditures that have not yet been incurred.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a prescribed period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Lookback Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

(j) Loss per Share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options, warrants and similar instruments that would be anti-dilutive.

(k) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax basis. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the enactment date.

Deferred tax assets also result from unused tax losses carried forward, resource related tax pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each year-end date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(l) Financial Instruments

Classification

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as at fair value through profit or loss ("FVTPL"). For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at fair value through other comprehensive income (loss) ("FVTOCI"). Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement - Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Measurement - Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the Consolidated Statements of Comprehensive Loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the Consolidated Statements of Comprehensive Income in the period in which they arise.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in the Consolidated Statements of Comprehensive Income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

STILLWATER CRITICAL MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024
(Expressed in Canadian Dollars)

(m) Government Grants

Government grants related to exploration activities are recognized in profit or loss as a deduction from the related expenditure when there is reasonable assurance that the grant will be received. Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the asset.

(n) New accounting standards and interpretations issued but not yet effective

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18"), which will replace IAS 1 Presentation of financial statements and includes requirements for all entities applying IFRS Accounting Standards for the presentation and disclosure of information in the financial statements. IFRS 18 will introduce new totals, subtotals, and categories for income and expenses in the statement of income, as well as requiring disclosure about management-defined performance measures and additional requirements regarding the aggregation and disaggregation of certain information. IFRS 18 will be effective on January 1, 2027, with earlier adoption permitted, and it must be adopted on a retrospective basis. The Company is currently evaluating the impact on its consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements

4. PREPAID EXPENSES AND DEPOSITS

	2025	2024
	\$	\$
Prepaid expenses	95,621	25,907
Deposits	360,140	404,112
	455,761	430,019
Less: non-current portion	(314,253)	(307,135)
	141,508	122,884

The Company 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 during the year ended March 31, 2022, and as at March 31, 2025 a total of \$96,813 was drawn down. The Company has engaged other consultants on the Company's Stillwater West project and made total deposits of \$461,244 and a total of \$458,544 was drawn down as at March 31, 2025.

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.

5. MARKETABLE SECURITIES

	2025	2024
	\$	\$
Beginning balance	462,067	390,000
Addition	348,245	488,106
Unrealized loss	(106,006)	(416,039)
	704,306	462,067

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The Company's accounting policy for marketable securities is to hold the common shares at FVTPL with any unrealized gains and losses being recorded in the consolidated statement of loss.

As at March 31, 2023, the Company held 3,900,000 common shares of Heritage Mining Ltd ("Heritage") valued of \$390,000 pursuant to a Definitive Earn-In Agreement (Note 6(d)).

On November 24, 2023, the Company received a total of 1,350,000 common shares of Heritage initially valued at \$67,500 (Note 6(d)).

On January 12, 2024, the Company received an additional 6,000,000 common shares and 6,000,000 share purchase warrants of Heritage (Note 6(d)). The common shares were valued at \$300,000 and the share purchase warrants were initially 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%.

On January 17, 2025, the Company received an additional 4,100,000 common shares and 3,000,000 share purchase warrants of Heritage (Note 6(d)). The common shares were valued at \$246,000 and the share purchase warrants were valued at \$102,245 using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate 2.93%; expected life in years: 3 years; expected volatility: 100.0% and expected dividends: 0.0%.

At March 31, 2025, the total of 15,350,000 (March 31, 2024 - 11,250,000) common shares and 9,000,000 (March 31, 2024 - 6,000,000) share purchase warrants of Heritage held by the Company resulted in an unrealized loss of \$106,006 (March 31, 2024 - unrealized loss of \$416,039)

6. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation acquisition costs for the years ended March 31, 2025 and 2024 were as follows:

	Montana	Yukon	Alaska	Ontario	
	Stillwater	Kluane	Duke	Drayton	
	West	Project	Island	Black Lake	Total
	\$	\$	\$	\$	\$
Balance, March 31, 2023	2,147,515	777,026	116,262	-	3,040,803
Advance royalty	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
Licenses and permits	207,338	-	10,432	-	217,770
Balance, March 31, 2025	2,660,167	777,026	135,674	-	3,572,867

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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. The Stillwater West project consists of 763 claims in south central Montana, USA, covering approximately 61 square kilometers ("km²") in two claim groups. The Company must make annual advance royalty payments of US\$50,000 on or before May 31st or each year (Paid).

