



**STUHINI EXPLORATION LTD.
CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FOR THE YEAR ENDED
FEBRUARY 28, 2023**



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Stuhini Exploration Ltd.

Opinion

We have audited the consolidated financial statements of Stuhini Exploration Ltd. (the "Company"), which comprise the consolidated statements of financial position as at February 28, 2023 and 2022, and the consolidated statements of net 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 significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit 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 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 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

We draw attention to Note 1 to the financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

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Other Information

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

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

In connection with our audit of the 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 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 financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 period 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 David Goertz.

A handwritten signature in black ink that reads "DMCL." The letters are bold and slightly slanted, with a large, stylized 'D'.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

June 28, 2023

STUHINI EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)



As at	Note	February 28, 2023	February 28, 2022
ASSETS			
Current			
Cash		\$ 960,451	\$ 953,389
GST receivable		119,981	93,680
Prepaid expenses	12	133,580	149,688
Marketable securities	11	195,000	204,000
Total current		1,409,012	1,400,757
Exploration and evaluation assets	6	8,191,889	5,018,732
Reclamation bond	6	85,963	48,755
Equipment		1,486	170
Total assets		\$ 9,688,350	\$ 6,468,414
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable		\$ 74,462	\$ 111,140
Accrued liabilities		42,916	47,071
Due to related parties	9	52,955	77,901
Flow-through share premium liability		11,044	-
Note payable to related party	10	-	120,000
Total current		181,377	356,112
Deferred tax liability	13	343,000	-
Total liabilities		524,377	356,112
Shareholders' equity			
Share capital	7	10,877,958	7,092,975
Reserves	7	681,661	578,182
Deficit		(2,395,646)	(1,558,855)
Total shareholders' equity		9,163,973	6,112,302
Total liabilities and shareholders' equity		\$ 9,688,350	\$ 6,468,414

Nature and continuance of operations (Note 1)
Subsequent events (Note 14)

Approved and authorized for issuance on behalf of the Board of Directors on June 28, 2023:

“David O’Brien”
David O’Brien, Director

“Josef Anthony Fogarassy”
Josef Anthony Fogarassy, Director

STUHINI EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF NET AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)



		Year ended	
	Note	February 28, 2023	February 28, 2022
Expenses:			
Advertising and promotion		\$ 132,216	\$ 191,872
Amortization		97	208
Consulting fees	9	266,722	192,268
Office expenses		34,715	26,930
Project investigation costs		39,039	5,602
Professional fees	9	84,871	77,893
Regulatory fees		24,554	21,785
Share-based compensation	7,9	92,967	298,887
Travel, meals, and entertainment		22,050	1,175
Operating expenses		(697,231)	(816,620)
Other items			
Unrealized gain (loss) on marketable securities	11	59,000	(90,000)
Loss on equity investments	11	(9,230)	-
Recovery of flow-through share premium liabilities	8	155,338	300,000
Interest expense	10	(1,668)	-
Part XII.6 tax		-	1,756
Net loss for the year before income taxes		(493,791)	(604,864)
Income tax expense – deferred	13	(343,000)	-
Net and comprehensive loss		\$ (836,791)	\$ (604,864)
Loss per share, basic and diluted		\$ (0.03)	\$ (0.03)
Weighted average number of common shares outstanding; basic and diluted		29,930,913	22,782,933

STUHINI EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)



	Number of Shares	Share Capital	Reserves	Deficit	Total
Balance, February 28, 2021	19,767,853	\$ 3,960,800	\$ 224,984	\$ (953,991)	\$ 3,231,793
Private placements	4,000,000	2,300,000	-	-	2,300,000
Share issuance costs	-	(73,199)	-	-	(73,199)
Flow-through share premium	-	(300,000)	-	-	(300,000)
Shares issued for property	1,800,000	1,044,000	-	-	1,044,000
Shares issued on exercise of options	350,000	131,171	(34,671)	-	96,500
Shares issued on exercise of warrants	5,987	1,820	(623)	-	1,197
Shares issued for debt with related party	48,936	28,383	(5,383)	-	23,000
Share-based compensation	-	-	393,875	-	393,875
Net and comprehensive loss for the year	-	-	-	(604,864)	(604,864)
Balance, February 28, 2022	25,972,776	7,092,975	578,182	(1,558,855)	6,112,302
Private placements	10,520,135	3,354,436	-	-	3,354,436
Share issuance costs	-	(196,841)	12,782	-	(184,059)
Flow-through share premium	-	(166,382)	-	-	(166,382)
Shares issued for property	1,825,000	674,750	-	-	674,750
Shares issued on exercise of options	175,000	119,020	(42,270)	-	76,750
Share-based compensation	-	-	132,967	-	132,967
Net and comprehensive loss for the year	-	-	-	(836,791)	(836,791)
Balance, February 28, 2023	38,492,911	\$ 10,877,958	\$ 681,661	\$ (2,395,646)	\$ 9,163,973

The accompanying notes are an integral part of these consolidated financial statements.

STUHINI EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED FEBRUARY 28, 2023
(Expressed in Canadian Dollars)



	Year ended	
	February 28, 2023	February 28, 2022
Cash flows used in operating activities		
Loss for the year	\$ (836,791)	\$ (604,864)
Items not affecting cash used in operations		
Amortization	97	208
Accrued interest	1,668	-
Foreign exchange gain	(7)	-
Income taxes	343,000	-
Realized gain on sale of marketable securities	9,230	-
Recovery of flow-through share premium liabilities	(155,338)	(300,000)
Share-based compensation	132,967	393,875
Unrealized (gain) loss on marketable securities	(59,000)	90,000
Changes in non-cash working capital items		
GST receivable	(26,301)	(24,749)
Prepaid expenses	16,108	12,390
Accounts payable	(97,223)	100,468
Accrued liabilities	(4,155)	19,087
Due to related parties	(50,476)	55,772
Net cash used in operating activities	(726,221)	(257,813)
Cash flows used in investing activities		
Exploration and evaluation assets, net of tax credits	(2,412,325)	(1,956,964)
Funds paid for reclamation bond	(37,208)	(23,755)
Acquisition of equipment	(1,413)	-
Cash received from sale of equity investments	58,770	-
Net cash used in investing activities	(2,392,176)	(1,980,719)
Cash flows provided by financing activities		
Issuance of shares for cash, net of issuance costs	3,170,377	2,226,801
Issuance of shares on exercise of options	76,750	96,500
Issuance of shares on exercise of warrants	-	1,197
Repayment of related party loan	(121,668)	-
Net cash provided by financing activities	3,125,459	2,324,498
Change in cash	7,062	85,966
Cash, beginning	953,389	867,423
Cash, ending	\$ 960,451	\$ 953,389
Non-cash transactions:		
Shares issued for property	\$ 674,750	\$ 1,044,000
Shares issued for debt with related party	\$ -	\$ 23,000
Promissory note issued for property	\$ -	\$ 120,000
Deferred exploration costs included in accounts payable and amounts due to related parties	\$ 86,081	\$ -

