



STERLING METALS CORP.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2026

Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of the company have been prepared by and are the responsibility of the Company's management. The Company's independent auditors have not performed a review of these condensed interim financial statements.

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MANAGEMENT'S RESPONSIBILITY

To the Shareholders of Sterling Metals Corp.:

Management is responsible for the preparation and presentation of the accompanying unaudited condensed interim financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the unaudited condensed interim financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of unaudited condensed interim financial statements.

The Audit Committee are composed primarily of directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information presented. The board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Audit Committee has the responsibility of meeting with management and the external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of the Company's external auditors.

We draw attention to Note 1 in the unaudited condensed interim financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The financial statements were approved by the Board of Directors on May 27, 2026.

"Mathew Wilson"

Mathew Wilson, CEO

"Dennis Logan"

Dennis Logan, CFO

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UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	As of March 31, 2026	As of December 31, 2025
Assets		
Current Assets		
Cash and cash equivalents	\$11,134,471	\$12,675,603
Sales tax receivable	226,497	269,962
Prepaid expenses	325,199	133,415
Total Current Assets	11,686,167	13,078,980
Property, vehicle and equipment (Note 7)	1,161,827	1,014,689
Property rights, evaluation and exploration assets (Note 8, Note 13)	13,483,728	12,274,064
Long-term investments (Note 8)	48,024	-
Total Assets	\$26,379,746	\$26,367,733
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Note 9, Note 13)	\$435,650	\$276,183
Flow-through share premium liability (Note 10)	1,057,154	1,345,721
Total Current Liabilities	1,492,804	1,621,904
Total Liabilities	1,492,804	1,621,904
Shareholders' Equity		
Share capital (Note 11)	61,360,117	61,295,217
Warrants (Note 11)	17,803,102	17,803,102
Share-based payment reserve (Note 11)	18,001,538	17,692,082
Deficit	(72,277,815)	(72,044,572)
Total Shareholders' Equity	24,886,942	24,745,829
Total Liabilities and Shareholders' Equity	\$26,379,746	\$26,367,733

Nature of operations and going concern (Note 1)

Commitments (Note 8 and 10)

The financial statements were approved by the Board of Directors on May 27, 2026, and were signed on its behalf by:

"Stephen Keith"
Stephen Keith, Director

"Mark Goodman"
Mark Goodman, Director

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UNAUDITED CONDENSED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
General and Administrative Expenses		
General and administration	\$114,543	\$65,982
Investor relations	57,482	31,979
Management and Director fees (Note 13)	124,840	83,405
Consulting fees	-	-
Share-based compensation (Note 11, Note 13)	309,456	750,800
Exploration costs	2,910	3,635
Professional fees	41,795	41,017
Loss before other income (expense)	(651,026)	(976,818)
Other income (expense)		
Gain on sale of mineral proeprty rights	48,023	-
Government grant (Note 14)	25,672	-
Recovery of flow-through premium liability (Note 10)	288,567	9,008
Interest income (expense)	55,521	(24,744)
Net loss and comprehensive loss for the period	(\$233,243)	(\$992,554)
Net loss per share for the period		
Basic and diluted loss per share	(\$0.01)	(\$0.04)
Weighted Average Number of Shares Outstanding	46,139,272	24,848,346

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UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

	Number of shares outstanding	Share Capital	Warrants	Share-based Payment Reserve	(Deficit)	Total Equity
Balance at January 1, 2025	24,838,779	\$49,759,150	\$12,989,679	\$16,652,457	(\$65,292,870)	\$14,108,416
Share-based compensation - grant of stock options (Note 11, 13)	-	-	-	750,800	-	750,800
Shares and warrants issued on private placement (Note 11)	6,082,000	1,057,891	462,609	-	-	1,520,500
Issuance costs (Note 11)	-	(33,571)	(14,567)	-	-	(48,138)
Issuance of broker warrants (Note 11)	-	-	10,967	-	-	10,967
Net loss and comprehensive loss for the year	-	-	-	-	(992,554)	(992,554)
Balance at March 31, 2025	30,920,779	\$50,783,470	\$13,448,688	\$17,403,257	(\$66,285,424)	\$15,349,991
Balance at April 1, 2025	30,920,779	\$50,783,470	\$13,448,688	\$17,403,257	(\$66,285,424)	\$15,349,991
Share-based compensation - grant of stock options (Note 11, 13)	-	-	-	-	-	-
Share-based compensation - grant of RSUs (Notes 11, 13)	-	-	-	288,825	-	288,825
Shares and warrants issued on private placement (Note 11)	14,415,347	10,408,757	4,374,977	-	-	14,783,734
Share issuance costs (Note 11)	-	(213,848)	(71,088)	-	-	(284,936)
Issuance of broker warrants (Note 11)	-	-	50,525	-	-	50,525
Exercise of warrants (Note 11)	205,712	106,838	-	-	-	106,838
Exercise of options (Note 11)	536,774	210,000	-	-	-	210,000
Shares issued on property option acquisition (Notes 8, 11)	-	-	-	-	-	-
Shares issued on property option acquisition (Notes 8, 11)	-	-	-	-	-	-
Net loss and comprehensive loss for the period	-	-	-	-	(5,759,148)	(5,759,148)
Balance at December 31, 2025	46,078,612	\$61,295,217	\$17,803,102	\$17,692,082	(\$72,044,572)	\$24,745,829
Balance at January 1, 2026	46,078,612	\$61,295,217	\$17,803,102	\$17,692,082	(\$72,044,572)	\$24,745,829
Exercise of warrants (Note 11)	161,800	64,900	-	-	-	64,900
Share-based compensation - vesting of RSUs (Notes 11, 13)	-	-	-	309,456	-	309,456
Net loss and comprehensive loss for the year	-	-	-	-	(233,243)	(233,243)
Balance at March 31, 2026	46,240,412	\$61,360,117	\$17,803,102	\$18,001,538	(\$72,277,815)	\$24,886,942

