STERLING METALS CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026

Expressed in Canadian Dollars

Dated August 21, 2026

STERLING METALS CORP.

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026

EXPRESSED IN CANADIAN DOLLARS

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

TO OUR SHAREHOLDERS

This Management Discussion and Analysis of the financial condition and results of operation ("MD&A") of Sterling Metals Corp. ("Sterling", "Sterling Metals", or the "Company") should be read in conjunction with Sterling's annual audited consolidated financial statements for the year ended December 31, 2025, and the unaudited interim financial statements for the three and six months ended June 30, 2026, and related notes therein.

Except as otherwise indicated, all financial data in this MD&A have been prepared in accordance with IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

All dollar amounts in June 30, 2026, the Company had working capital of $7,546,611 and had reported a net loss of $318,440 for the six months ended June 30, 2026 (net loss of $817,707 for the six months ended June 30, 2025, and a net loss of $6,751,702 for the year ended December 31, 2025). The Company has yet to achieve profitable operations and has an accumulated deficit of $72,363,012 as of June 30, 2026. These continuing losses indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company is subject to risks and challenges similar to companies in a comparable stage of exploration. The Company's ability to continue as a going concern is dependent upon the ability to obtain financing and to ultimately achieve and maintain profitable operations. Should profitable operations not be achieved, the Company will be required to obtain supplementary funding. The ability of the Company to achieve these objectives cannot be assured at this time and accordingly, these matters may cast significant doubt on the Company's ability to continue as a going concern. The Company's consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate, in which case adjustments that could be material to the carrying values of the assets and liabilities, the reported expenses and the consolidated statement of financial position reclassifications would be necessary.

Further information about the Company, its operations and other continuous disclosure documents, including the Company's press releases and interim quarterly reports are available through its filings with the securities regulatory authorities in Canada at www.sedarplus.ca and are also available on the Company's website www.sterlingmetals.ca.

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-Looking Information	**Key Assumptions**	**Most Relevant Risk Factors**
Future funding for ongoing operations	The Company will be able to raise these funds	The Company has disclosed that this may be difficult and failure to raise these funds will materially impact the Company's ability to continue as a going concern

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors in the "Risk Factors" section below. Readers are cautioned that the preceding table does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially from those expressed or implied by the forward-looking statements contained in this MD&A.

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any of its anticipated results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

CORPORATE OVERVIEW

Sterling Metals Corp. is a mining and mineral exploration corporation focused on the discovery, acquisition, and development of potential mineral deposits globally.

The Company is listed on the TSX Venture Exchange (the "Exchange" or "TSX-V") where it trades under the symbol "SAG".

MINERAL EXPLORATION PROPERTIES

SOO COPPER PROJECT

PROPERTY PAYMENT

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 (formerly Copper Road) ("Soo Copper" or the "Project"), from the Vendor, arm's length parties to the Company (the "Transaction"). Soo Copper is located 80km north of Sault Ste. Marie, Ontario, Canada.

The Transaction closed on May 10, 2024, with the Company acquiring all of the issued and outstanding shares of the Subsidiary in consideration for 10,808,767 common shares of the Company, valued at $5,944,822, and aggregate cash payments of $460,000 to the Vendor. The Transaction was accounted for as an asset acquisition. 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 Soo Copper on certain mineral claims.

Subsequent to closing, all mineral claims comprising the Project were transferred from the Subsidiary to the Company. On December 30, 2025, the Company amalgamated with the Subsidiary and, as of June 30, 2026, holds a 100% direct interest in the Soo Copper Project.

PROPERTY LOCATION

Soo Copper is a 25,000 hectare copper-molybdenum-gold-silver exploration project located approximately 80 km north of Sault Ste. Marie, Ontario, within the Midcontinent Rift ("MCR") see Figure 1. The Project benefits from established infrastructure and a history of copper exploration and mining (Figure 2).

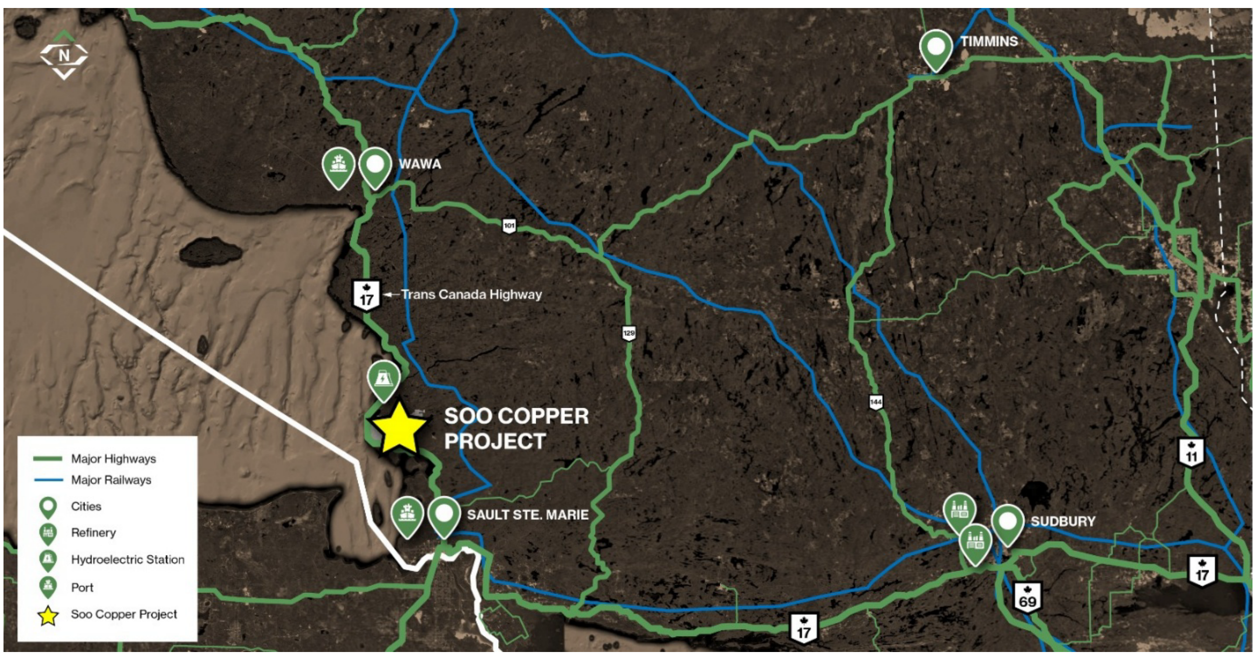

Figure 1: Ontario Location Map of Soo Copper Project.

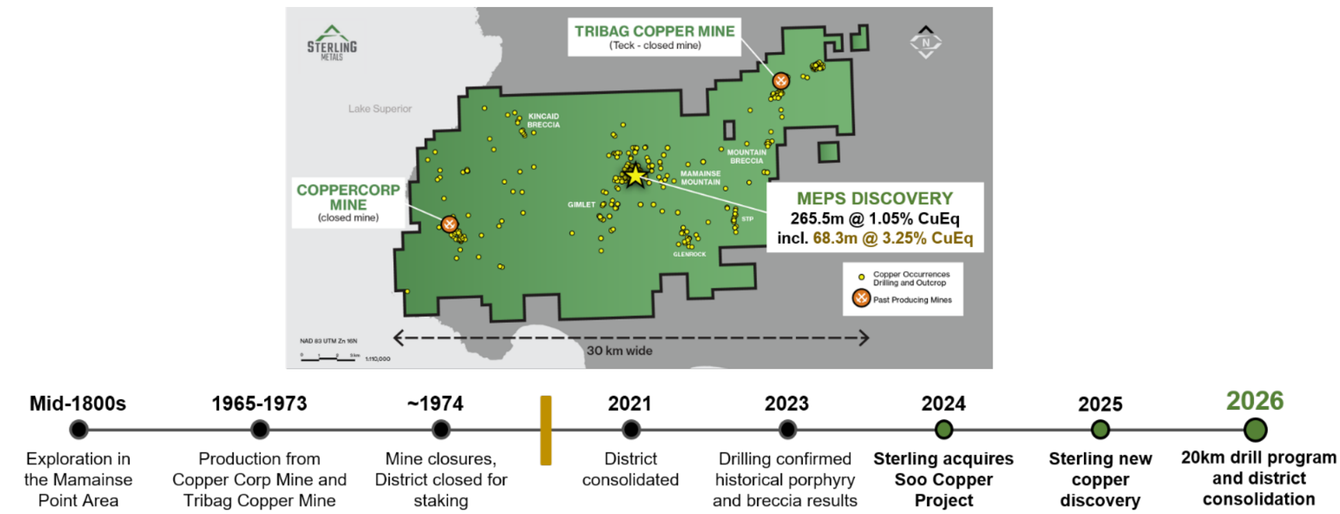

Figure 2: Extensive history of exploration and mining at the Soo Copper Project

GEOLOGICAL SETTING

REGIONAL AND LOCAL GEOLOGY

The Soo Copper Project lies along the eastern margin of the Proterozoic MCR and straddles the contact between the Mamainse Point Formation and the Archean Batchewana Greenstone Belt. The broader rift hosts numerous significant copper and copper-nickel-PGE deposits around Lake Superior ad provides the regional geological setting for the copper-molybdenum-gold-silver mineralization being explored at Soo Copper (Figure 3).