1. NATURE AND CONTINUANCE OF OPERATIONS

Stuhini Exploration Ltd. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on July 7, 2017. The Company is focused on acquisition, exploration, and development of mineral properties in Western Canada, namely the Provinces of British Columbia (“BC”) and Manitoba, and the Yukon. The Company’s shares (“Common Shares”) are traded on the TSX Venture Exchange (the “Exchange”) under the symbol “STU.” On April 4, 2022, the Company incorporated Arizada Metals Corp. (“Arizada”) under the Arizona Business Corporations Act. The Company holds 100% of the issued and outstanding shares of Arizada, which has acquired mineral properties in Arizona, USA.

The Company’s head office and registered records office address is 1245 Broadway W., Unit 105, Vancouver, BC V6H 1G7.

These consolidated financial statements have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company’s ability to realize its assets and discharge its liabilities is dependent upon the Company obtaining the necessary financing and ultimately upon its ability to achieve profitable operations. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

Failure to arrange adequate financing on acceptable terms and/or achieve profitability may have an adverse effect on the financial position, results of operations, cash flows and prospects of the Company. These consolidated financial statements do not give effect to adjustments to assets or liabilities that would be necessary should the Company be unable to continue as a going-concern. These adjustments could be material.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Statement of Compliance and Basis of Presentation

These consolidated financial statements were authorized for issue on June 28, 2023, by the Board of Directors of the Company.

The Company’s consolidated financial statements, including comparatives, have been prepared in accordance with accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Basis of Presentation and Consolidation

The consolidated financial statements of the Company as at and for the years ended February 28, 2023, and 2022 comprise of the Company and its wholly-owned subsidiary, Arizada, (together referred to as “Stuhini” or the “Company”). Arizada is consolidated from the date of its incorporation, as Stuhini is the sole shareholder and therefore has the control and power to govern the financial and operating policies of Arizada as to obtain benefits from its activities. The Company will continue to consolidate until the date Stuhini no longer has control over Arizada. The financial statements of Arizada are prepared for the same reporting period as the parent company, using consistent accounting policies. Balances, transactions, income and expenses between Stuhini and Arizada are eliminated on consolidation.

The consolidated financial statements have been prepared on an accrual basis and are based on historical costs, except certain financial instruments, which are recorded at fair value. All amounts are expressed in Canadian dollars.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the year. Actual results could differ from these estimates. The areas involving significant assumptions and estimates are disclosed in Note 4.

Functional and Presentation Currencies

The functional currency of the Company is the Canadian dollar. The functional currency of the Company's subsidiary, Arizada, is also the Canadian dollar, which is determined to be the currency of the primary economic environment in which Arizada operates.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash

Cash comprises deposits in the bank that are readily convertible into a known amount of cash, or with an initial maturity of less than 90 days.

Translation of foreign currency transactions

Transactions in foreign currencies are translated using the exchange rate prevailing at the date of the transaction. At each reporting date, foreign currency denominated monetary assets and liabilities are translated at reporting date exchange rates. Exchange differences arising from the transactions are recorded in profit or loss for the period.

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Impairment of financial assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

An 'expected credit loss' impairment model requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined, and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account, and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

The Company derecognizes a financial liability when its contractual obligations are discharged, canceled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit or loss.

Impairment of non-financial assets

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized to profit or loss whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option. Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred. Costs incurred once the Company has obtained the legal rights to explore an area are capitalized.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

From time-to-time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As such options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as property costs or recoveries when the payments are made or received.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Although the Company has taken steps that it considers adequate to verify title to mineral properties which it has interest in, these procedures do not guarantee the Company's title.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive, or legal obligations associated with the retirement and restoration of long-term assets, when those obligations result from the acquisition, construction, development, or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

As at February 28, 2023, the Company had not recognized any provisions for restoration and environmental obligations.

Flow-through shares

The proceeds from issuance of flow-through shares are allocated between the offering of the shares and the sale of tax benefits based on the premium that the investor pays for the shares. A premium liability is recognized for this difference and is reduced on a pro-rata basis by crediting other income when the Company makes the qualifying expenditures and there is a reasonable expectation of the renunciation of these expenditures to the tax authorities.

Equipment

Equipment is stated at historical cost less accumulated amortization and accumulated impairment losses. Cost includes costs paid to acquire assets from third parties as well as costs incurred in internally constructed assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss. The assets are amortized over their estimated useful lives using the declining balance method. No amortization is recorded where an asset is in development and not yet ready for its intended use.

Income taxes

Income tax is recognized in net loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option pricing model. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of Common Shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of Common Shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase Common Shares at the average market price during the period.

Recent accounting standards and interpretations

Accounting standards, amendments to standards, or interpretations 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. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgments in applying accounting policies

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- the classification/allocation of expenses as exploration and evaluation expenditures or operating expenses;
- the classification and measurement of the Company's financial assets and liabilities;
- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the determination whether there have been any events or changes in circumstances that indicate the impairment of its exploration and evaluations assets.