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UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS

	Three months Ended March 31, 2026	Three Months Ended March 31, 2025
Operating activities		
Net loss for the period	(\$233,243)	(\$992,554)
Add (deduct) non-cash items:		
Non-cash gain on sale of mineral property interest (Note 8)	(48,023)	
Share-based compensation (Note 11, Note 13)	309,456	750,800
Recovery of flow-through share premium liability (Note 10)	(288,567)	(9,008)
	<u>(260,377)</u>	<u>(250,762)</u>
Net change in non-cash working capital		
Sales tax receivable	43,465	41,832
Interest receivable on GIC investment	-	16,890
Prepaid expenses	(191,784)	1,044
Accounts payable and accrued liabilities	159,465	(41,616)
Cash used in operating activities	<u>(249,231)</u>	<u>(232,612)</u>
Investing activities		
Purchase of property, vehicles and equipment (Note 7)	(177,897)	-
Government grant received for eligible evaluation and exploration costs (Note 8)	215,000	200,000
Property rights, evaluation and exploration costs (Note 8)	(1,393,904)	(243,464)
Cash used in investing activities	<u>(1,356,801)</u>	<u>(43,464)</u>
Financing activities		
Issuance of common shares, warrants and flow-through share premium liability (Note 10, Note 11)	-	1,520,500
Issuance costs allocated to shares and warrants (Note 11) and flow-through share premium liability (Note 10)	-	(37,171)
Issuance of common shares on the exercise of warrants and options (Note 11)	64,900	-
Cash provided by financing activities	<u>64,900</u>	<u>1,483,329</u>
Net increase in cash and cash equivalents during the year	<u>(1,541,132)</u>	<u>1,207,253</u>
Cash and cash equivalents at beginning	<u>12,675,603</u>	<u>1,417,285</u>
Cash and cash equivalents at ending	<u>\$11,134,471</u>	<u>\$2,624,538</u>
Cash and cash equivalents consists of :		
Cash	\$ 11,134,471	\$ 2,624,538
Supplementary Cash Flow Information		
Accrued interest on GIC as of December 31, 2024 received March 31, 2025	\$ -	\$ 16,890
Interest received on savings account balances	\$ 59,853	\$ 5,505
Taxes paid	\$ -	\$ -
Interest paid	\$ 4,332	\$ (30,249)
Prepaid Software costs capitalized to mineral properties	\$ 78,962	
Depreciation and amortization capitalized to mineral properties	\$ 30,759	\$ 10,920

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

1) Nature of operations and going concern

Sterling Metals Corp. ("SAG" or "the Company") was incorporated under the Canada Business Corporations Act on December 9, 2003. The Company's principal business activity is the exploration and development of resource properties. The head office of the Company is located at Suite 401, 217 Queen Street West, Toronto, ON, M5V 0R2. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol SAG.

These unaudited condensed interim financial statements have been prepared on the going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company realized a net loss of \$233,243 for the three months ended March 31, 2026 (three months March 31, 2025, net loss of \$992,554). As of March 31, 2026, the Company had an accumulated deficit of \$72,277,815 (December 31, 2025: \$72,044,572). In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. On March 31, 2026, the Company had a total of \$11,686,167 of current assets and a working capital balance of \$10,193,363 and had flow through expenditure commitments of \$4,287,727 to be incurred prior to December 31, 2026.

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 financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern.