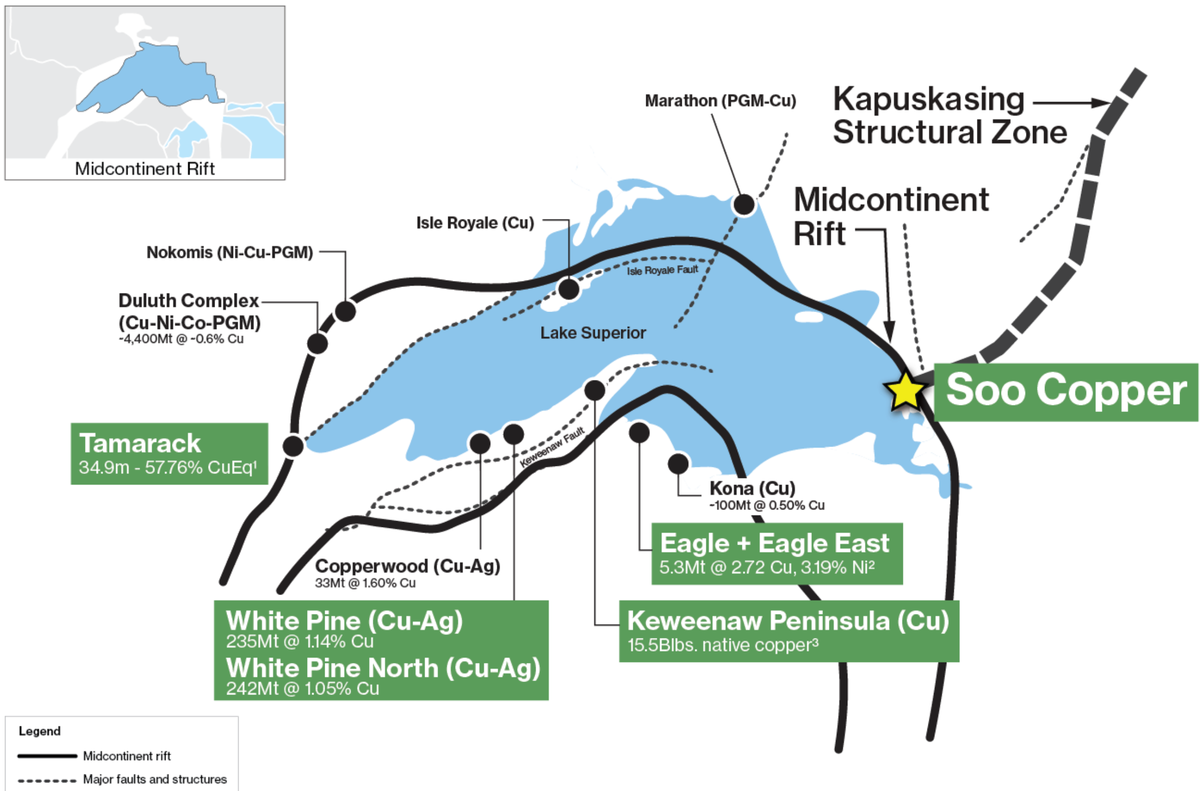

***Figure 3**: Deposits in the Mid Continental Rift zone. Near Lake Superior, Ontario, Canada*

SOO COPPER PROJECT PHASE 1 EXPLORATION CAMPAIGN

Phase 1 exploration commenced in June 2024 and included soil sampling, mapping and prospecting together with a 3,777 line-km helicopter magnetic, radiometric and LiDAR survey. The program identified multiple new areas of copper-molybdenum mineralization and refined targets for subsequent drilling.

Surface sampling returned values of up to 15.9% Cu and 4.84% Mo, averaging 1.96% Cu across 31 samples. Results from the Cave Showing, Moly Vein and other magnetite-sulphide veins, including values up to 15.44% Cu and 1.34 g/t Au, supported the interpretation of a potentially significant porphyry-style copper system and informed subsequent drill targeting (Figure 4).

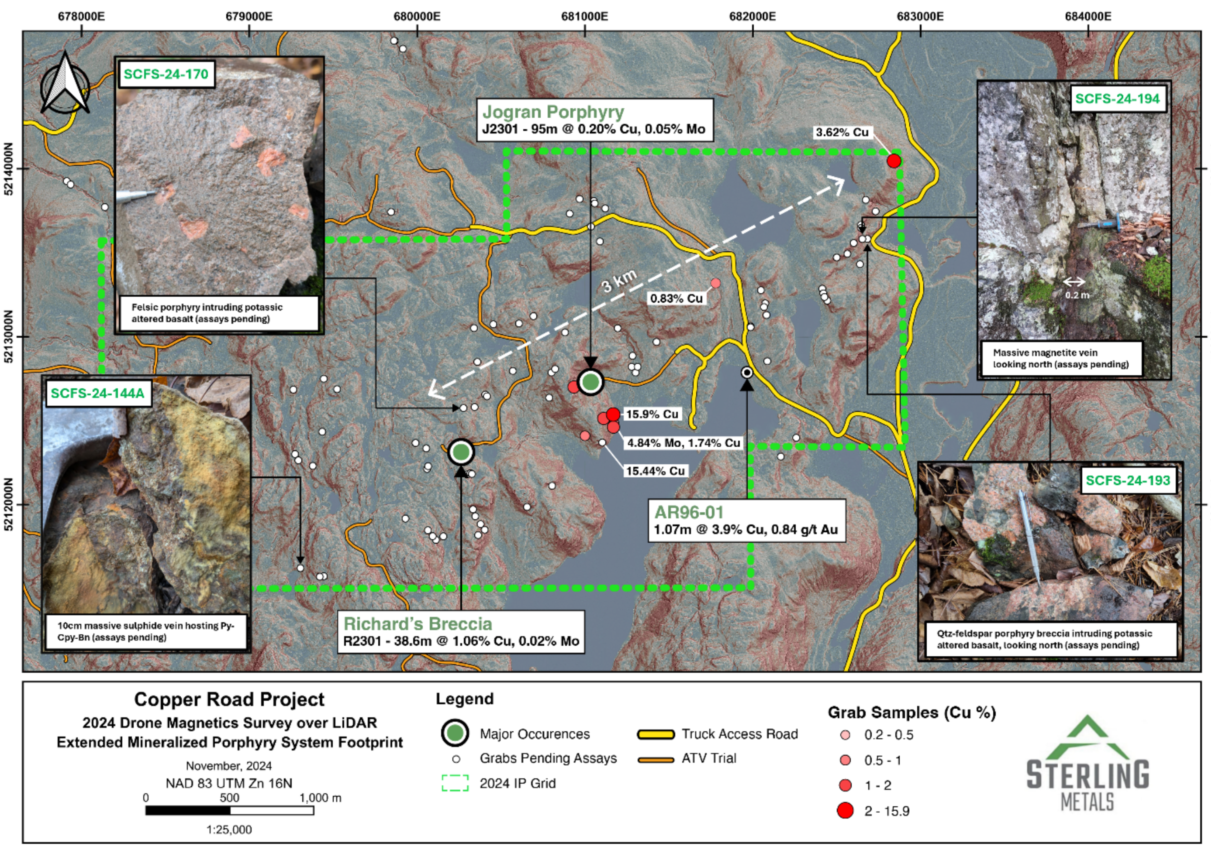

Figure 4: Surface sampling results from 2024 field work highlighting emerging mineralized footprint of porphyry system.

3D IP SURVEY AND INAUGURAL DRILLING COMPLETED

The Company completed a 3D Induced Polarization ("IP") survey over a 15 km² high-priority area at the centre of the Soo Copper Project. The survey identified multiple near-surface chargeability anomalies and resistivity lows associated with known copper occurrences and outlined a priority 2.5 km × 1.5 km × 1.5 km target area where IP, resistivity, magnetic and surface geochemical anomalies converge. Integration of these results with drone magnetics, soil sampling, mapping, prospecting and historical drilling generated a robust suite of drill targets within the central corridor.

On March 26, 2025, the Company commenced its inaugural drill program of up to 2,000 metres to test near-surface copper mineralization and its potential connection to a deeper porphyry system. Phase 1 drilling, completed May 5, 2025, confirmed a Cu-Mo-Au-Ag porphyry system with a bornite-rich potassic core hosted in mafic volcanics and remaining open along strike and at depth.

Four holes tested the system, including MJ-25-02, which intersected the GFP Porphyry dyke and returned 38 m of 0.59% CuEq, together with an 83 m interval averaging 396 ppm Mo. Drilling demonstrated that the mineralized porphyry system extends along an east-west structural corridor at least 3 km long and 1 km wide, with drilling to date testing only its shallow northern extent.

Figure 5: Bornite-chalcopyrite mineralization at 264.9m depth in MJ-25-01 grading 2.95% Cu, 0.442 g/t Au and 24 g/t Ag over 0.6m. Hosted by strongly biotite-chlorite altered mafic tuff volcanics adjacent to early stage GFP Porphyry.