Key sources of estimation uncertainty include the following:

- the recoverability of the carrying value of exploration and evaluation assets when impairment indicators exist;
- recoverability and measurement of deferred tax assets;
- provisions for restoration and environmental obligations and contingent liabilities; and
- measurement of share-based payments.

5. FINANCIAL INSTRUMENTS AND RISKS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels at the fair value hierarchy are:

Level 1 — quoted prices in active markets for identical assets and liabilities.

Level 2 — observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 — unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

Categories of financial instruments

As at:	February 28, 2023	February 28, 2022
Financial assets:		
FVTPL		
Cash	\$ 960,451	\$ 953,389
Marketable securities	\$ 195,000	\$ 204,000
Financial liabilities:		
Amortized cost		
Accounts payable	\$ 74,462	\$ 111,140
Accrued liabilities	\$ 42,916	\$ 47,071
Due to related parties	\$ 52,955	\$ 77,901
Note payable	\$ -	\$ 120,000

Assets and liabilities measured at fair value on a recurring basis:

As at February 28, 2023	Level 1	Level 2	Level 3	Total
Cash	\$ 960,451	\$ -	\$ -	\$ 960,451
Marketable securities	195,000			195,000
	\$ 1,155,451	\$ -	\$ -	\$ 1,155,451

Accounts payable, accrued liabilities, and due to related parties approximate their fair value due to the short-term nature of these instruments.

Risk management

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management, the Board of Directors, and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk:

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash, which is held with a high-credit quality financial institution and amounts receivable from the Government of Canada. As such, the Company's credit risk exposure is minimal.

Market risk:

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has minimal interest rate risk as it has no interest accumulating financial assets that may become susceptible to interest rate fluctuations.

ii. Currency risk:

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has minimal financial risk arising from fluctuations in foreign exchange rates as the Company does not own foreign currency denominated financial assets or liabilities.

iii. Equity price risk:

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of equity indices and the value of individual stocks. The Company is exposed to equity price risk as a result of its investment in marketable securities following the sale of the Metla Property in exchange for common shares of Brixton (Notes 6 and 11).

Liquidity risk:

Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. The Company manages liquidity risk through the management of its capital structure. As at February 28, 2023, the Company had cash of \$960,451 to settle current financial liabilities of \$170,333.

The following table details the remaining contractual maturities of the Company's financial liabilities as of February 28, 2023:

	Within 1 year	1-5 years	5+ years
Accounts payable and accrued liabilities	\$ 117,378	\$ -	\$ -
Amounts due to related parties	52,955	-	-
	\$ 170,333	\$ -	\$ -

6. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets consist of the Ruby Creek, the Que, the South Thompson, the Big Ledge and the Arizona Properties. The costs incurred on the Company's exploration and evaluation assets are summarized as follows:

As at February 28, 2023	Ruby Creek Property	Que Property	South Thompson Property	Big Ledge Property	Arizona Properties	Total
Total exploration and evaluation assets, February 28, 2022	\$ 4,567,297	\$ 245,246	\$ 31,778	\$ 174,411	\$ -	\$ 5,018,732
Mineral tenure/lease payments	98,640	-	401	-	52,213	151,254
Acquisition/option payments	913,984	62,250	3,553	-	-	979,787
Additions, acquisition costs	1,012,624	62,250	3,954	-	52,213	1,131,041
Deferred exploration costs:						
Assaying	102,584	854	-	-	-	103,438
Camp and travel	330,505	7,512	2,557	-	-	340,574
Drilling	548,403	-	-	-	-	548,403
Equipment use/rental	284,173	-	-	-	-	284,173
Geology	682,487	4,373	3,473	74,492	742	765,567
Additions, deferred exploration costs	1,948,152	12,739	6,030	74,492	742	2,042,155
Exploration tax credits received	(39)	-	-	-	-	(39)
Total exploration and evaluation assets, February 28, 2023	\$ 7,528,034	\$ 320,235	\$ 41,762	\$ 248,903	\$ 52,955	\$8,191,889

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As at February 28, 2022	Ruby Creek Property	Que Property	South Thompson Property	Big Ledge Property	Total
Total exploration and evaluation assets, February 28, 2021	\$ 1,682,065	\$ 215,703	\$ -	\$ -	\$ 1,897,768
Mineral tenure/lease payments	49,300	-	2,807	-	52,107
Acquisition/option payments	1,195,000	29,000	-	10	1,224,010
Additions, acquisition costs	1,244,300	29,000	2,807	10	1,276,117
Deferred exploration costs:					
Assaying	161,974	-	-	-	161,974
Camp and travel	187,615	-	5,829	-	193,444
Equipment use/rental	238,581	-	3,668	26	242,275
Geology	1,052,762	543	19,474	174,375	1,247,154
Additions, deferred exploration costs	1,640,932	543	28,971	174,401	1,844,847
Total exploration and evaluation assets, February 28, 2022	\$ 4,567,297	\$ 245,246	\$ 31,778	\$ 174,411	\$ 5,018,732

In addition to the above property acquisition and exploration costs, at February 28, 2023, the Company had \$87,913 in prepayments on the future exploration programs on its mineral properties (February 28, 2022 - \$81,918), which were recorded as part of prepaid expenses (Note 12).

Ruby Creek Property

On July 30, 2019, the Company entered into an option agreement (the “Ruby Creek Option Agreement”) with Global Drilling Solutions Inc. (“Global Drilling”), a private BC Company wholly owned by Barry Hanslit, the Company’s co-founder and a major shareholder, whereby the Company was granted a right to acquire a 100% interest in Global Drilling’s Ruby Creek Property (the “Ruby Creek Option”). The Ruby Creek Property is located within the Atlin Mining Division of BC approximately 20 kilometres (“km”) east of Atlin and, as initially acquired, consisted of 49 contiguous mineral claims of which one is a mining lease.

Based on the Ruby Creek Option Agreement, to fully exercise its Ruby Creek Option, the Company is required to issue a total of 7,300,000 Common Shares and make cash payments for a total of \$1,060,000 over a four-year term, as detailed in the table below. Upon exercise of the Ruby Creek Option, Global Drilling would be entitled to a 1% net smelter returns royalty (“NSR”) on portions of the Ruby Creek Property originally optioned by Global Drilling to the Company.