2) Statement of compliance and basis of presentation

These unaudited condensed interim financial statements were prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The unaudited condensed interim financial statements were approved and authorized for issuance by the Board of Directors on May 27, 2026.

3) Material accounting policies

These unaudited condensed interim financial statements were prepared on an historical cost basis using the accrual basis of accounting, except for the cash flow statement.

These financial statements are presented in Canadian dollars. The functional currency was determined using the currency of the primary economic environment in which the entity operates. The functional currency, as determined by management, of the Company is the Canadian dollar. All amounts are rounded to the nearest dollar.

The accounting policies applied in the preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2025.

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NOTES TO THE FINANCIAL STATEMENTS

4) Critical accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in which the estimates are revised and in any future period affected.

The critical judgements and areas involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the financial statements are further detailed in note 4 of the Company's audited financial statements for the year ended December 31, 2025.

5) New accounting standards issued and adopted in the current period and Recent accounting pronouncements not yet adopted

New Standards Adopted in the Current Year

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2026, and have been adopted in preparing these consolidated financial statements. None of these new standards, amendments to standards or interpretations had a material effect on the Company's consolidated financial statements.

IFRS 9 Financial Instruments ("IFRS 9") and IFRS 7, Financial Instruments: Disclosures ("IFRS 7")

IFRS 9 requires entities to recognize financial assets and liabilities when they become party to the contractual terms and to measure them initially at fair value, adjusted for directly attributable transaction costs where applicable. The standard is being clarified to provide better guidance on the derecognition of financial liabilities, which can impact bank reconciliation processes, especially during debt restructuring based on the timing of payments on financial liabilities as compared to the actual settlement of those debts. This clarification may result in a change in the derecognition timing of financial liabilities in situations where electronic payments are involved.

IFRS 7 (Financial Instruments: Disclosures) requires entities to provide disclosures enabling users to evaluate the significance of financial instruments and the nature/extent of their risks. Key recent amendments enhance transparency for Supplier Finance Arrangements and update classifications for Financial Instruments.

These amendments are effective for annual periods beginning on or after January 1, 2026.

Recent Accounting Pronouncements not yet Adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2026, and have not been early adopted in preparing these consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. In addition, IFRS 18 requires entities to classify income and expenses into five categories, three of which are new – i.e. operating, investing and financing – and the income tax and discontinued operation categories. The new standard sets out detailed requirements for classifying income and expenses into each category. These amendments are effective for annual periods beginning on or after January 1, 2027, with earlier adoption permitted. IFRS 18 requires retroactive application with certain transition provisions.

The extent of the impact of these amendments on the Company's consolidated financial statements has not yet been determined.

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6) Financial instruments and risk management

a) Fair value hierarchy

Financial instruments recorded at fair value are measured using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of hierarchy has the following levels:

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in the markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company does not have any financial instruments measured at fair value. The Company's financial instruments include cash and cash equivalents, interest receivable on savings account investment, accounts payable and accrued liabilities. The carrying amounts of these financial instruments approximate their fair values due to their short-term nature.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash with banks and financial institutions. It is management's opinion that the Company is not exposed to significant credit risk arising from these financial instruments. The Company limits credit risk by entering into business arrangements with high credit-quality counterparties. There have not been any changes in the exposure to risk or the Company's objectives, policies, and processes for managing the risk from the prior year.

c) Market risk

Market risk is the risk that changes in market prices will affect the fair value or future cash flows of a financial instrument. Market risk is comprised of interest rate risk, currency risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. On March 31, 2026, management believes that the Company was not subject to material interest rate, currency risk or other price risk. There have not been any changes in the exposure to risk or the Company's objectives, policies, and processes for managing the risk from the prior year.

d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management involves maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations. As of March 31, 2026, all accounts payable and accrued liabilities are due within 45 days and the Company has sufficient cash resources to meet these obligations as they come due.

As of March 31, 2026, the Company had positive working capital of \$10,193,363. Available funds from cash and cash equivalents on hand and working capital are expected to be sufficient to cover a portion of the Company's planned expenditures for the next twelve months. Any shortfall in available funds may be made up of possible proceeds of possible equity financings, loans, lease financing and entering into joint venture agreements, or any combination thereof. There have not been any changes in the exposure to risk or the Company's objectives, policies, and processes for managing the risk from the prior year.