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

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

The Company owns a 100% interest in four platinum group and battery metals properties totaling over 260 km² in the Kluane Ultramafic Belt in southwestern Yukon. Together, these properties comprise the Kluane PGE-Ni-Cu project.

Catalyst

The Company holds a 100% interest in the Catalyst property. 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%.

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%.

Outpost

The Company holds a 100% interest in the Outpost property which is adjacent to and forms part of the Ultra property. 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 sand nearby Pacer SE claim groups, which are owned 100% by the Company and were acquired with the Outpost claims block.

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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.

On October 28, 2024, the Company announced it had signed a Letter of Intent ("LOI") with Granite Creek Copper for an earn-in on the Duke Island property. The LOI was terminated without becoming a definitive agreement and the Company retains its 100% interest in the property as a result.

d) Drayton-Black Lake (Ontario, Canada)

The Company owns 49% of a total land package of 13,773 continuous hectares of the Drayton-Black Lake properties, with Heritage holding the other 51% interest.

Black Lake

- (i) The Company owns a 49% 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 the below land packages through option agreements, which are now held 49% by the Company:
 - 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. These claims are now held 49% by the Company. There are no royalty interests on claims staked by the Company.

Drayton

The Company owns a 49% 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, 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.

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- (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 earned a 51% interest (the "First Option") during the year ended March 31, 2025, by completing the following on or before January 25, 2025:
- 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).
 - On October 23, 2024, the deadline of November 25, 2024 for Heritage to issue 1,100,000 shares was extended to January 25, 2025. (On January 17, 2025 the Company received 1,100,000 shares valued at \$66,000. Recorded as a gain in the consolidated statement of loss and comprehensive loss); Consideration for this extension Heritage agreed to issue 3,000,000 additional units (On January 17, 2025 the Company received 3,000,000 units valued at \$282,245. 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. On October 23, 2024 the deadline for Heritage to complete the expenditures was extended to January 25, 2025.

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; 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 a Heritage Mining Shares and a Heritage Mining Warrants at with a price of \$0.075 for a period of 24 months form the date of the issuance. (The units were received on January 12, 2024. The Company recorded the 6,000,000 Heritage Mining Shares valued at \$300,000 and 6,000,000 Heritage Mining Warrants originally 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 (on October 23, 2024, the deadline has been extended to the fifth anniversary):

- Issuing an additional 1,100,000 shares to the Company; and
- Completing additional exploration work totaling \$2,500,000.

In addition, the Agreement 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 Agreement 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

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- 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 - 2025. 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 year ended March 31, 2025 were as follows:

	Stillwater West	Kluane Project	Total
	\$	\$	\$
Analysis	31,851	1,727	33,578
Camp	33,348	3,739	37,087
Community	3,427	-	3,427
Consulting	850,033	47,481	897,514
Consulting, Geophysics	638,491	39,513	678,004
Equipment	20,052	176	20,228
Fuel	5,866	7,037	12,903
Permitting	9,826	7,827	17,653
Transport	46,785	4,786	51,571
Transport, Helicopter	15,199	33,325	48,524
	1,654,878	145,611	1,800,489
Less: Government Grant	-	(30,251)	(30,251)
	1,654,878	115,360	1,770,238

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Exploration and evaluation expenditures incurred for the year ended March 31, 2024 were as follows:

	Stillwater West	Kluane Project	Total
	\$	\$	\$
Analysis	212,122	431	212,553
Camp	113,360	3,069	116,429
Community	3,384	960	4,344
Consulting	570,547	93,965	664,512
Consulting, Geophysics	149,074	-	149,074
Drilling	987,755	-	987,755
Equipment	151,932	-	151,932
Fuel	48,723	291	49,014
Permitting	2,861	3,998	6,859
Transport	100,213	4,742	104,955
Transport, Helicopter	844,171	48,473	892,644
	3,184,142	155,929	3,340,071
Less: Government Grant	-	(38,563)	(38,563)
	3,184,142	117,366	3,301,508

8. FLOW-THROUGH SHARE PREMIUM LIABILITY

A summary of the changes in the Company's flow-through share premium liability was as follows:

	\$
Balance, March 31, 2024	-
Flow-through share premium on the issuance of flow-through common shares	180,583
Settlement of flow-through share premium liability pursuant to incurring qualified expenditures	(3,480)
Balance, March 31, 2025	177,103

9. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value.

b) Share issuance details

Year ended March 31, 2025

- (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 consists 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 \$156,671 of cash share issuance costs.