Date	Common Shares	Cash Payments
December 31, 2019 (Common Shares issued)	800,000	\$ -
On or before December 31, 2020 (Common Shares issued)	1,250,000	-
On or before December 31, 2021 (Common Shares issued, note payable issued) ⁽¹⁾	1,750,000	120,000
On or before December 31, 2022 (Common Shares issued, cash payment made) ⁽²⁾	1,750,000	300,000
On or before December 31, 2023 (Note 14)	1,750,000	640,000
Total	7,300,000	\$ 1,060,000

(1) The Company exercised its third Ruby Creek option on December 28, 2021, by issuing 1,750,000 Common Shares as required under the Ruby Creek Option Agreement. The Common Shares were valued at \$1,015,000 (based on \$0.58 per share, the market value of the Company’s Common Shares on December 28, 2021). In lieu of the cash payment required to exercise the third Ruby Creek Option, the Company issued to Global Drilling an unsecured promissory note in the amount of \$120,000, which was repaid during the year ended February 28, 2023 (Note 10).

(2) The Company exercised its fourth Ruby Creek option on December 30, 2022, by issuing 1,750,000 Common Shares and making the \$300,000 cash payment. The Common Shares were valued at \$612,500 (based on \$0.35 per share, the market value of the Company’s Common Shares on December 30, 2022).

In September of 2020, the Company staked additional claims covering a total of 619.38 hectares contiguous to the Ruby Creek Property and added these to the original claims. In July of 2021, with a cash payment of \$60,000, the Company acquired from Brixton Metals Corporation (“Brixton”) five (5) additional mineral claims (the “Island Claims”) that are contiguous with the Ruby Creek Property. 1% NSR is retained by Brixton and 1% NSR is retained by unrelated third parties from whom Brixton originally acquired these claims. The new claims were added to the Ruby Creek Property increasing total claims to 55 claims roughly 29,734 hectares.

In February of 2023, the Company staked an additional claim covering a total of 848.10 hectares contiguous to the Ruby Creek Property which was also added to the original Ruby Creek Property.

During the year ended February 28, 2023, the Company paid \$98,640 (February 28, 2022 - \$49,300) which consisted of the 2022 and 2023 annual lease payments for one of the mining claims included in the Ruby Creek Property, extending the lease to March 27, 2024, and spent \$1,948,152 (February 28, 2022 - \$1,640,932) in deferred exploration costs associated with the exploratory and drilling programs.

As at February 28, 2023, the Company had a \$25,000 reclamation bond on deposit with the BC Ministry of Energy, Mines and Low Carbon Innovation in connection with the Ruby Creek Property.

Que Property

On February 17, 2020, the Company entered into an option agreement (the "Que Option Agreement"), whereby the Company was granted a right to acquire a 100% interest in the Que Property (the "Que Option") located in southcentral Yukon. The Que Option Agreement was amended and restated with the vendors on February 28, 2020 (the “Amended Que Option Agreement”). The Que Option Agreement, as amended and restated, was conditional on acceptance for filing by the Exchange, which was received on April 1, 2020. The Que Property consisted of 108 mineral claims and was 2,246 ha in size. During the year ended February 28, 2021, the Company staked an additional 96 claims (1,996 ha) bringing the entire claims package to 204 claims (4,243 ha).

Based on the Amended Que Option Agreement, to fully exercise its Que Option, the Company was required to issue a total of 2,950,000 Common Shares and make cash payments for a total of \$380,000 over a four-year term to the Que vendors. Upon receipt of assays showing no significant mineralization from a shallow early stage 2-hole drill program, the Company commenced renegotiating the Amended Que Option Agreement. The further amended and restated option agreement (the “Que Amendment 2”) was finalized on October 26, 2020, and its material terms are detailed in the table below.

Date	Common Shares	Cash Payment
April 1, 2020 (Common Shares issued)	200,000	\$ -
1st Anniversary of Approval (Common Shares issued)	50,000	-
2nd Anniversary of Approval ⁽¹⁾	75,000	-
3rd Anniversary of Approval ⁽²⁾	112,500	-
4th Anniversary of Approval	125,000	35,000
5th Anniversary of Approval	375,000	60,000
Total	937,500	\$ 95,000

(1) The Company issued 75,000 Common Shares representing the 2nd option payment on March 25, 2022. The Common Shares were valued at \$62,250.

(2) The Company issued 112,500 Common Shares representing the 3rd option payment on March 23, 2023. The Common Shares were valued at \$66,375.

During the year ended February 28, 2023, the Company spent \$12,739 (February 28, 2022 - \$543) in deferred exploration costs associated with the exploratory program on the Que Property.

South Thompson Property

During the year ended February 28, 2022, the Company staked seven mineral exploration licenses (“MEL”) totalling approximately 47,509 ha along the southern extent of the Thompson Nickel Belt, approximately 35 km northwest of Grand Rapids, Manitoba (the “South Thompson Property”). The Company paid \$2,807 in staking fees associated with the South Thompson Property.

On March 25, 2022, the Company applied for a 5-year mineral license for an additional MEL totalling 15,368 ha in size in order to consolidate areas of interest that overlap three of the previously held land parcels. On September 13, 2022, the Company was approved for a five-year MEL for an additional 15,368 ha. The Company dropped four of previous seven MEL’s outside the consolidated area and received approval in September 2022 on a consolidated MEL package totalling approximately 30,336 ha. The Company paid \$401 in staking fees associated with the additional MEL on the South Thompson Property. In addition, the Company paid \$3,553 in acquisition payments which were associated with the licensing negotiations with the local authorities overseeing the staked claims (Note 14).

During the year ended February 28, 2023, the Company spent \$6,030 (February 28, 2022 - \$28,971) in deferred exploration costs associated with the South Thompson Property.

As at February 28, 2023, the Company had \$41,500 reclamation bond on deposit with the Manitoba Ministry of Innovation, Energy and Mines in connection with the South Thompson Property.