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7) Property, Vehicles and Equipment

	Land	Buildings	Furniture	Vehicles	Equipment	Total
Cost						
Balance December 31, 2025	\$ 75,000	\$ 842,657	\$ 22,124	\$ 131,813	\$ 87,830	\$ 1,159,424
Additions	-	21,880	19,453	-	136,564	177,897
Disposals	-	-	-	-	-	-
Balance March 31, 2026	\$ 75,000	\$ 864,537	\$ 41,577	\$ 131,813	\$ 224,394	\$ 1,337,321
Accumulated Amortization						
Balance December 31, 2025	\$ -	\$ -	\$ -	\$ (84,181)	\$ (60,554)	\$ (144,735)
Amortization	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Additions	-	(10,540)	(2,534)	(3,949)	(13,736)	(30,759)
Balance March 31, 2026	\$ -	\$ (10,540)	\$ (2,534)	\$ (88,130)	\$ (74,290)	\$ (175,494)
Carrying Amounts						
At December 31, 2025	75,000	842,657	22,124	47,632	27,276	1,014,689
At March 31, 2026	75,000	853,997	39,043	43,683	150,104	1,161,827

On December 22, 2025, the Company acquired a property approximately 6 acres in total size near its exploration activity on the Soo Copper project. The Company began to make certain capital additions to the buildings and equipment on the property during the three months ended March 31, 2026, to be able to utilize the property and buildings as its main core logging, cutting and storage operations for the Soo Copper project.

8) Property rights, evaluation and exploration assets

	Sail Pond	Adeline	Soo Copper	Total
Carrying amount				
Balance January 1, 2025	\$ 1	\$ 4,602,617	\$ 8,283,243	\$ 12,885,861
Acquisitions				
Cash	\$ -	\$ -	\$ -	\$ -
Common shares issued	-	-	-	-
Exploration				
Drilling	-	-	1,989,770	1,989,770
Field and administration	-	127,992	824,922	952,914
Geological and Geophysical services	-	9,024	579,029	588,053
Assays	-	620	644,421	645,041
Prospecting	-	-	60,370	60,370
Depreciation and amortization capitalized	-	-	39,066	39,066
Mining software costs capitalized	-	-	53,241	53,241
Receipt of Government Grant for eligible expenditures	-	-	(200,000)	(200,000)
Impairment of mineral property carrying value	-	(4,740,252)	-	(4,740,252)
Balance December 31, 2025	\$ 1	\$ 1	\$ 12,274,062	\$12,274,064
Acquisitions				
Cash	\$ -	\$ -	\$ -	\$ -
Common shares issued	-	-	-	-
Exploration				
Drilling	-	-	566,534	566,534
Field and administration	-	-	274,128	274,128
Geological and Geophysical services	-	-	189,215	189,215
Assays	-	-	276,565	276,565
Prospecting	-	-	8,500	8,500
Depreciation and amortization capitalized	-	-	30,761	30,761
Mining software costs capitalized	-	-	78,962	78,962
Receipt of Government Grant for eligible expenditures	-	-	(215,000)	(215,000)
Disposition of Mineral property	(1)	-	-	(1)
Balance March 31, 2026	\$ -	\$ 1	\$ 13,483,727	\$13,483,728

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Sail Pond Silver-Copper-Lead-Zinc Project

On March 17, 2026, the Company entered into a purchase and sale agreement with Golden Goose Discoveries Corp. to sell a 100% interest in the Sail Pond Project in exchange for 96,078 Golden Goose Discovery Corp. Common Shares, representing an ownership interest of 96.1% of Golden Goose Discoveries Corp. The transaction closed on March 31, 2026, The Golden Goose shares were valued at \$48,024 (\$0.50 per Golden Goose share based on the price of a recent equity transaction involving the Golden Goose shares between unrelated third parties). The Company recorded a non-cash gain of \$48,023 on the sale, having previously written down the carrying value of the Sail Pond Project to \$1.00.

Immediately prior to the sale of Sail Pond to Golden Goose Discoveries Corp., the Company entered into a lease agreement (the "Lease Agreement") with Canadian Marble Corporation ("Canadian Marble"), an arm's length party to the Company, whereby the Company granted exclusive right to Canadian Marble to explore for, develop, mine or otherwise remove and process marble, dolomite and marble/dolomite aggregates and associated non-metallic waste rock (collectively, the "Specified Substances") and to produce, handle and sell Specified Substances mined, quarried, excavated and otherwise extracted from the Sail Pond property. In connection with Lease Agreement, the Company entered into a gross overriding royalty agreement with Canadian Marble dated March 16, 2026 (the "Royalty Agreement"), whereby the Company has reserved a gross overriding royalty (the "Royalty") to be paid by Canadian Marble to the Company in an amount equal to, with respect to the initial \$10,000,000 of gross proceeds from the sale of Specified Substances, five percent (5%), which shall be reduced to three (3%) for any additional gross proceeds in excess of the initial \$10,000,000. The Lease Agreement and Royalty Agreement are permitted encumbrances on the Sail Pond project property that was sold to Golden Goose Discovery Corp.