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- (ii) The Company closed non-brokered private placement of flow-through units for gross proceeds of \$875,011 through the issuance of 5,833,406 units at a price of \$0.15 per unit. Each Unit consists of one flow-through share and one half of one non-flow-through share purchase warrant, with each full warrant allowing the holder to purchase one common share of the Company at a price of \$0.225 per share for twenty-four months. Warrants contain an acceleration provision, which shall be effective if the volume weighted average trading price of the common shares on the TSX-V is greater than \$0.34 for a period of 20 consecutive trading days. The Company allocated \$61,086 to the warrants reserve using the residual value. The Company allocated \$180,583 of the gross proceeds to flow-through share premium liability (Note 8). The Company issued a total of 61,994 finders' warrants. The warrants allow the holder to purchase one common share at an exercise price of \$0.225 for a period of two years. The Company attributed a value of \$1,604 to the finders' warrants. The company also incurred \$47,266 of cash share issuance costs.
- (iii) 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 with fair value of \$63,968.
- (iv) The Company issued 1,107,693 common shares pursuant to the exercise of Restricted Share Units ("RSUs").

Year ended March 31, 2024

- (i) The Company completed a 9.99% strategic equity investment by a wholly-owned subsidiary of Glencore plc. 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 share 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 RSUs.

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	4,320,000	0.14
Exercised	(850,000)	0.15
Cancelled/Forfeited	(233,333)	0.19
Expired	(2,625,000)	0.25
Balance, March 31, 2025	17,932,867	0.24
Exercisable, March 31, 2025	14,886,200	0.25

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The following stock options were outstanding as at March 31, 2025:

Expiry date	Outstanding	Exercisable	Weighted average exercise price	Weighted average remaining life (in years)
			\$	
July 10, 2025 ⁽¹⁾	1,170,000	1,170,000	0.215	0.28
January 12, 2026	1,895,000	1,895,000	0.400	0.79
April 13, 2026	400,000	400,000	0.380	1.04
June 16, 2026	200,000	200,000	0.400	1.21
February 2, 2027	2,745,000	2,745,000	0.360	1.84
April 25, 2027	685,000	685,000	0.360	2.07
October 25, 2027	3,701,200	3,701,200	0.175	2.57
June 9, 2028	575,000	575,000	0.175	3.19
August 23, 2028	2,325,000	2,325,000	0.170	3.40
June 26, 2029	3,486,667	1,190,000	0.140	4.24
October 18, 2029	500,000	-	0.140	4.55
November 8, 2029	250,000	-	0.180	4.61
	17,932,867	14,886,200	0.24	2.59

⁽¹⁾ Subsequent to March 31, 2025, 100,000 units have expired without exercise, 970,000 units exercised using cashless exercise into 144,504 common shares and 100,000 units were cancelled.

Subsequent to March 31, 2025, a total of 3,725,000 stock options were granted at an exercise price of \$0.16.

d) 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	17,306,601	0.21
Expired	(21,635,000)	0.30
Balance, March 31, 2025	38,544,054	0.34

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The following share purchase warrants were outstanding as at March 31, 2025:

Outstanding	Exercise price	Expiry date	Weighted average remaining life (in years)
	\$		
7,406,250 ⁽¹⁾	0.550	June 16, 2025	0.21
13,831,203	0.375	June 30, 2026	1.25
14,327,904 ⁽²⁾	0.210	May 1, 2029	4.09
1,147,777	0.225	February 11, 2027	1.87
1,830,920	0.225	February 25, 2027	1.91
38,544,054			

⁽¹⁾ Subsequent to March 31, 2025, these warrants expired unexercised.

⁽²⁾ Subsequent to March 31, 2025, a total of 172,420 of these warrants were exercised.

e) Restricted share units

A summary of the changes in restricted share units ("RSU") 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, March 31, 2025	-

Subsequent to March 31, 2025, a total of 1,350,000 RSU's were issued.

f) Share-based payment expense and reserve

During the year ended March 31, 2025, the Company granted 4,320,000 stock options. A total of 1,440,000 will vest 6 months following the date of grant, 1,440,000 will vest 12 months following the date of grant and 1,440,000 will vest 18 months following the date of grant.