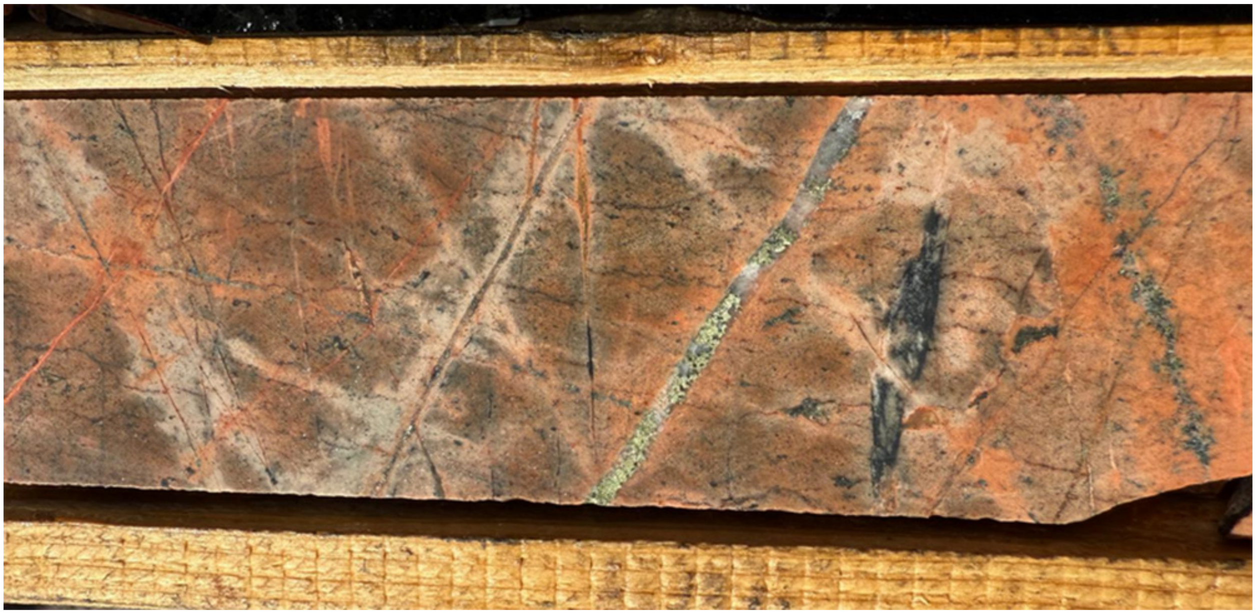

Figure 6: Intensely veined and newly discovered, early stage GFP Porphyry at 267m depth grading 0.68% Cu, 0.02% Mo, 0.19 g/t Au and 4.2 g/t Ag. Split NQ core (4.8cm wide).

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

SOO COPPER PROJECT PHASE 2 EXPLORATION CAMPAIGN

DISCOVERY HOLE: MEPS-25-02

On September 29, 2025, the Company announced a significant copper-gold discovery at the Soo Copper Project from drill hole MEPS-25-02, which intersected 262.5 metres grading 1.05% CuEq from 47.5 metres downhole, including 68.3 metres grading 3.25% CuEq from 179.7 metres and a high-grade gold-rich interval of 9.3 metres grading 19.8% CuEq. Individual high-grade intervals included 33.0% Cu over 0.55 metres and 21.3% Cu with 196 g/t Au over 0.60 metres.

Mineralization begins near surface and is characterized by bornite- and chalcopyrite-rich zones within a broader porphyry Cu-Au-Mo system. The discovery validated the Company's exploration model and provided the foundation for systematic expansion and delineation of the MEPS Discovery.

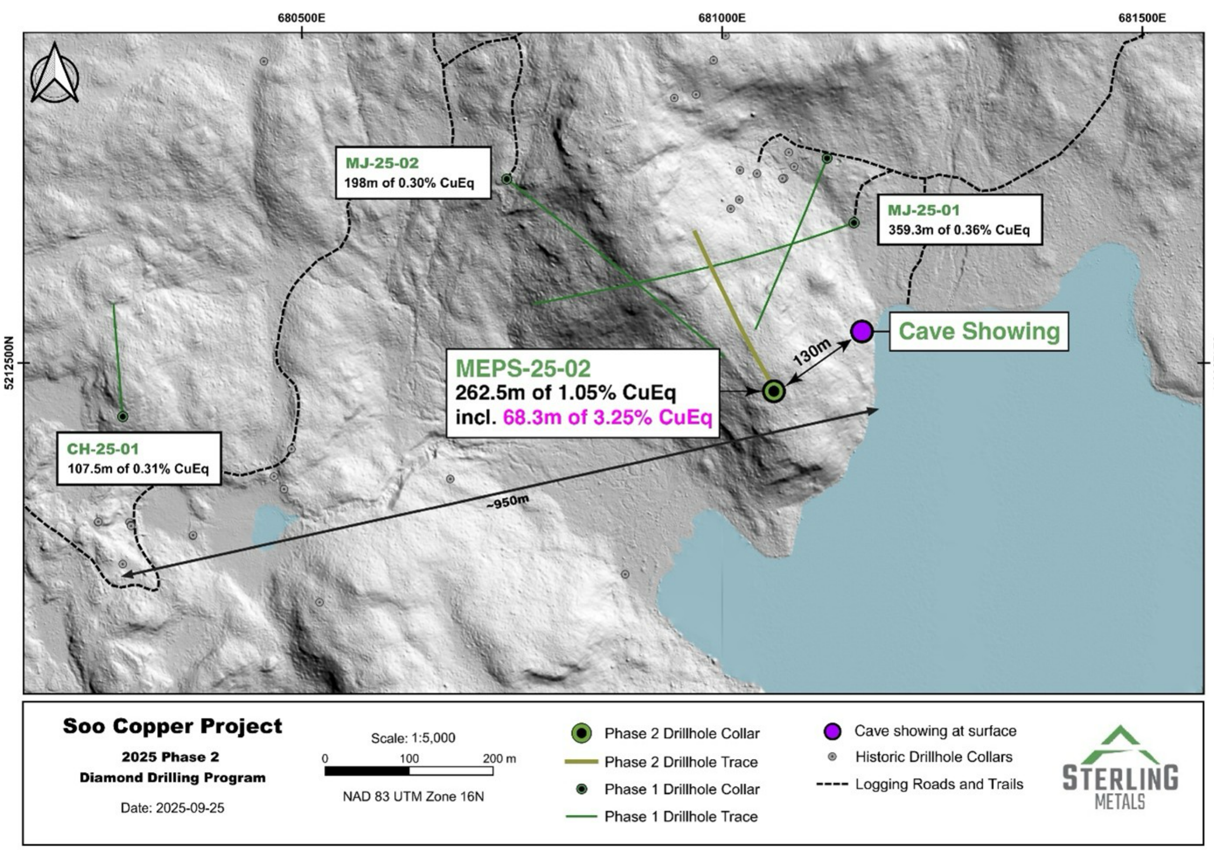

Figure 7: MEPS-25-02 discovery hole and 2025 Phase 1 hole locations at the Soo Copper Project.

2026 Drill Program

In February 2026, the Company commenced a minimum 20,000-metre drill program at Soo Copper focused on expanding and defining the MEPS Discovery laterally and at depth, while testing additional porphyry targets across the broader mineralized corridor. The program incorporates step-out and infill drilling with the objective of improving continuity and advancing MEPS toward future mineral resource definition.

As of June 17, 2026, the Company had completed more than 12,000 metres across 22 holes. Initial results expanded the footprint of broad, near-surface copper mineralization and confirmed a copper-bearing, multi-phase porphyry stock across a 1.4-kilometre corridor. Significant results included 503.9 metres grading 0.26% CuEq from 3.1 metres in SC-26-04, 289.5 metres grading 0.26% CuEq from 3.5 metres in SC-26-05 and 214.5 metres grading 0.29% CuEq from 3.0 metres in SC-26-06, including 10.5 metres grading 1.01% CuEq.