On June 14, 2023, the Company received notice from the Manitoba government that required consultation under Section 35 of the Constitution Act had been successfully completed and received a work permit for limited drilling activity.

Big Ledge Property

On July 26, 2021, the Company acquired the Big Ledge Property located in southeastern BC approximately 57 km south of the city of Revelstoke. The Big Ledge Property was acquired from a director to the Company for nominal consideration of \$10. The Big Ledge Property is approximately 5,094 ha in size. No royalties, finder’s fees or work commitments are associated with this property or the transaction. During the year ended February 28, 2023, the Company spent \$74,492 (February 28, 2022 - \$174,401) in deferred exploration costs associated with the Big Ledge Property.

Arizona Properties

In June 2022, the Company, through Arizada, acquired by staking and through the acquisition of Mineral Exploration Permits, four new properties, covering a total of 3,783 ha, in the southeast quadrant of Arizona (the “Arizona Properties”). The Company paid \$52,213 in staking and permitting fees associated with the Arizona Properties (Note 14).

In addition, in connection with the Arizona Properties the Company was required to put up a \$19,463 one-time reclamation bond (US\$15,000) with the Arizona State Land Department.

During the year ended February 28, 2023, the Company spent \$742 (February 28, 2022 - \$Nil) in deferred exploration costs associated with the Arizona Properties.

Metla Property

On July 7, 2017, the Company acquired from Barry Hanslit, a major shareholder of the Company, a title to the Metla Creek Claims (the “Metla Property”). The Metla Property consisted of seven contiguous mineral claims, located approximately 150 km south of the town of Atlin. On August 24, 2020, the Company entered into a mineral claim purchase agreement (the “Purchase Agreement”) for the sale of 100% of its interest in the Metla Property to Brixton Metals Corporation (“Brixton”). The Purchase Agreement became effective on October 10, 2020. The Company retains a 1.0% NSR on the Metla Property.

7. SHARE CAPITAL

Authorized share capital

- Unlimited number of Common Shares without par value.

Share issuances during the year ended February 28, 2023

On March 25, 2022, pursuant to the Que Option Agreement, the Company issued 75,000 Common Shares with a fair value of \$62,250 to vendors (Note 6).

On August 4, 2022, the Company completed the first tranche of its non-brokered private placement financing issuing 2,142,500 Flow-Through Units (“FT Units”) at \$0.45 per FT Unit and 155,000 non-flow-through units (“NFT Units”) at a price of \$0.40 per NFT Unit (the “August Offering”). On August 19, 2022, the Company completed the second tranche of the August Offering issuing an additional 1,185,135 FT Units and 1,037,500 NFT Units for gross proceeds to the Company of \$1,974,436. Each FT Unit was comprised of one flow-through Common Share and one half of one share purchase warrant (each whole warrant, a “Warrant”). Each NFT Unit was comprised of one non-flow-through Common Share and one half of a Warrant. Each full Warrant entitles its holder to acquire one non-flow-through Common Share at \$0.60 expiring 24 months after the issuance. The premium received on FT Units issued was determined to be \$166,382 and was recorded as share capital reduction. An equivalent premium liability was recorded and is being reduced as and when the qualified exploration expenditures occur.

In connection with the August Offering the Company paid \$61,805 in cash finders’ fees and \$56,621 in legal and regulatory fees. In addition, the Company issued 43,243 non-transferable finders’ warrants to purchase one Common Share of the Company at a price of \$0.50 per Common Share expiring on August 19, 2024 (the “Finders’ Warrants”). The Finders’ Warrants were valued at \$6,777 using the following assumptions:

	August 19, 2022
Expected Life of the Finders’ Warrants	2 years
Risk-Free Interest Rate	3.42%
Expected Dividend Yield	Nil
Expected Share Price Volatility	81.47%

On December 30, 2022, pursuant to the Ruby Creek Option Agreement, the Company issued 1,750,000 Common Shares with a fair value of \$612,500 to Global Drilling (Notes 6 and 9).

On December 20, 2022, the Company completed the first tranche of its non-brokered private placement financing (the “December Offering”) issuing 3,938,183 units at \$0.23 per unit (the “December Units”), and on January 13, 2023, the Company completed the second tranche of the December Offering issuing 2,061,817 December Units at \$0.23 per December Unit, for total aggregate gross proceeds of \$1,380,000. Each December Unit consisted of one Common Share and one half of one Common Share purchase warrant (each whole warrant, a “December Warrant”). Each whole December Warrant is exercisable into one Common Share at a price of \$0.35 per Common Share. Of the total December Warrants issued, 1,969,091 December Warrants, which were issued as part of the first tranche, expire on December 20, 2024, and 1,030,908 December Warrants, issued as part of the second tranche, expire on January 13, 2025.

A director and an officer of the Company purchased or acquired direction and control over a total of 312,000 December Units under the December Offering.

In connection with the December Offering the Company paid \$16,586 in cash finders’ fees and \$49,049 in legal and regulatory fees. In addition, the Company issued 72,112 non-transferable finders’ warrants (the “December Finders’ Warrants”). Each December Finders’ Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.35 per Common Share, of which 32,000 December Finders’ Warrants expire on December 20, 2024, and 40,112 December Finders’ Warrants expire on January 13, 2025. The December Finders’ Warrants were valued at \$6,005 using the following assumptions:

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	December 20, 2022	January 13, 2023
Expected Life of the Finders' Warrants	2 years	2 years
Risk-Free Interest Rate	3.71%	3.67%
Expected Dividend Yield	Nil	Nil
Expected Share Price Volatility	84.90%	86.31%

During the year ended February 28, 2023, the Company issued 175,000 Common Shares on exercise of stock options previously granted pursuant to the Company's Rolling Stock Option Plan (the "Plan") for gross proceeds of \$76,750. The Company reallocated the fair value assessed upon the grant of \$42,270 from reserves to share capital.