Adeline Copper-Silver Project

On March 6, 2023, the Company entered into an option agreement ("Adeline Property Option Agreement") with Chesterfield Resources Plc, and its wholly owned subsidiary, Chesterfield (Canada) Inc. (collectively "**Chesterfield**") to purchase from Chesterfield, 100% of the Adeline Copper-Silver project in Labrador. In consideration for the purchase of the Project, on signing of the Definitive Agreement (the "Agreement"), the Company made a cash payment of \$100,000. On approval of the transaction by the TSX Venture Exchange, the Company issued 450,000 common shares of the Company, to Chesterfield Resources Plc., and made an additional cash payment of \$300,000 to Chesterfield (Canada) Inc. On June 18, 2024, the Company completed the renegotiation of the option agreement and paid \$200,000 in cash (paid July 4, 2024) and issued an additional 850,000 common shares valued at \$680,000 to Chesterfield Resources Plc. (issued July 10, 2024) acquiring a 100% interest in the Adeline Copper-Silver Project.

As of December 31, 2025, the Company recorded an impairment loss of \$4,740,252 against the carrying value of the Adeline Project after concluding that due to the lack of recent exploration activities and lack of planned exploration activities for the Adeline Project, indicated that the carrying value of the Adeline Project would not be recoverable. As such, the Adeline Project was impaired to a nominal amount of \$1. The impairment charge was a non-cash charge and may be reversed in future periods should market conditions warrant.

Soo Copper Project

On February 13, 2024 the Company entered into a definitive share purchase agreement (the "Agreement"), with Copper Road Resources Inc. (the "Vendor") and its wholly-owned subsidiary, 100797918 Ontario Inc. (the "Subsidiary") to acquire 100% interest in the Soo Copper Project ("Soo Copper" or the "Project"), from Copper Road Resources Inc. (TSXV: CRD), arm's length parties to the Company (the "Transaction"). Soo Copper is located 80km north of Sault Ste. Marie, Ontario, Canada.

In order to effect the Transaction, the Vendor assigned all its right, title and interest to the Project, including two option agreements (the "Option Agreements"), to the Subsidiary. The Company acquired, by way of an exempt takeover bid, all of the issued and outstanding common shares (the "Purchased Shares") in the capital of the Subsidiary from the Vendor, in consideration, of the issuance to the Vendor of 10,808,767 common shares (the "Common Shares") in the capital of the Company (valued at \$5,944,822) which was equal to 49% of the issued and outstanding Common Shares immediately upon closing of the Transaction on May 10, 2024, and made aggregate cash payments of \$460,000 to the Vendor, comprised of \$200,000 upon execution of the Agreement (paid on March 1, 2024) and

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\$260,000 (paid May 10, 2024) upon closing of the Transaction. All claims were subsequently transferred directly to the Company. As of December 31, 2024, the Company held a 100% direct interest in the Soo Copper Project, an exploration stage property that has been accounted for as an asset acquisition by the Company. The Transaction was approved by shareholders of the Vendor on April 30, 2024, by a shareholder vote, and approved by the TSX Venture Exchange on May 10, 2024. The Company paid a finder's fee of 206,484 common shares valued at \$0.60 per share for a total of \$123,890 and issued 140,000 common shares valued at \$0.60 per share for a total of \$84,000 for option payments owed by the Vendor on certain mineral claims.

9) Accounts payable and accrued liabilities

	December 31, 2025	December 31, 2024
Accounts payable	\$ 363,102	\$ 234,602
Accrued liabilities	72,548	32,008
Total	\$ 435,650	\$ 266,610

10) Flow-through share premium liability

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

Flow-Through Share Premium Liability	
Balance January 1, 2025	\$ 162,465
Flow-through share premium on the issuance of flow-through common share units (Note 11 (b))	1,716,365
Issuance costs allocated to the flow-through share premium liability	(29,034)
Settlement of flow-through share premium liability on incurrence of eligible expenditures	(504,075)
Balance December 31, 2025	\$ 1,345,721
Settlement of flow-through share premium liability on incurrence of eligible expenditures	(288,567)
Balance March 31, 2026	\$ 1,057,154

As of March 31, 2026, the Company had yet to settle all of the flow-through share liability by renouncing eligible exploration expenditures on the November 2025 flow through issuance. The Company must spend an additional \$4,287,727 by December 31, 2026, to satisfy its expenditure renunciation commitments.

11) Share capital

a) Authorized

Unlimited number of common shares without par value. There are no restrictions on the Company's common shares with respect to issuance, transfer, distribution of dividends, the repayment of capital or voting rights.

b) Issued

Three Months ended March 31, 2026

The Company issued 161,800 common shares on the exercise of warrants with an average strike price of \$0.40 per share. The Company realized \$64,900 in proceeds from the issuance.