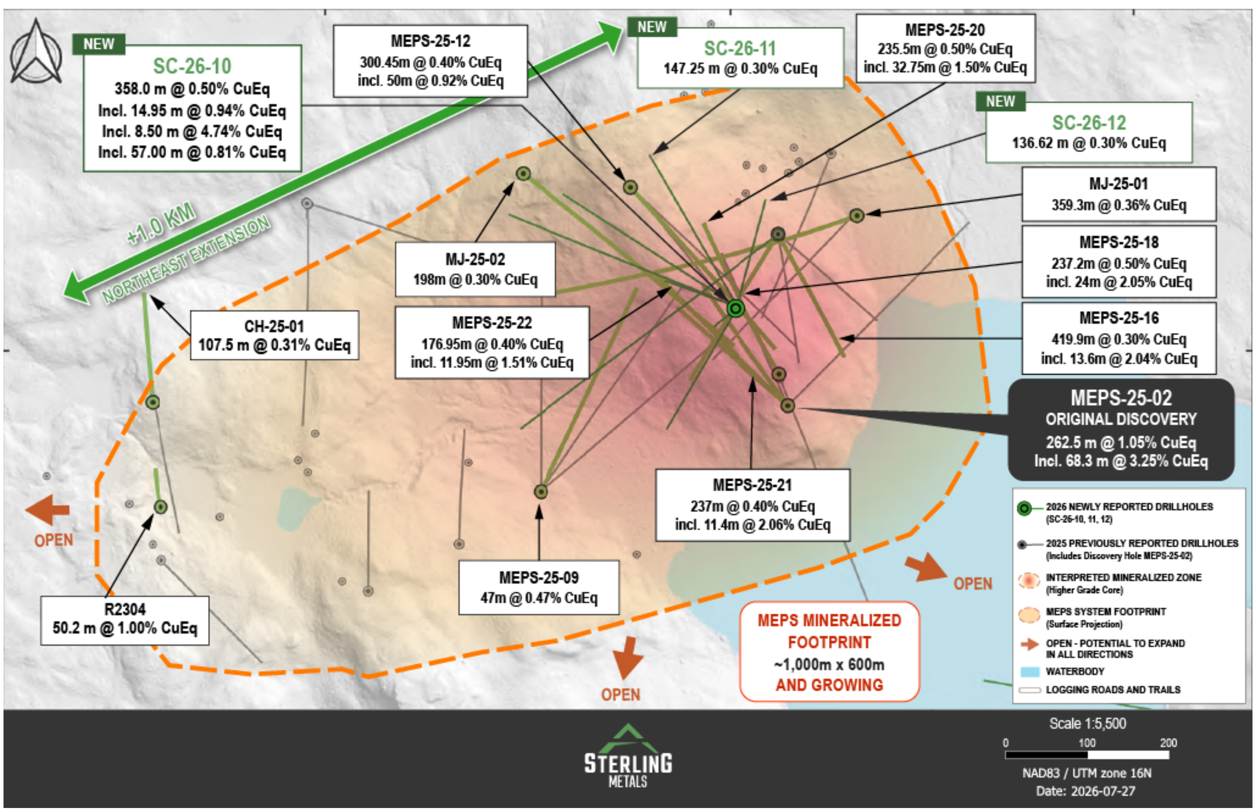

Figure 8: MEPS mineralization footprint and 2025 drilling locations.

Drilling continues to test the scale and continuity of the MEPS system as well as additional targets along the broader corridor. The program is also evaluating extensions toward the west and northeast of MEPS and the larger Gimlet target area, approximately 2 km from the discovery, as the Company works to define the broader scale of the Soo Copper mineralized system

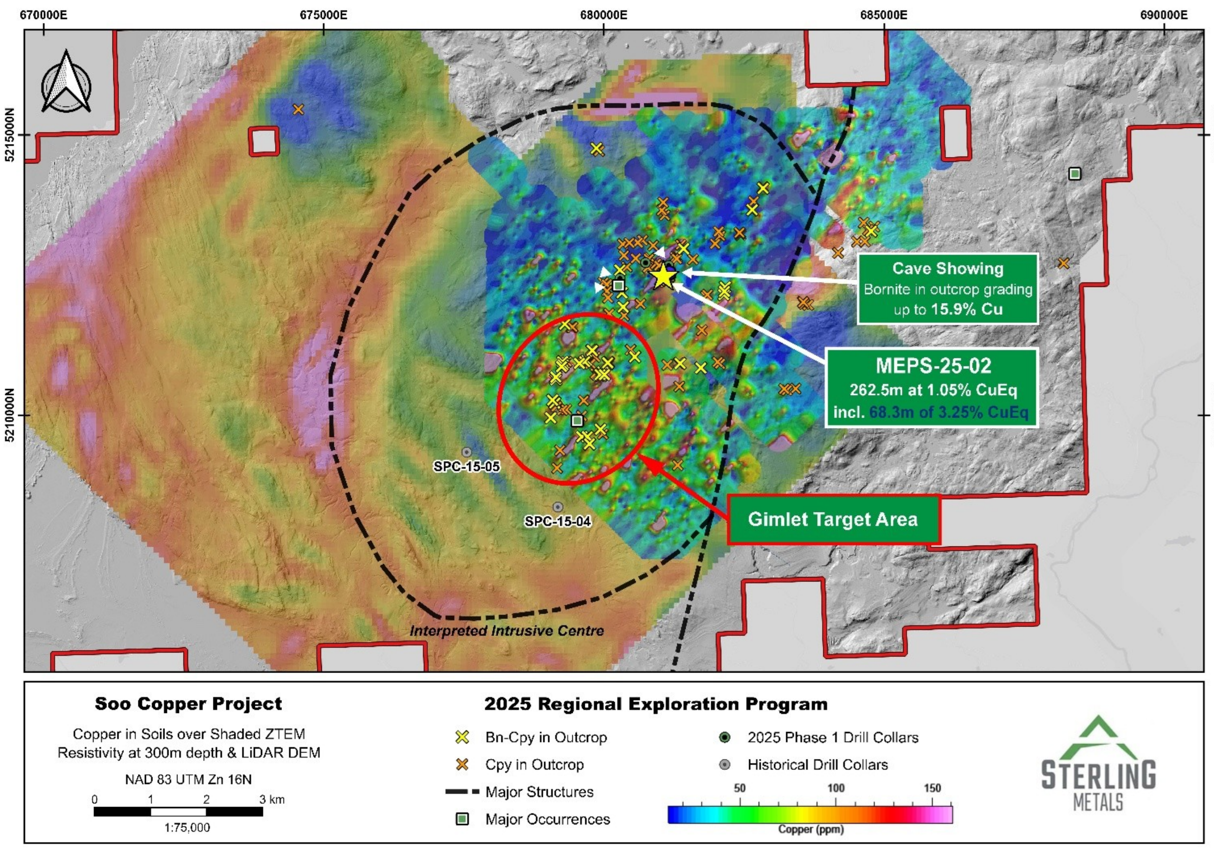

Figure 9: Soo Copper Project, surface sample locations over copper in soils map, over regional ZTEM survey (resistivity) and Lidar.

QUALITY ASSURANCE/QUALITY CONTROL – SAMPLING PROCEDURES

Soil samples were collected in areas containing available *in situ* material and areas such as wetlands were avoided. The soil samples consisted of 300-500 g of material collected from the B-horizon using a hand auger and stored in kraft bags. Samples were photographed, described, and final locations were recorded using a handheld GPS. The samples were air dried, sieved to an optimal fraction, split, packed into soil cups, covered with thin-film, and analyzed using a Vanta handheld XRF in a stationary setup. Internal quality control and quality assurance consisted of the insertion of certified reference materials and blank materials every 20-30 samples, and a duplicate analysis approximately every 50th sample. Procedural protocols were implemented at all stages of sample handling to prevent cross-contamination and external contamination of samples. A 10% subset of samples were selected from the survey and sent to SGS for analysis using a sodium peroxide fusion digest followed by ICP-OES/ICP-MS for lab verification.

Rock samples were bagged and labelled in the field, photographed, described, and assigned a coordinate using a handheld GPS. Samples were sent to SGS to be crushed, split and pulverized for analysis. Analysis included a sodium peroxide fusion digest followed by ICP-OES/ICP-MS. Ore grade and gold analysis were completed using fire assay, followed by an ICP-MS/ICP-AES finish. Certified reference materials and blank materials were inserted approximately every 20 samples by the laboratory.

Analytical services were provided by Actlabs, which is an independent, CALA- and SCC-accredited analytical services firm registered to ISO 17025 and ISO 9001 standard. Drill core samples were logged and split in half with a diamond core saw. Half-core samples were securely stored at the core logging facility until being delivered to Actlabs North Bay lab by commercial transport. Samples were crushed (< 7 kg) up to 90% passing 2mm (10 mesh), riffle split to 250 g and pulverized by mild steel to 95% passing 105µm (150 mesh). Samples splits underwent a 4-acid near total digestion followed by a multi-element analysis, including base metals, using an ICP method for 35 elements. Selected sample pulps were then analyzed for gold using a 30 g aliquot mixed with fire assay fluxes and Ag as a collector, placed in a fire clay crucible, gradually heated to 1060ºC for 60 min, and followed with an AA finish.

Laboratory QA/QC for the ICP analysis was 14% for each batch, including 5 method reagent blanks, 10 in-house controls, 10 samples duplicates, and 8 certified reference materials. An additional 13% QA/QC was performed as part of the instrumental analysis to ensure quality in the areas of instrumental drift. Laboratory quality control for the gold fire assay included two blanks per 42 samples, three sample duplicates and 2 certified reference materials, one high and one low (QC 7 out of 42 samples). In-house QA/QC included the systematic insertion of blanks, duplicates, and certified reference materials (CRM).

Sterling Metals acknowledges that its exploration activities within the Soo Copper project are conducted on the traditional lands of the First Nations of the North Shore of Lake Superior. We recognize and respect the longstanding and diverse relationships Indigenous Peoples have with the land and are committed to engaging in a manner that is respectful, transparent, and inclusive.