During the year ended March 31, 2024, the Company granted 2,975,000 stock options. A total of 991,667 will vest 6 months following the date of grant, 991,667 will vest 12 months following the date of grant and 991,666 will vest 18 months following the date of grant.

During the year ended March 31, 2025, total share-based payment expense was \$358,374 (March 31, 2024 - \$590,905) 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 March 31, 2025, was \$0.08 (March 31, 2024 - \$0.09) per option.

The fair value of the stock options that were granted during the years ended March 31, 2025 and 2024 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2025	2024
Risk free interest rate	3.44%	3.98%
Expected life in years	5	5
Expected volatility	52.8%	52.8%
Expected dividends	0.0%	0.0%

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The fair value of the 428,904 brokers' warrants, valued at \$24,213, that were issued during the year ended March 31, 2025 pursuant to the private placement described in Note 9(b)(i) was calculated using the following weighted average assumptions:

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

The fair value of the 2,916,703 non-flow-through warrants, valued at \$61,086, that were issued during the year ended March 31, 2025, pursuant to the flow-through private placement described in Note 9(b)(ii) was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk free interest rate	2.67%
Expected life in years	2
Expected volatility	70.0%
Expected dividends	0.0%

The fair value of the 61,994 finders' warrants, valued at \$1,604, that were issued during the year ended March 31, 2025 pursuant to the flow-through private placement described in Note 9(b)(ii) was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk free interest rate	2.67%
Expected life in years	2
Expected volatility	70.0%
Expected dividends	0.0%

During the year ended March 31, 2025, the Company reclassified from share-based payment reserve to deficit \$445,733 (2024 - \$225,856) with respect to options that were cancelled or expired.

10. 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 years ended March 31, 2025 and 2024 were as follows:

	2025	2024
	\$	\$
Consulting and management fees ⁽¹⁾	370,075	343,162
Share-based payments ⁽²⁾	125,768	116,499
Exploration and administrative costs ⁽³⁾	822,632	782,797
	1,318,475	1,242,458

⁽¹⁾ Consulting fees for the years ended March 31, 2025 and 2024 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 year ended March 31, 2025 consisted of exploration expenditures (\$143,916), investor relations and corporate development fees (\$192,848), consulting (\$309,319) and other/office (\$176,549).

b) Balances

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

	2025	2024
	\$	\$
Due to Related Parties		
MVR Consulting Inc.	80,289	47,250
Greg Johnson	42,500	54,653
Gregor Hamilton	40,000	85,000
Michael Rowley	-	85,000
	162,789	271,903
Due from Related Parties		
TruePoint ⁽¹⁾	749,538	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.

11. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in non-cash operating working capital balances for the years ended March 31, 2025 and 2024 of the following:

	2025	2024
	\$	\$
Accounts receivable	(72,723)	31,580
Due to / from related parties	(242,785)	223,312
Prepaid expenses	(18,624)	43,282
Accounts payable and accrued liabilities	(207,605)	233,428
	(541,737)	531,602

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The non-cash transactions for the year ended March 31, 2025 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 cashless exercise for with a fair value of \$63,968.
- (iii) Receiving 1,100,000 shares valued at \$66,000. The full amount was taken into the statement of loss and comprehensive loss as a gain on exploration and evaluation asset.
- (iv) Receiving 3,000,000 Heritage shares valued at \$180,000 and 3,000,000 warrants valued at \$102,245. The full amount was taken into the statement of loss and comprehensive loss as a gain on exploration and evaluation asset.

The non-cash transactions for the year ended March 31, 2024 consisted of the following:

- (i) Issuing 635,294 common shares pursuant to the exercise of 635,294 RSUs for a value of \$216,000.
- (ii) Receiving 1,350,000 Heritage shares valued at \$67,500. The full amount was taken into the statement of loss and comprehensive loss as a gain on exploration and evaluation asset.
- (iii) Recording 6,000,000 Heritage shares valued at \$270,000 and 6,000,000 warrants valued at \$113,606. The full amount was taken into the statement of loss and comprehensive loss as a gain on exploration and evaluation asset.