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Year ended December 31, 2025

On March 25, 2025, the Company closed a non-brokered private placement of 6,082,000 units (each, a “Unit”) at a price of \$0.25 per Unit for aggregate gross proceeds of \$1,520,500. Each Unit is comprised of one common share (each, a “Common Share”) in the capital of the Company and one-half of one common share purchase warrant (each whole warrant, a “Warrant”) of the Company. Each Warrant shall entitle the holder thereof to acquire one Common Share in the capital of the Company at a price of \$0.40 per Common Share for a period of two (2) years from the closing of the private placement. The total gross proceeds were allocated to common shares and warrants in the amounts of \$1,057,891 and \$462,609 respectively. In connection with the private placement, the Company paid certain eligible persons (“Finders”) a cash commission of \$8,250 equal to 6% of the gross proceeds of the private placement introduced by the finders, incurred legal and other issuance costs of \$28,661 and issued 33,000 broker warrants (the “Broker Warrants”) equal to 6% of the number of units issued pursuant to the private placement that were introduced by the Finders. Each Broker Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.40 per Common Share in the capital of the Company for a period of two (2) years from the closing of the private placement. The March 25, 2025 Broker Warrants were valued at \$10,967. Total cash costs were allocated as \$25,681 to common shares and \$11,230 to the warrants. The Broker warrant costs were allocated \$7,631 to the common shares and \$3,337 to the warrants.

Assumption	Broker Warrants	Warrants
	March 25, 2025	March 25, 2025
Share price	\$0.38	\$0.38
Strike Price	\$0.40	\$0.40
Risk-free rate	2.61%	2.61%
Expected dividend yield	0.00%	0.00%
Expected volatility	216.76%	216.76%
Warrant life in years	2.00	2.00

On July 28, 2025, the Company closed a non-brokered private placement through the issuance of 3,193,445 common shares in the capital of the Company issued on a flow-through basis at a price of \$0.42 per flow-through share and 3,310,723 units of the Company issued on a hard-dollar basis at a price of \$0.35 per unit. Each hard-dollar unit was comprised of one common share (each, a “Common Share”) in the capital of the Company and one-half of one common share purchase warrant (each whole warrant, a “Warrant”) of the Company. Each Warrant shall entitle the holder thereof to acquire one Common Share at a price of \$0.50 per Common Share for a period of two (2) years from the closing. Total aggregate gross proceeds received was \$2,500,000. The total gross proceeds were allocated to common shares and warrants in the amounts of \$1,898,257 and \$415,340 respectively. In connection with the private placement, the Company paid certain eligible persons a cash commission in the amount of \$69,325, incurred legal and other issuance costs of \$31,212 and issued 167,915 broker warrants (the “Broker Warrants”). Each Broker Warrant entitles the holder to acquire one common share at a price of \$0.50 per common share for a period of two (2) years. The July 28, 2025, Broker Warrants were valued at \$50,525. Total cash costs were allocated as \$76,338 to common shares, \$16,703 to the warrants and \$7,496 to the flow-through share premium liability. The Broker warrant costs were allocated \$38,364 to the common shares, \$8,394 to the warrants and \$3,767 to the flow-through share premium liability.

Assumption	Broker Warrants	Warrants
	July 28, 2025	July 28, 2025
Share price	\$0.35	\$0.35
Strike Price	\$0.50	\$0.50
Risk-free rate	2.81%	2.81%
Expected dividend yield	0.00%	0.00%
Expected volatility	219.24%	219.24%
Warrant life in years	2.00	2.00

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On November 25, 2025, the Company closed a non-brokered private placement through the issuance of 5,244,517 units (each a “Unit”) at a price of \$1.50 per Unit and 2,666,662 charity flow-through units (each a “Charity FT Unit”) at a price of \$2.30 per Charity FT Unit for aggregate gross proceeds of \$14,000,098. Each Unit was comprised of one common share (each, a “Common Share”) in the capital of the Company and one-half of one Common Share purchase warrant (each whole warrant, a “Warrant”) of the Company. Each Warrant shall entitle the holder thereof to acquire one Common Share at a price of \$3.00 per Common Share for a period of two (2) years from the closing of the Offering. Each Charity FT Unit was comprised of one Common Share issued on a flow-through basis (each, a “Charity FT Share”) and one-half of one Warrant, having the same terms as the Warrants comprising the Units. Total gross proceeds were allocated to common shares, warrants and flow-through share premium liability in the amounts of \$8,510,500, \$3,959,637 and \$1,529,962 respectively. In connection with the private placement, the Company paid certain eligible persons (the “Finders”) a cash commission of \$58,200 equal to 7% of the gross proceeds delivered by the Finders and incurred \$104,967 in legal and other issuance costs. Total cash costs were allocated \$98,850 to common shares, \$45,991 to the warrants and \$17,771 to the flow-through share premium liability.