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

ADELINE COPPER-SILVER PROJECT

PROPERTY LOCATION

Comprised of roughly 30,000 hectares and a 44 km strike of copper-silver-rich terrain, the Adeline project is located in Labrador, Canada, close to road, rail, and power infrastructure and within 500 km of the Sail Pond project, allowing for strong economies of scale for exploration.

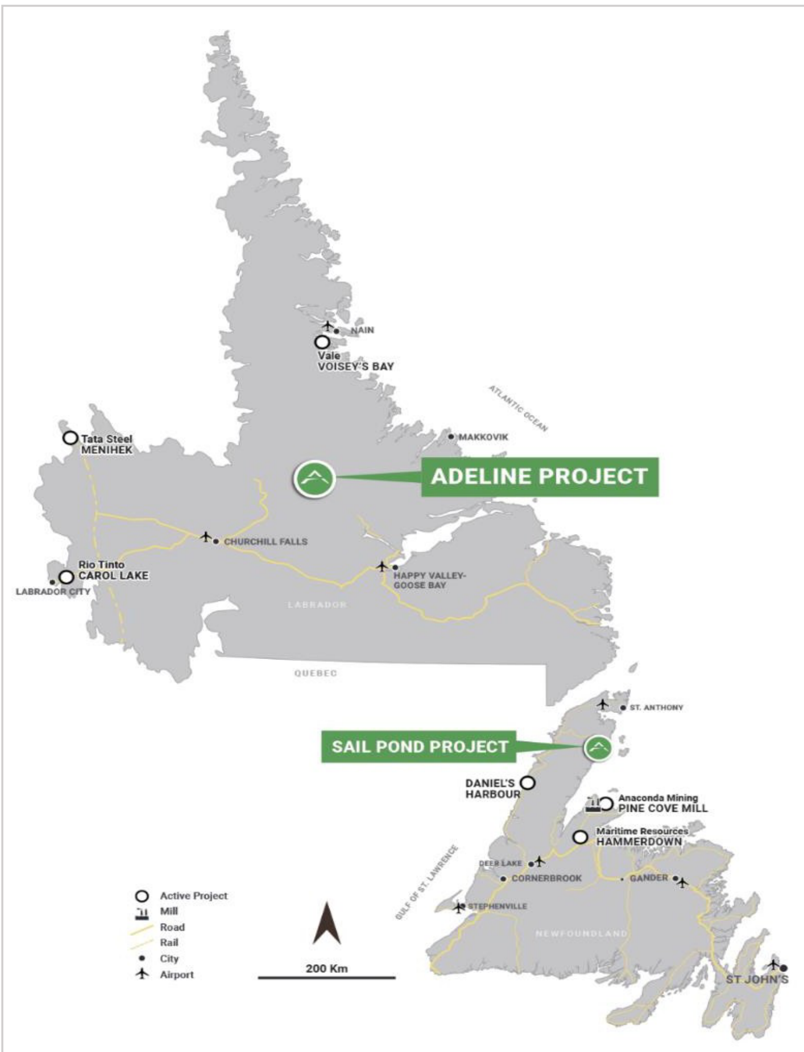

Figure 10: Adeline Project Location in Labrador, Canada.

GEOLOGICAL SETTING

REGIONAL TECTONIC AND GEOLOGICAL SETTING

Most of Labrador constitutes the northeastern edge of the Precambrian Canadian Shield and consists predominantly of intrusive and high-grade metamorphic rocks which record the geological evolution of the region from about 3.85 Ga to 0.6 Ga (Wardle and Wilton, 1995). The region contains five main components (Figure 12) the Archean Nain Province to the northeast, 2) the Archean Superior Province to the west, 3) the ca. 2.1-2.8 Ga Churchill Province, sandwiched between the Nain and Superior province in north-central to central Labrador, 4) the Makkovik Province (ca. 2.0-1.8 Ga) along the southern margin of the Nain Province, and 5) the Grenville Province (ca. 1.7-1.0 Ga) all along the southern margin of Labrador (Wardle and Wilton, 1995).

Rocks of the Grenville Province are separated from the other structural provinces by the Grenville Front, an east-west-trending allocthonous zone that truncated and tectonically reworked rocks located in the pre-Grenvillian Provinces during the Grenville Orogeny between 1.3 Ga and 1.0 Ga. The Grenville Front has strong regional magnetic and gravity geophysical expressions and marks the break between typically higher-grade metamorphism on the Grenville Province side of the Front.

The Seal Lake Group represents a Mesoproterozoic supracrustal successor sequence that formed on the southern edges of the Nain-Makkovik craton. Rocks within the Seal Lake Group constitute shallow-marine to continentally-derived sedimentary units and flood basalts along with voluminous diabase sills, which were subsequently deformed during the ca. 1000-Ma Grenville Orogeny. The age of the Seal Lake Group has been constrained by zircon and baddeleyite age dates from sills at between 1224-1250 Ma (Romer et al., 1995). Perrelló et al. (2017) dated molybdenite from the Seal Main Showing at 1084+5.1 Ma. Wilton and Selby (2017) likewise Re-Os dated molybdenite from the Whisky Lake Showing at 1069.6 + 4.7 Ma and 1064.6 + 5.1 Ma.

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

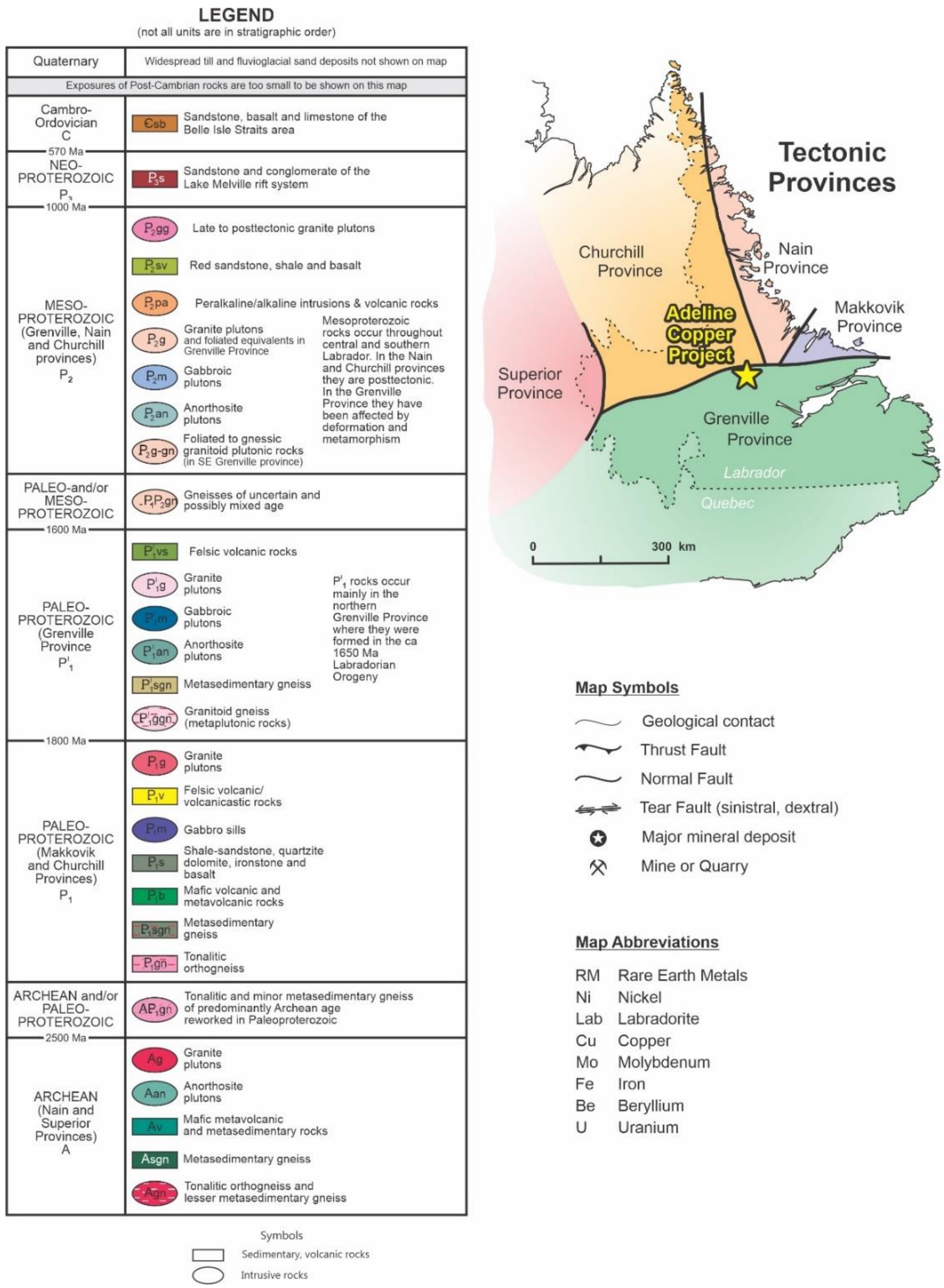

Figure 11: Labrador Regional Geology.