Share issuances during the year ended February 28, 2022

On July 23, 2021, the Company completed its non-brokered private placement financing with issuance of 2,000,000 Flow-Through Shares ("FT Shares") at \$0.65 per FT Share and 2,000,000 Common Shares at a price of \$0.50 per Common Share for gross proceeds of \$2,300,000 (the "July Offering"). The Company paid \$28,995 in finder's fees associated with the July Offering. The Company recognized \$44,204 incurred in legal and regulatory fees as part of transaction costs. The FT Share premium of \$300,000 was recorded as a reduction to share capital. An equivalent premium liability was recorded. As of February 28, 2022, the liability was fully derecognized through income as exploration expenditures were incurred (Note 8).

On June 22, 2021, pursuant to the Que Option Agreement, the Company issued 50,000 Common Shares with a fair value of \$29,000 to vendors (Note 6).

On September 20, 2021, the Company and its VP of Exploration entered into a debt settlement agreement whereby the Company settled a balance of \$23,000 payable to an entity controlled by him through the issuance of 48,936 Common Shares with a fair value of \$28,383. The Company recorded \$5,383 to shareholders' equity.

On December 28, 2021, pursuant to the Ruby Creek Option Agreement, the Company issued 1,750,000 Common Shares with a fair value of \$1,015,000 to Global Drilling (Notes 6 and 9).

During the year ended February 28, 2022, the Company issued 350,000 Common Shares with gross proceeds of \$96,500 on exercise of stock options previously granted pursuant to the Plan. The Company reallocated the fair value assessed upon the grant of \$34,671 from reserve to share capital.

During the year ended February 28, 2022, the Company issued 5,987 Common Shares on exercise of warrants for gross proceeds of \$1,197. The Company reallocated the fair value assessed upon the issuance of \$623 from reserves to share capital.

Share purchase options

The Company has adopted a Rolling Stock Option Plan (the "Plan") pursuant to which options may be granted to directors, officers, employees, and consultants of the Company. Under the terms of the Plan, the Company can issue a maximum of 10% of the issued and outstanding Common Shares at the time of the grant. Options granted under the Plan, including vesting and the term, are determined by, and at the discretion of, the Board of Directors.

Options granted during the year ended February 28, 2023

On April 20, 2022, the Company granted an option to acquire up to 100,000 Common Shares at \$0.81 per Common Share to a consultant. The option vested immediately upon grant and expires on April 20, 2024. The Company recognized the fair value of the option of \$36,207 using the Black-Scholes Option Pricing Model with the following assumptions:

Expected Life of the Option	2 years
Risk-Free Interest Rate	2.64 %
Expected Dividend Yield	Nil
Expected Share Price Volatility	84.70%
Grant Date Fair Value	\$0.79

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On January 26, 2023, the Company granted options to acquire up to 1,200,000 Common Shares at \$0.48 per Common Share to its officers, directors, and consultants. These options vest quarterly over a 12-month period from the date of grant in equal amounts starting on April 26, 2023, and expire on January 26, 2026. The Company estimated the fair value of the options to be \$355,405, of which \$48,412 were recorded as share-based expense during the year ended February 28, 2023, and \$6,192 were recorded as part of advertising and promotion expenses for the same period. The Company used the Black-Scholes Option Pricing Model with the following assumptions:

Expected Life of the Options	3 years
Risk-Free Interest Rate	3.35%
Expected Dividend Yield	Nil
Expected Share Price Volatility	96.59%
Grant Date Fair Value	\$0.48

Options granted during the year ended February 28, 2022

On August 6, 2021, the Company granted options to acquire up to 445,000 Common Shares at \$0.60 per Common Share to its officers, directors, and consultants. These options vest quarterly over a 12-month period from the date of grant in equal amounts starting on November 6, 2021, and expire on February 6, 2024. The Company estimated the fair value of the options of \$127,671 using the Black-Scholes Option Pricing Model with the following assumptions:

Expected Life of the Options	2.5 years
Risk-Free Interest Rate	0.48%
Expected Dividend Yield	Nil
Expected Share Price Volatility	104%
Grant Date Fair Value	\$0.59

On August 6, 2021, the Company granted an option to acquire up to 100,000 Common Shares at \$0.60 per Common Share to a new member of its advisory board. The option vests quarterly over a 12-month period from the date of grant in equal amounts starting on November 6, 2021, and expires on August 6, 2023. The Company estimated the fair value of the option of \$26,365 using the Black-Scholes Option Pricing Model with the following assumptions:

Expected Life of the Option	2 years
Risk-Free Interest Rate	0.48%
Expected Dividend Yield	Nil
Expected Share Price Volatility	105%
Grant Date Fair Value	\$0.59

During the year the Company granted the options to acquire up to 200,000 Common Shares at \$0.60 per Common Share to a consultant for investor relations services. The option to acquire up to 100,000 Common Shares was dated effective February 23, 2021, expiring on February 23, 2023, and the option to acquire the remaining 100,000 Common Shares was dated effective May 23, 2021, expiring on May 23, 2023. The options vest quarterly over a 12-month period, from the grant date in equal amounts. The Company estimated the fair value of the options of \$61,593 using the Black-Scholes Option Pricing Model with the following assumptions:

	February 23, 2021	May 23, 2021
Expected Life of the Options	2 years	2 years
Risk-Free Interest Rate	0.44% - 1.57%	0.30% - 1.57%
Expected Dividend Yield	Nil	Nil
Expected Share Price Volatility	78.41% - 104.85%	72.13% - 106.56%
Grant Date Fair Value	\$0.55 - \$0.85	\$0.55 - \$0.85

On November 9, 2021, the Company granted an option to acquire up to 120,000 Common Shares at \$0.60 per Common Share to a consultant. The option vested immediately upon grant and expires on November 9, 2023. The Company recognized the fair value of the option of \$33,396 using the Black-Scholes Option Pricing Model with the following assumptions:

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Expected Life of the Option	2 years
Risk-Free Interest Rate	0.92%
Expected Dividend Yield	Nil
Expected Share Price Volatility	100.4%
Grant Date Fair Value	\$0.55

The share-based compensation related to the vesting of the options the Company granted during the year ended February 28, 2023, was determined to be \$132,967 (February 28, 2022 - \$393,875). Of total share-based payments, a recovery of \$3,793 (November 30, 2021 - \$61,593) was recorded as advertising and promotion expenses, and \$36,207 (November 30, 2021 - \$33,396) was recorded as consulting expense.