Assumption	Warrants
	November 25, 2025
Share price	\$1.93
Strike Price	\$3.00
Risk-free rate	2.40%
Expected dividend yield	0.00%
Expected volatility	240.51%
Warrant life in years	2.00

On September 16, 2025, the Company issued 25,000 common shares on the exercise of warrants with a strike price of \$0.40. The Company received cash proceeds of \$10,000 on the exercise.

On September 24, 2025, the Company issued 3,000 common shares on the exercise of warrants with a strike price of \$0.40. The Company received cash proceeds of \$1,200 on the exercise.

On September 30, 2025, the Company issued 27,461 common shares on the exercise of warrants with a strike price of \$0.65. The Company received cash proceeds of \$17,850 on the exercise.

On October 2, 2025, the Company issued 4,500 common shares on the exercise of warrants with a strike price of \$0.40. The Company received cash proceeds of \$1,800 on the exercise.

On October 2, 2025, the Company issued 300,000 common shares on the exercise of options with a strike price of \$0.40. The Company received cash proceeds of \$120,000 on the exercise.

On October 6, 2025, the Company issued 25,000 common shares on the exercise of warrants with a strike price of \$0.40. The Company received cash proceeds of \$10,000 on the exercise.

On October 14, 2025, the Company issued 125,000 common shares on the exercise of options with a strike price of \$0.40. The Company received cash proceeds of \$50,000 on the exercise.

On October 21, 2025, the Company issued 11,774 common shares on the exercise of options with a strike price of \$0.40. The Holder of the options forfeited 3,226 options with a strike price of \$0.40 in lieu of a cash payment on the exercise. The Company did not receive any cash proceeds on the exercise.

On October 22, 2025, the Company issued 70,751 common shares on the exercise of warrants with a strike price of \$0.65. The Company received cash proceeds of \$45,988 on the exercise.

On November 21, 2025, the Company issued 50,000 common shares on the exercise of warrants with a strike price of \$0.40. The Company received cash proceeds of \$20,000 on the exercise.

On December 5, 2025, the Company issued 100,000 common shares on the exercise of options with a strike price of \$0.40. The Company received cash proceeds of \$40,000 on the exercise.

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c) Stock options

The Company has established an incentive stock option plan (the “Plan”) for management, directors, and consultants of the Company, as designated and administered by a committee of the Company’s Board of Directors. Under the Plan, the Company may grant options for up to 10% of the issued and outstanding common shares of the Company. The plan is approved annually by shareholders and was last approved on August 14, 2025, at the Annual and Special Meeting of Shareholders

During the three months ended March 31, 2026

No incentive stock options were granted during the period.

During the year ended December 31, 2025

On March 27, 2025, the Company granted 2,430,000 incentive stock options to Officers, Directors, Employees and Consultants of the Company that vested immediately. These options are exercisable at a price of \$0.40 per common share for a period of two (2) years from the grant date. The Company recognized \$750,800 in share-based compensation for the stock options that were granted.

The weighted average assumptions used were as follows:

Weighted Average	March 27, 2025
Share price	\$0.34
Exercise price	\$0.40
Risk-free rate	2.61%
Expected dividend yield	0.00%
Expected volatility	216.76%
Warrant life in years	2.00

The following table summarizes information about stock options outstanding and exercisable as of March 31, 2026:

Expiry date	Exercise Price	March 31, 2026 Outstanding	March 31, 2026 Exercisable
March-26-2027	\$0.40	1,890,000	1,890,000
		1,890,000	1,890,000
			March 31, 2026
The outstanding options have a weighted-average exercise price of:			\$0.40
The weighted average remaining life in years of the outstanding options is:			0.99

The following table reflects the continuity of stock options for the periods presented:

Stock option activity	March 31, 2026	Weighted Average Exercise price	December 31, 2025	Weighted Average Exercise price
Balance – beginning	1,890,000	\$0.40	845,500	\$1.90
Granted	-	\$0.00	2,430,000	\$0.40
Expired	-	\$0.00	(845,500)	\$3.20
Forfeited	-	\$0.00	(3,226)	\$0.40
Exercised	-	\$0.00	(536,774)	\$0.40
Balance – ending	1,890,000	\$0.40	1,890,000	\$0.40

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d) Warrants

The following table summarizes warrants outstanding on March 31, 2026:

Date of Issuance	Date of Expiry	Exercise Price	March 31, 2026 Outstanding
March-25-2025	March-25-2027	\$0.40	2,781,000
March-25-2025	March-25-2027	\$0.40	25,500
July-28-2025	July-28-2027	\$0.50	1,655,362
July-28-2025	July-28-2027	\$0.50	166,115
November-25-2025	November-25-2027	\$3.00	2,622,259
November-25-2025	November-25-2027	\$3.00	1,333,331
			8,583,567

	March 31, 2026
The outstanding warrants have a weighted-average exercise price of:	\$1.62
The weighted average remaining life in years of the outstanding warrants is:	1.37

The following table reflects the continuity of warrants for the periods presented:

Warrant activity	March 31, 2026	Weighted Average Exercise price	December 31, 2025	Weighted Average Exercise price
Balance – beginning	8,745,367	\$1.60	4,099,713	\$2.41
Issued on private placements (Note 11 b)	-	\$0.00	8,651,952	\$1.60
Issued to brokers (Note 11 b)	-	\$0.00	200,915	\$0.48
Exercised	(161,800)	\$0.40	(205,712)	\$0.52
Expired	-	-	(4,001,501)	\$2.46
Balance – ending	8,583,567	\$1.62	8,745,367	\$1.60

e) RSUs

During the three months ended March 31, 2026

During the three months ended March 31, 2026, the Company recognized \$309,456 in share-based compensation expense based on the vesting schedule of the RSUs that were granted on October 8, 2025.

During the year ended December 31, 2025

On October 8, 2025, the Company granted 1,300,000 RSUs to certain Directors, Officers and Consultants of the Company. The RSUs entitle the holder to receive one common share in exchange for one RSU on the date that the RSUs vest. The RSUs vest 1/3 on the first anniversary of the grant date, 1/3 on the second anniversary of the grant date, and 1/3 on the third anniversary of the grant date. The Company's share price on the last trading day prior to the date of the grant was \$1.58. During the year ended December 31, 2025, the Company recognized \$288,825 in share-based compensation expense based on the vesting schedule of the RSUs that were granted.

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The following table summarizes RSUs outstanding as of March 31, 2026:

Expiry date	Grant Price	March 31, 2026 Outstanding	March 31, 2026 Exercisable
October-8-2028	\$1.58	1,300,000	0
		1,300,000	0
			March 31, 2026
The outstanding RSUs have a weighted-average grant price of:			\$1.58
The weighted average remaining life in years of the outstanding RSUs is:			2.53

The following table reflects the continuity of RSUs for the periods presented:

RSU Activity	March 31, 2026	Weighted Average Grant Price	December 31, 2025	Weighted Average Grant Price
Balance – beginning	1,300,000	\$1.58	-	-
Granted ¹	-	\$0.00	1,300,000	\$1.58
Balance – ending	1,300,000	\$1.58	1,300,000	\$1.58

¹ The RSUs vest 1/3 on October 8, 2026, 1/3 on October 8, 2027, and 1/3 on October 8, 2028

12) Capital management

The Company's capital structure, as of March 31, 2026, consists of all components of shareholders' equity in the amount of \$24,745,829. The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition and exploration of resource properties and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

13) Related party transactions

Related party transactions are summarized as follows:

	March 31, 2026	March 31, 2025	Included in accounts payable (1) as of March 31, 2026
Director and management fees	\$ 124,788	\$ 83,334	\$ -
Exploration expenses ²	111,750	45,000	-
Share-based compensation	279,700	-	-
Total short-term benefits	\$ 516,238	\$ 128,334	\$ -

⁽¹⁾ Amounts disclosed were paid or accrued to the related party during the three months ended March 31, 2026 and 2025.

⁽²⁾ Amounts paid have been capitalized to Property rights, exploration and evaluation assets.

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14) Government Grants

During the three months ended March 31, 2026, the Company received a grant from the Government of Ontario as compensation for eligible exploration expenditures that were incurred on the Soo Copper project during the calendar year ended December 31, 2025. The amount of the grant was \$215,000 and was recognized as a reduction in the carrying value of the Soo Copper project. The Company also received a grant from the Government of Newfoundland and Labrador during the three months ended March 31, 2026, as compensation for eligible exploration expenditures that were incurred on the Adeline project during the calendar year ended December 31, 2025. The amount of the grant was \$25,672 and has been recognized as other income.

During the three months ended March 31, 2025, the Company received a grant from the Government of Ontario as compensation for eligible exploration expenditures that were incurred on the Soo Copper project during the calendar year ended December 31, 2024. The amount of the grant was \$200,000 and was recognized as a reduction in the carrying value of the Soo Copper project.

15) Segmented operations

The Company primarily operates in one reportable operating segment, being the acquisition and development of exploration and evaluation assets in Canada.