PROPERTY GEOLOGY

The Property is entirely underlain by the Seal Lake Group (Robinson, 1954; Brummer and Mann, 1961; Baragar, 1981) which comprises a Mesoproterozoic volcano-sedimentary sequence covering an area of approximately 10,000 km2 in central Labrador (Figure 13). The Seal Lake Group is the youngest of six Proterozoic supracrustal sequences that are collectively known as the Central Mineral Belt ("CMB") (Wilton, 1996). The Seal Lake Group lies near the junction between the Churchill, Nain, and Grenville geological provinces. The Seal Lake Group unconformably overlies several older terranes, complexes, suites, and undifferentiated basement rocks ranging from the Archean to the Mesoproterozoic (Wardle et al., 1997).

The Seal Lake Group has been subdivided into six formations (Evans, 1952; Brummer and Mann, 1961) as listed in Table 7-1. The formations, from youngest to oldest, are the: 1) Upper Red Quartzite Formation, 2) Adeline Island Formation, 3) Salmon Lake Formation, 4) Whisky Lake Formation, 5) Wuchusk Lake Formation and 5) Bessie Lake - Majoqua Lake Formation. The Majoqua Lake Formation and the Bessie Lake Formation are considered stratigraphic equivalents. However, the Majoqua Lake Formation, exposed along the northern limb of the regional syncline, is weakly deformed whereas the southern, basal Bessie Lake Formation is strongly deformed (Brummer and Mann, 1961).

The overall thickness of the Seal Lake Group is postulated to range from 5,280 m (Knight, 1972) to 14,000 m (Baragar, 1981). The effects of folding and thrusting render the estimation of thickness difficult.

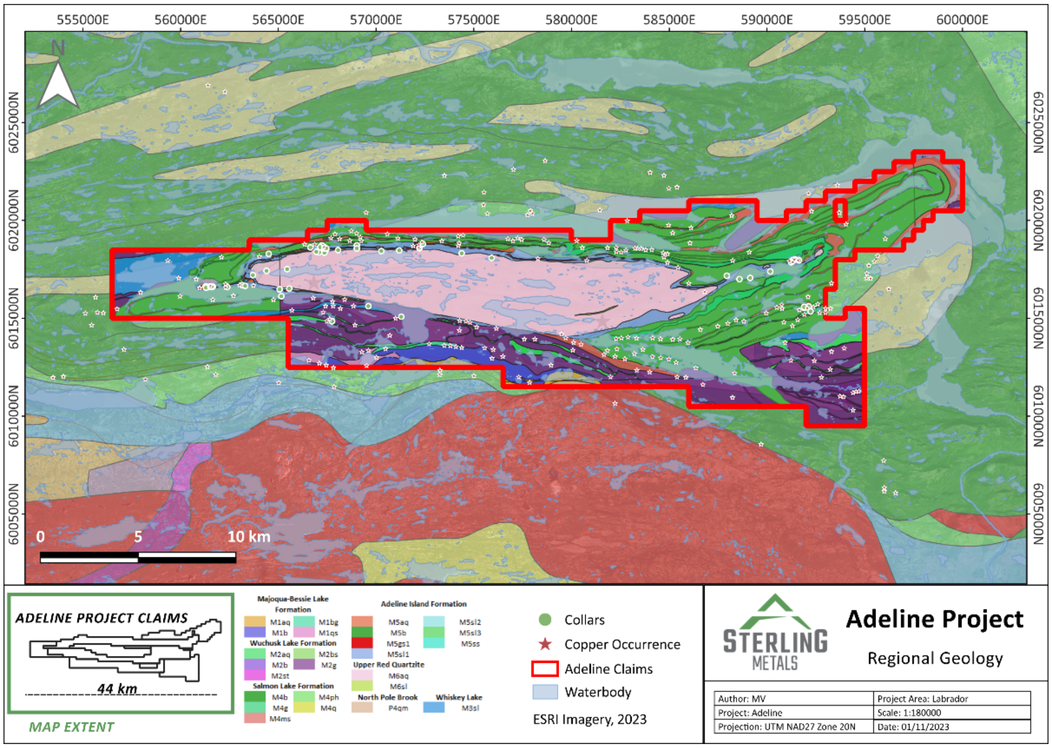

Figure 12: Adeline Project Property Geology.

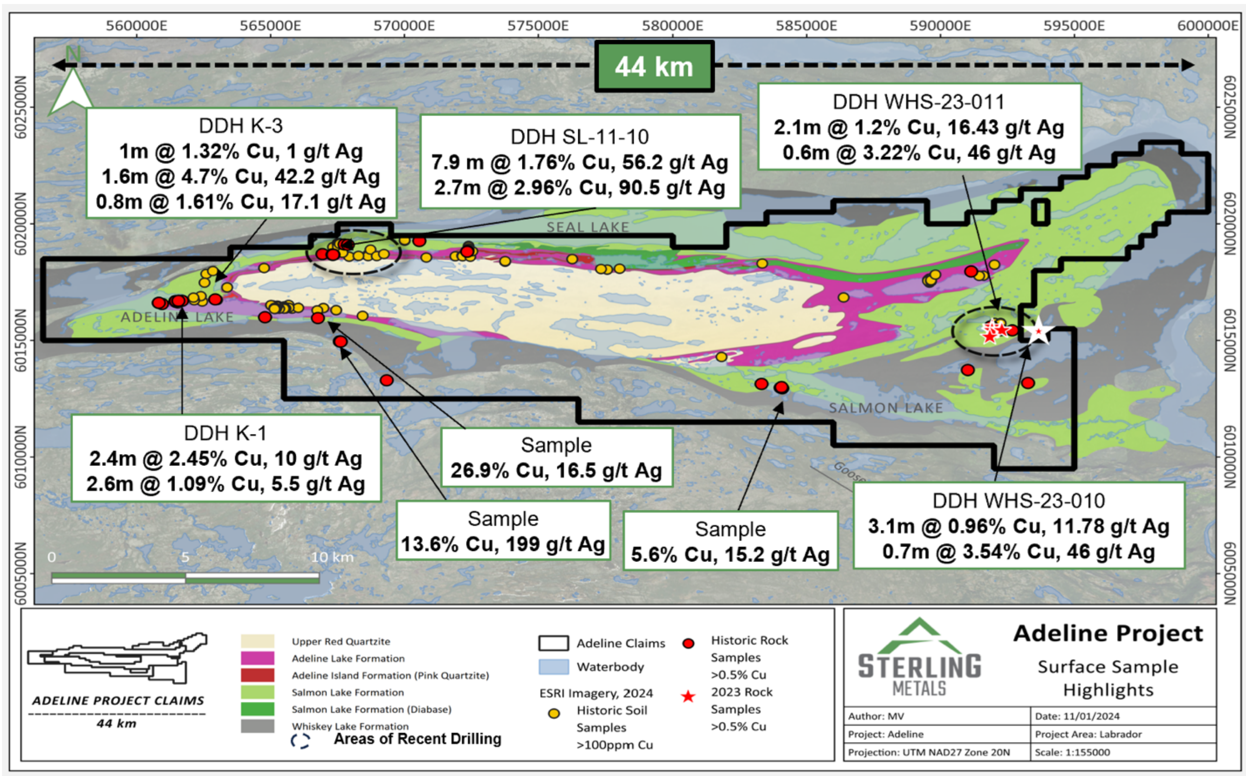

Figure 13: Select sample and diamond drill hole highlights at the Adeline Project covering the 44km basin.

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 is a non-cash charge and may be reversed in future periods should market conditions warrant. As of March 31, 2026, the Company does not have any plans to conduct additional exploration activities on the property in the near-term.

SAIL POND 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 the Sail Pond Project 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.

QUALIFIED PERSON

The technical information in this MD&A has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 ("NI 43-101") and reviewed and approved by Jeremy Niemi, P.Geo. (Ontario), Senior Vice President of Exploration and Evaluation for Sterling Metals, is the Qualified Person as defined by National Instrument 43-101, Standards of Disclosure for Mineral Projects. Mr. Niemi is responsible for the scientific and technical data presented herein and has reviewed and approved this project summary. Mr. Niemi is a Qualified Person under NI 43-101.

EXPRESSED IN CANADIAN DOLLARS

Property Rights and Evaluation and Exploration Assets

The following table summarizes the carrying value of the Company's property rights and evaluation and exploration assets as of June 30, 2026.

	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	-	-	2,043,049	2,043,049
Field and administration	-	-	974,753	974,753
Geological and Geophysical services	-	-	304,939	304,939
Assays	-	-	608,380	608,380
Prospecting	-	-	59,270	59,270
Depreciation and amortization capitalized	-	-	69,523	69,523
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 June 30, 2026, 2026	**$ -**	**$ 1**	**$ 16,197,938**	**$16,197,939**

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. As of June 30, 2026, the Company has spent approximately $337,272 on building improvements, equipment and furniture. (See Note 7 of the unaudited interim financial statements for additional detail).