A continuity of options are as follows:

	Year ended February 28, 2023		Year ended February 28, 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning	2,345,000	\$0.40	1,830,000	\$0.31
Granted	1,300,000	\$0.51	865,000	\$0.60
Exercised ⁽¹⁾	(175,000)	\$0.44	(350,000)	\$0.28
Options outstanding, ending	3,470,000	\$0.45	2,345,000	\$0.43
Options exercisable, ending	2,270,000	\$0.44	2,047,500	\$0.40

⁽¹⁾The weighted average share price at the time of exercise was \$0.67

The options outstanding and exercisable at February 28, 2023, are as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Weighted Average Remaining Life	Expiry Date
495,000	495,000	\$ 0.20	1.44	August 6, 2024
345,000	345,000	\$ 0.25	2.00	February 28, 2025
625,000	625,000	\$ 0.50	0.38	July 18, 2023
100,000 ⁽¹⁾	100,000	\$ 0.60	0.23	May 23, 2023
445,000	445,000	\$ 0.60	0.94	February 6, 2024
100,000	100,000	\$ 0.60	0.44	August 6, 2023
60,000	60,000	\$ 0.60	0.70	November 9, 2023
100,000	100,000	\$ 0.81	1.14	April 20, 2024
1,200,000	-	\$ 0.48	2.91	January 26, 2026
3,470,000	2,270,000	\$ 0.45	1.67	

(1) These options had expired unexercised subsequent to February 28, 2023.

Subsequent to February 28, 2023, the Company granted an option to acquire up to 100,000 Common Shares at \$0.50 per Common Share to a consultant for marketing and strategic advisory services. The option vests quarterly in equal amounts over a 12-month period from the grant date.

Stock purchase warrants

A continuity of warrants are as follows:

	Year ended February 28, 2023		Year ended February 28, 2022	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Warrants outstanding, beginning	-	n/a	5,987	\$0.20
Issued	5,375,420	\$0.46	-	n/a
Exercised	-	n/a	(5,987)	\$0.20
Warrants outstanding, ending	5,375,420	\$0.46	-	n/a

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The warrants outstanding and exercisable at February 28, 2023, are as follows:

Number of Warrants Outstanding	Exercise Price	Weighted Average Remaining Life	Expiry Date
1,148,750	\$ 0.60	1.43	August 4, 2024
1,111,316	\$ 0.60	1.43	August 19, 2024
43,243 ⁽¹⁾	\$ 0.50	1.47	August 19, 2024
1,969,091	\$ 0.35	1.81	December 20, 2024
32,000 ⁽¹⁾	\$ 0.35	1.81	December 20, 2024
1,030,908	\$ 0.35	1.88	January 13, 2025
40,112 ⁽¹⁾	\$ 0.35	1.88	January 13, 2025
5,375,420	\$ 0.46	1.70	

(1) Finders' warrants

8. FLOW-THROUGH SHARE PREMIUM LIABILITY

	February 28, 2023	February 28, 2022
Balance, beginning	\$ -	\$ -
Share premium liability on flow-through shares	166,382	300,000
Recovery of flow-through share premium liabilities	(155,338)	(300,000)
Balance, ending	\$ 11,044	\$ -

On August 4, 2022, the Company issued 2,142,500 Flow-through Units at a price of \$0.45 per FT Unit, and on August 19, 2022, the Company issued further 1,185,135 Flow-through Units at a price of \$0.45 per FT Unit (Note 7). The premium received on the FT Units issued was determined to be \$166,382 and was recorded as a share capital reduction. An equivalent premium liability was recorded and is being reduced as and when the qualified exploration expenditures occur. During the year ended February 28, 2023, the Company recorded \$155,338 in income that resulted from the flow-through share premium.

On July 23, 2021, as part of its July Offering, the Company issued 2,000,000 Flow-through Shares at a price of \$0.65 per FT Share (Note 7). The flow-through share premium of \$300,000 was recognized and was recorded as a share capital reduction. An equivalent premium liability was recorded. As of February 28, 2022, the liability was fully derecognized through income as exploration expenditures were incurred.

9. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, key management personnel, close family members and enterprises that are controlled by these individuals. Key management personnel are those having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole.

The Company incurred the following transactions with related parties, including key management personnel:

	February 28, 2023	February 28, 2022
Consulting fees paid or accrued to the Company's CEO ⁽¹⁾	\$ 24,000	\$ 34,000
Accounting and consulting fees, paid or accrued to the Company's CFO ⁽¹⁾	19,494	27,897
Consulting fees, investor relations and deferred exploration costs paid to the Company's Corporate Secretary ⁽¹⁾	42,367	32,877
Project management fees and deferred exploration costs paid or accrued to an entity controlled by the common-law spouse of the Company's co-founder and major shareholder	172,529	47,406
Bonus for project management paid to the common-law spouse of the Company's co-founder and major shareholder ⁽¹⁾	-	10,000
Deferred exploration costs and general business consulting fees, paid or accrued to an entity controlled by the VP of Exploration ⁽¹⁾	136,999	129,500
Property acquisition fee accrued to a director of the Company	-	10
Share-based compensation for options granted to directors and officers	69,606	208,735
Payroll expenses on stock options exercised by directors and officers	-	4,791
Total related party transactions	\$ 464,995	\$ 495,216

⁽¹⁾On September 20, 2021, the Board of Directors awarded cash performance bonuses to certain individuals for services they've provided to the Company. CEO, CFO, Corporate Secretary, and the common-law spouse of the Company's co-founder, received \$10,000, each; the Company's VP of Exploration received a bonus of \$23,000, which was issued in the form of Common Shares in the name of the entity controlled by him.

In addition to the above transactions, on December 30, 2022, the Company issued 1,750,000 Common Shares to Global Drilling, and paid \$300,000 cash, as required under the Ruby Creek Option Agreement (2022 - 1,750,000 Common Shares, and promissory note in the amount of \$120,000, which was repaid in full on September 20, 2022). The Common Shares were valued at \$612,500 (2022 - \$1,015,000) (Notes 6, 10, and 14).