12. FINANCIAL INSTRUMENTS

a) Categories of Financial Instruments

The Company's financial instruments include cash and cash equivalents, accounts receivable, due from related parties, marketable securities, accounts payable and accrued liabilities and due to related parties. The Company has classified its financial instruments as amortized cost except marketable securities which is classified as fair value through profit and loss.

b) Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in market that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.

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

The Company's marketable securities related to common shares were classified as Level 1. Marketable securities related to investment in warrants were classified as Level 3.

c) Financial Risk Management

The Company's financial instruments are exposed to certain financial risks, including liquidity risk, currency risk, interest rate risk, credit risk, and other price risk.

The Company's exposure to these risks and its methods of managing the risks are summarized as follows:

i) Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due by forecasting cash flows for operations, anticipated investing and financing activities and through management of its capital structure.

As at March 31, 2025, all of the Company's financial liabilities had contractual maturities of less than 90 days.

ii) Currency Risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar. The Company does not manage currency risks through hedging or other currency management tools and considers the risks related to foreign currency are not significant at this time. The Company is not exposed to material currency risk.

iii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Based on the current cash balances and expected future interest rates, the Company is not exposed to material interest rate risk.

iv) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk mainly in respect to managing its cash. The Company mitigates such credit risk by risk management policies that require significant cash deposits or any short-term investments be invested with Canadian chartered banks rated BBB or better. All investments must be less than one year in duration.

v) Other Price Risk

Other price risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

13. CAPITAL MANAGEMENT

The Company's objectives in managing its capital are to maintain the ability to continue as a going concern in order to support the acquisition, exploration and development of its exploration and evaluation assets.

The Company considers the items included in equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders.

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As the Company is in the exploration stage, its operations have been substantially funded by the issuance of equity instruments. The Company will continue to rely on equity issuances for future funding depending upon market and economic conditions at the time.

There have been no changes in the Company's approach to capital management during the year ended March 31, 2025.

The Company is not subject to externally imposed capital requirements.

14. INCOME TAXES

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before income taxes. These differences result from the following items:

	2025	2024
	\$	\$
Net loss for the year	(3,788,071)	(5,529,304)
Canadian federal and provincial income tax rates	27%	27%
Expected income tax recovery at statutory rate	(1,022,779)	(1,492,912)
Increase (decrease) due to:		
Non-deductible expenditures and other permanent differences	(238,324)	265,869
True up to prior year estimates	(16,238)	(9,821)
Flow-through renunciation	4,553	-
Losses for which no tax benefit is recorded	1,272,788	1,236,864
Income tax recovery as recorded	-	-

The components of unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset has been recognized consist of the following amounts:

	2025	2024
	\$	\$
Share issue costs	357,367	375,402
Exploration and evaluation assets	1,898,631	2,302,457
Marketable securities	302,970	310,270
Capital losses and other	48,152	48,152
Non-capital losses	33,138,850	27,927,142
Unrecognized temporary differences and non-capital losses	35,745,970	30,963,423

In assessing the ability to realize deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those deferred tax assets are deductible.

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As at March 31, 2025, the Company's unrecognized Canadian non-capital losses expire as follows:

	\$
2027	67,000
2028	556,000
2029	570,000
2030	660,000
2031	537,000
2032	467,000
2033	472,000
2034 to 2045	<u>12,286,000</u>
	<u>15,615,000</u>

In addition, the Company has approximately CAD\$17,522,277 in United States tax losses with no expiry date.

15. 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:

	<u>2025</u>	<u>2024</u>
	\$	\$
Non-current assets by geographic segment		
Canada	805,991	805,991
United States	<u>3,081,129</u>	<u>2,788,051</u>
	<u>3,887,120</u>	<u>3,594,042</u>

16. COMMITMENT

As a result of the issuance of flow-through units described in Note 9(b)(ii), the Company has a commitment to incur \$875,011 of qualifying Canadian exploration expenditures prior to December 31, 2026. At March 31, 2025, the Company incurred \$16,862 of those qualifying expenditures.

17. SUBSEQUENT EVENT

The Company closed a private placement in two tranches for total gross proceeds of \$7,000,000 through the issuance of 30,434,782 units at a price of \$0.23 per unit. Each unit consists of one common share of the Company and one-half of one transferable warrant, with each full warrant allowing the holder to purchase one common share of the Company at a price of \$0.34 per share for thirty-six months.