EXPRESSED IN CANADIAN DOLLARS

FLOW THROUGH FINANCINGS

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	(897,373)
Balance June 30, 2026	**$ 448,348**

During the year ended December 31, 2025, the Company issued flow-through shares and estimated the value of the flow-through premium associated with those shares to be $1,716,365 and allocated $29,034 in share issuance costs to the flow-through share premium liability

As of June 30, 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 $1,818,460 by December 31, 2026, to satisfy its expenditure renunciation commitments.

EXPRESSED IN CANADIAN DOLLARS

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

	Three Months Ended Jun-30-2026	Three Months Ended Jun-30-2025	Percentage Change	Six Months Ended Jun-30-2026	Six months Ended Jun-30-2025	Percentage Change
General and administration	172,139	65,833	161.5%	286,682	131,815	117.5%
Investor relations	35,186	59,788	(41.1%)	92,668	91,767	1.0%
Management and Director fees	124,840	75,072	66.3%	249,680	158,477	57.5%
Share based compensation	312,894	-	n/a	622,350	750,800	(17.1%)
Professional fees	86,748	33,631	157.9%	128,543	74,648	72.2%
Exploration costs	14,690	2,921	402.9%	17,600	6,556	168.5%
Net operating loss for the period	(746,497)	(237,245)	214.7%	(1,397,523)	(1,214,063)	15.1%
Impairment of Property rights, evaluation and exploration assets	-	-	n/a	$48,023	-	n/a
Recovery of flow-through premium liability	608,806	153,457	296.7%	897,373	162,465	452.3%
Government Grant	-	58,635	n/a	25,672	258,635	(90.1%)
Interest income	52,494	-	n/a	108,015	(24,744)	(536.5%)
Net loss and comprehensive loss for the period	(85,197)	(25,153)	238.7%	(318,440)	(817,707)	(61.1%)
Net (loss) per share basic	$0.00	$0.00	n/a	($0.01)	($0.03)	n/a

A more detailed breakdown of General and Administration expenses are as follows:

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	Percentage Change	For the six months ended June 30, 2026	For the six months ended June 30, 2025	Percentage Change
Office expenses	122,536	24,191	406.5%	182,733	52,534	247.8%
Listing and transfer agent fees	24,438	21,246	15.0%	35,498	43,653	(18.7%)
Insurance (D&O and P&C)	10,723	6,824	57.1%	20,919	15,328	36.5%
Travel and entertainment	14,442	13,572	6.4%	47,532	20,300	134.1%
	$ 172,139	$ 65,833	161.5%	$ 286,682	$ 131,815	117.5%

Three months ended June 30, 2026

The net loss for the three months ended June 30, 2026, was $85,197, or $0.00 loss per share, compared to a net loss of $25,153, or $0.00 loss per share, for the three months ended June 30, 2025, an increase of $60,044. Overall general and administrative costs increased by $106,306 or 161.5% during the three months ended June 30, 2026, when compared to the three months ended June 30, 2025. The large increase is directly attributable to the increase level of activity at the Soo Copper project as well as an increase in the overall activity level at the Company. The Company also recognized an increase in management and director fees during the three months ended June 30, 2026, when compared to the three months ended June 30, 2025. The increase was due to increased corporate activity during the period. The Company recorded share-based compensation of $312,894 during the three months ended June 30, 2026, compared to $nil during the three months ended June 30, 2025. In addition, the Company recorded a recovery of flow-through share premium liability of $608,806, an increase of $455,349 over what was recorded during the three months ended June 30, 2025. The Company received a grant from the

Government of Newfoundland and Labrador during the three months ended June 30, 2025, in the amount of $58,365 whereas no grant was received during the three months ended June 30, 2026. And the Company received $52,494 in interest income from funds on deposit with a Canadian Financial institution during the three months ended June 30, 2026. No such interest was received during the three months ended June 30, 2025. Combined these to items accounted for the increase in net loss of $60,444 for the three months ended June 30, 2026, when compared to the three months ended June 30, 2025.

Six months ended June 30, 2026

The net loss for the six months ended June 30, 2026, was $318,440 or $0.01 loss per share, compared to a net loss of $817,707, or $0.03 loss per share, for the six months ended June 30, 2025, a decrease of $499,267. Overall general and administrative costs increased by $154,867 or 117.5% during the six months ended June 30, 2026, when compared to the six months ended June 30, 2025. The large increase is directly attributable to the increase level of activity at the Soo Copper project as well as an increase in the overall activity level at the Company. The Company also recognized an increase in management and director fees during the six months ended June 30, 2026, when compared to the six months ended June 30, 2025. The increase was due to increased corporate activity during the period. The Company recorded share-based compensation of $622,350 during the six months ended June 30, 2026, down 17.1% when compared to $750,800 in share-based compensation expense recorded during the six months ended June 30, 2025. In addition, the Company recorded a recovery of flow-through share premium liability of $897,373, an increase of $734,908 over what was recorded during the six months ended June 30, 2025. The Company received a grant from the Government of Newfoundland and Labrador in the amount of $25,672 during the six months ended June 30, 2026, whereas the Company received a grant of $258,635 during the six months ended June 30, 2026. And the Company recorded $108,015 in interest income from funds on deposit with a Canadian Financial institution during the six months ended June 30, 2026, compared to incurring interest expense of $24,744 during the six months ended June 30, 2025. The Company also recognized a non-cash gain of $48,023 on the sale of mineral property rights related to the Sail Pound Project during the six months ended June 30, 2026. No gain was realized during the six months ended June 30, 2025. Combined these to items accounted for the decrease in net loss of $499,267 for the six months ended June 30, 2026, when compared to the six months ended June 30, 2025.

EXPRESSED IN CANADIAN DOLLARS

As of June 30, 2026, the flow-through share premium liability was $448,348 related to the November 2025 flow-through share offering. The flow-through share premium liability is reduced as the Company renounces eligible expenditures that are incurred during the year and then recognizes a recovery of the share-premium liability in profit or loss.

The Company's accounting policy is to capitalize all eligible exploration related expenditures to the various projects under development. Capitalized amounts are reviewed for any indications of impairment on a quarterly basis. (See Note 3 in the Company's audited annual financial statements for the year ended December 31, 2025, for additional details).

SUMMARY OF QUARTERLY RESULTS

Three months ended	30-Jun-26	31-Mar-26	31-Dec-25	30-Sep-25	30-Jun-25	31-Mar-25	31-Dec-24	30-Sep-24
Total revenue	-	-	-	-	-	-	-	-
Net Loss and Comprehensive Loss for the period	(318,440)	(233,243)	(5,452,868)	($280,811)	($25,153)	($992,554)	($10,307,225)	($57,684)
Loss per share	($0.01)	($0.01)	($0.13)	($0.01)	$0.00	($0.04)	($0.42)	$0.00
Total assets	$26,030,366	$26,379,746	$26,615,066	$17,877,044	$15,756,230	$15,928,442	$14,537,491	$23,965,241
Working capital	$7,546,611	$10,193,363	$11,457,076	$2,168,861	$1,463,866	$2,336,672	$1,138,561	$1,054,901
Shares outstanding	46,251,162	46,240,412	46,078,612	37,480,408	30,920,779	30,920,779	24,442,893	23,162,802

The net loss and comprehensive loss loss for the three months ended June 30, 2026, was comprised of management and director compensation, share-based compensation (from the recognition of RSU grants that vest over a three-year period), investor relations activity expenses, legal and accounting fees and general and administrative expenses that were partially off-set by the recognition of flow-through share premium liability on eligible exploration expenses that were incurred during the quarter and receipt of net interest income on excess cash balances. The net loss and comprehensive loss loss for the three months ended March 31, 2026, was comprised of management and director compensation, share-based compensation (from the recognition of RSU grants that vest over a three-year period), investor relations activity expenses, legal and accounting fees and general and administrative expenses that were partially off-set by a recognition of a gain on the sale of the Sail Pond mineral property rights to Golden Goos Discoveries Corp., the recognition of flow-through share premium liability on eligible exploration expenses that were incurred during the quarter, a grant received from the Government of Newfoundland and Labrador for exploration expenses incurred on the Adeline project in 2025 and receipt of net interest income on excess cash balances. The net loss and comprehensive loss for the three months ended December 31, 2025, was comprised of management and director compensation, share-based compensation (both stock option grants with immediate vesting and RSU grants that vest over a three-year period), investor relations activity expenses, legal and accounting fees and general and administrative expenses that were partially off-set by a recognition of a gain on the settlement of flow-through share premium liability on eligible exploration expenses that were incurred during the quarter and a loss on the impairment of the carrying value of the Adeline project. The net loss and comprehensive loss for the three months ended September 30, 2025, was comprised of management and director compensation, investor relations activity expenses, legal and accounting fees and general and administrative expenses that were partially off-set by a recognition of a gain on the settlement of flow-through share premium liability on eligible exploration expenses that were incurred during the quarter. The net loss and comprehensive loss for the three months ended June 30, 2025, was comprised of management and director compensation, investor relations activity expenses, legal and accounting fees and general and administrative expenses that were partially off-set by a recognition of a gain on the settlement of flow-through share premium liability on eligible exploration expenses that were incurred during the quarter, along with the receipt of $58,365 in grants from the Government of Newfoundland & Labrador on the Adeline Project. The net loss and comprehensive loss for the three months ended March 31, 2025, was comprised of share-based compensation of $750,800 in addition to management and director compensation, investor relations activity expenses, legal and accounting fees and general and administrative expenses that were partially off-set by a recognition of a gain on the settlement of flow-through share premium liability on eligible exploration expenses that were incurred during the quarter, along with interest income earned on GIC deposits during the quarter and interest expense paid to the CRA on a portion of the flow through proceeds from the October 2023 flow through financing. The net loss and comprehensive loss for the three months ended December 31, 2024, was comprised of an impairment loss booked against the carrying value of the Sail Pond Project in the amount of $10,304,800, in addition to management and director compensation, investor relations activity expenses, legal and accounting fees and general and administrative expenses that were partially off-set by a recognition of a gain on the settlement of flow-through share premium liability on eligible exploration expenses that were incurred during the quarter, along with interest income earned on GIC deposits during the quarter. The net loss and comprehensive loss for the three months ended September 30, 2024, was comprised of management and director compensation, investor relations activity expenses, legal and accounting fees and general and administrative expenses that were partially off-set by a recognition of a gain on the settlement of flow-through share premium liability on eligible exploration expenses that were incurred during the quarter, along with interest income earned on GIC deposits during the quarter.