Amounts due to related parties consist of amounts owed directly to the officers and directors of the Company, or to the companies controlled by them, for the professional services or for the expenses incurred on behalf of the Company. These amounts are unsecured, non-interest bearing, and due on demand. At February 28, 2023, the Company owed a total of \$52,955 (2021 - \$77,901) to its related parties.

10. NOTE PAYABLE TO RELATED PARTY

On December 28, 2021, in lieu of the cash payment required to exercise the third Ruby Creek Option, the Company issued a demand promissory note to Global Drilling in the amount of \$120,000 (the "Note Payable"). The initial six-month term of the Note Payable bore no interest. As of June 28, 2022, the interest was being accrued at 0.5% per month compounded monthly. The Note Payable was unsecured and, after initial six-month period, payable on demand. During the year ended February 28, 2023, the Company accrued a total of \$1,668 in interest on the balance due under Note Payable. On September 20, 2022, the Company paid Global Drilling a total of \$121,668 representing the principal due under the Note Payable and accrued interest up to the date of repayment (Note 9).

11. MARKETABLE SECURITIES

The Company's marketable securities consist of 1,000,000 common shares of Brixton (the "BBB Shares") valued at \$195,000 (2022 – 1,200,000 shares valued at \$204,000).

During the year ended February 28, 2023, the Company sold 200,000 BBB Shares for net proceeds of \$58,770, which resulted in realized loss of \$9,230 (2022 – \$Nil).

At February 28, 2023, BBB Shares were valued at \$195,000 (2022 - \$204,000) based on the closing market price. During the year ended February 28, 2023, the Company recognized an unrealized gain of \$59,000 (2022 - \$90,000 loss) pursuant to change in the fair value of marketable securities.

12. PREPAID EXPENSES

Prepaid expenses consisted of the following:

	February 28, 2023	February 28, 2022
Prepaid exploration costs	\$ 87,913	\$ 81,918
Prepaid operating expenses	39,764	67,770
Prepaid share issuance costs	5,903	-
Total prepaid expenses	\$ 133,580	\$ 149,688

13. INCOME TAXES

A reconciliation of income taxes at the statutory rates are as follows:

	February 28, 2023	February 28, 2022
Net loss before tax	\$ (493,791)	\$ (604,864)
Statutory income tax rate	27%	27%
Expected income tax recovery	(133,000)	(163,313)
Non-deductible expenditures	217,000	(818,345)
Impact of flow through shares	377,000	351,000
Share issuance costs	(50,000)	(19,764)
Change in unrecognized deductible temporary differences	(68,000)	650,422
Deferred income tax expense	\$ 343,000	\$ -

The significant components of deferred tax assets that have not been included in the statements of financial position are as follows:

	February 28, 2023	February 28, 2022
Deferred tax assets:		
Non-capital losses available for future period	527,000	209,880
Share issuance costs	64,000	45,156
Exploration and evaluation assets	(990,000)	427,196
Equipment	36,000	-
Marketable securities	20,000	15,390
	(343,000)	697,622
Unrecognized deferred tax assets	-	(697,622)
Net deferred tax liabilities	\$ (343,000)	\$ -

The Company has approximately \$1,680,000 (2022 - \$813,333) of non-capital losses which expire by 2043. Tax attributes are subject to review, and potential adjustment by tax authorities.

14. SUBSEQUENT EVENTS

- Subsequent to February 28, 2023, the Company closed a non-brokered private placement (the “March Offering”) by issuing a total of 6,000,000 units (the “March Units”) at \$0.40 per March Unit for aggregate gross proceeds of \$2,400,000. Each March Unit consisted of one Common Share and one half of one Common Share purchase warrant (each whole warrant, a “March Warrant”). Each whole March Warrant is exercisable into one Common Share at a price of \$0.50 per Common Share expiring on March 17, 2025.

In connection with the March Offering, the Company paid cash finders’ fees of \$9,180 and issued a total of 22,950 non-transferable finders’ warrants (“March Finders’ Warrants”). In addition, the Company incurred approximately \$48,000 in share issuance costs for regulatory and legal services. Each March Finders’ Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.50 per Common Share until March 17, 2025.

- Subsequent to February 28, 2023, the Company entered into a purchase agreement with a vendor (the “Purchase Agreement”) for the acquisition of strategic information and access to a proprietary database of mineral prospects in Arizona and Manitoba (“Strategic Information”). The Company made a \$35,000 cash payment on signing of the Purchase Agreement and agreed to additional annual cash payments in respect of each Arizona claim for a total of \$620,000 (provided the Company has not abandoned such claims prior thereto) expiring on May 25, 2027. The Company also agreed to 1% net smelter returns royalty (the “NSR Royalty”) in respect of all ores and concentrates produced from the Arizona Claims upon achieving commercial production, with an option to repurchase 0.5% NSR at any time one-half of the NSR Royalty on any of the four Arizona Claims for consideration of \$1,000,000 per Arizona Claim (Note 6).

In addition to the Arizona Claims, the information from the vendor led to the Company identifying the mineral claim known as the South Thompson Nickel Project. As a result, the Company agreed to compensate the vendor by granting him a 1% NSR royalty (the “Manitoba NSR Royalty”) in respect of all concentrates and ores produced from the South Thompson Nickel Project, with an option to repurchase at any time 0.5% of the Manitoba NSR Royalty for a consideration of \$50,000 (Note 6).

- Subsequent to February 28, 2023, the Company exercised its option to acquire the Ruby Creek Property by issuing the final 1,750,000 Common Shares and cash payment of \$640,000 to Global Drilling pursuant to the terms of the Option Agreement (Note 6). In addition, the Company paid an additional \$100,000 cash to Global Drilling associated with the existing Mines Act permit on the Ruby Creek Molybdenum Project. Concurrently, the Global Drilling submitted a transfer of title application to the Ministry of Energy, Mines and Low Carbon Innovation to transfer the current \$100,000 reclamation security held by Government of British Columbia, under Global Drilling’s title, to the Company.