EXPRESSED IN CANADIAN DOLLARS

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

SELECTED ANNUAL INFORMATION

Selected Annual Information	Dec-31-2025	Dec-31-2024	Dec-31-2023
	$	$	$
Total assets	26,367,733	14,537,491	17,893,675
Total liabilities	1,621,904	429,075	634,353
Net Loss and Comprehensive Loss for the year	(6,751,702)	(10,718,952)	(1,564,255)
Loss per share	($0.20)	($0.56)	($0.16)

OUTSTANDING SHARES

As at the date of this report the Company had 46,251,162 common shares outstanding, stock options outstanding of 1,890,000, warrants outstanding of 8,572,809 and 1,300,000 restricted share units outstanding.

FINANCIAL POSITION AND LIQUIDITY

As of June 30, 2026, the Company's financial instruments consist of cash and accounts payable and accrued liabilities. The Company has no speculative financial instruments, derivatives, forward contracts, or hedges.

As of June 30, 2026, the Company had working capital of $7,546,611 compared to working capital of $11,457,076 as of December 31, 2025.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the Statements of Financial Position are carried at amortized cost. 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. 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. As of June 30, 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 June 30, 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 June 30, 2026, the Company had positive working capital of $7,546,611. 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.

RISKS RELATED TO PROPERTY TITLE

Although the Company has taken steps to verify the title to the properties on which it is conducting its exploration and mining activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unrestricted prior agreements, unregistered claims, aboriginal land claims and non-compliance with regulatory and environmental requirements. The Company's mining and exploration activities are subject to laws and regulations relating to the environment, which are continually changing, and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to remain in compliance.

CAPITAL RESOURCES

The Company has no recent history of profitable operations. Therefore, it is subject to many risks common to comparable companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of adequate revenues.

It may be necessary for the Company to arrange for additional financing to meet its on-going exploration and overhead requirements.

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. Although the Company successfully raised funds during the current period, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favourable.

CAPITAL MANAGEMENT

The Company’s capital consists of shareholders’ equity in the amount of $25,120,014 as of June 30, 2026 (December 31, 2025: $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. The Company does not currently have adequate sources of capital to complete its exploration plan, current obligations and ultimately the development of its business, and will need to raise adequate capital by obtaining equity financing, selling assets, and incurring debt. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

EXPRESSED IN CANADIAN DOLLARS

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as of June 30, 2026, and as at the date hereof.

RELATED PARTY TRANSACTIONS

Related parties are comprised of the shareholders and key management personnel of the Company. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. The Company has determined that its key management personnel are the directors and senior management. Compensation paid or accrued to key management personnel for the six months ended June 30, 2026, and 2025 is summarized as follows:

		June 30, 2026		June 30, 2025		Included in accounts payable (1) as of June 30, 2026
Director and management fees	$	249,288	$	158,333	$	-
Exploration expenses[2]		223,500		90,000		-
Share-based compensation		562,508		-		-
Total short-term benefits	**$**	**1,035,296**	**$**	**248,333**	**$**	**-**

(1) Amounts disclosed were paid or accrued to the related party during the six months ended June 30, 2026 and 2025.
(2) Amounts paid have been capitalized to Property rights, exploration and evaluation assets.

In addition to the compensation listed above, during the year ended December 31, 2025, members of key management personnel participated in the Company's private placements (Note 11b). Mathew Wilson (Director and CEO) acquired a total of 300,000 common shares with 150,000 warrants attached for aggregate proceeds of $200,000 and 119,048 FT shares for aggregate proceeds of $50,000. Mark Goodman (Director) acquired, through a company under his control, 166,667 common shares with 83,333 warrants attached for aggregate proceeds of $125,001. Jeremy Niemi (Senior VP Exploration) acquired, through a company under his control, 120,000 common shares with 60,000 warrants attached for aggregate proceeds of $55,000. Niel O'Brian (Chief Geologist) acquired, through a company under his control, 250,000 common shares with 125,000 warrants attached for aggregate proceeds of $125,000.

SEGMENTED INFORMATION

The Company operates in a single reportable operating segment in one geographic region, being the acquisition and exploration of exploration and evaluation assets in Canada.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

New Accounting Standards Issued and Adopted in the 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

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

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.

UPDATE ON QCX GOLD CORP. ACQUISITION

On June 1, 2026, the Company entered into a definitive agreement pursuant to which Sterling Metals Corp. will acquire all of the issued and outstanding securities of QcX Gold Corp. by way of a plan of arrangement. Under the terms of the transaction, QcX Gold Corp. shareholders will receive one common share in the capital of Sterling Metals Corp. for every 4.81026 shares of QcX Gold Corp. Shares held at an implied consideration of $0.25666 per share. On completion of the acquisition, Sterling Metals Corp. shareholders are expected to own approximately 90.75% and QcX Gold Corp. Shareholders are expected to own 9.25% of the combined company. Shareholders of QcX Gold Corp approved the transaction on August 18, 2026. The consummation of the transaction is subject to a number of conditions, including the approval of the TSX-Venture Exchanges and other regulatory approvals. The transaction is expected to close on or about August 25, 2026.

LAND ACCESS AGREEMENT

On August 17, 2026, Company entered into an access agreement dated August 17, 2026, with an arm's length party to the Company, pursuant to which the Company has been granted access to conduct mineral exploration on several mineral claims in Ontario. As consideration for the access, the Company shall issue the arm's length third party: (i) 210,000 common shares in the capital of the Company; and (ii) an aggregate of 250,000 Common Share purchase warrants (each, a "Warrant"), entitling the holder to acquire a common share in the capital of the Company at a price of $1.23 per common share until the date that is two years from the date of issuance. The completion of the transaction contemplated by the access agreement is subject to regulatory and other customary approvals, including the approval of the TSX Venture Exchange. All securities issued pursuant to the access agreement will be subject to a statutory hold period of four months and one day from the issuance thereof.

RISK FACTORS

Companies operating in the mining industry face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors most applicable to the Company:

Exploring and developing mineral resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them, and employs experienced consulting, engineering, insurance, and legal advisors to assist in its risk management reviews.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers, and title may be affected by undetected defects.

There can be no guarantees that the Company will be able to obtain or maintain all the necessary licenses and permits to extract and process minerals, explore, develop, or maintain its continued operations, or that the Company will be able to comply with all the conditions imposed.

The Company files applications in the ordinary course to renew the permits associated with its mining and exploration licenses that it deems necessary and/or advisable for the continued operation of its business. Certain of the Company's permits to operate that are associated with the mining license are currently under application for renewal. There is no guarantee that the Company will be able to renew any or all of the necessary permits in order to continue operating and conducting exploration activities on areas covered by licenses and permits that are not renewed or are revoked.

At present the principal activity of the Company is the exploration of resource properties. The feasible development of such properties is highly dependent upon the price of ore commodities.

A sustained and substantial decline in these commodity prices could result in the write-down, termination of exploration and development work or loss of its interests in identified resource properties. Although such prices cannot be forecasted with certainty, the Company carefully monitors factors that could affect these commodity prices in order to assess the feasibility of its resource projects.

The success of exploration programs, development programs and other transactions related to mining concessions could have a significant impact on the need for capital. If the Company decides to develop one of its properties, it must ensure that it has access to the required capital. The Company could finance its need for capital by using working capital, by arranging partnerships or other arrangements with other companies, through equity financing, by taking on long-term debt or any combination thereof.

The Company is dependent upon the personal efforts and commitments of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this Management Discussion and Analysis August XX, 2026.

Respectfully submitted on behalf of the Board of Directors,

"Mathew Wilson"

Mathew Wilson

President & CEO

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

A Cautionary Note

This document contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Corporation, its subsidiaries and its projects, the future supply, demand, inventory, production and price of minerals, the estimation of reserves and resources, the realization of reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Corporation and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of resources; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the resource industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.