



**CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2026

(Unaudited – Expressed in Canadian dollars)

NOTICE TO READER

These condensed interim consolidated financial statements of Sun Peak Metals Corp. have been prepared by management and approved by the Audit Committee of the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim consolidated financial statements, notes to the financial statements or the related Management's Discussion and Analysis.

SUN PEAK METALS CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Unaudited – Expressed in Canadian dollars)

	<i>Note</i>	March 31, 2026	December 31, 2025
ASSETS			
Current			
Cash	4	\$ 4,553,777	\$ 6,452,757
Receivables	5	207,705	158,214
Prepaid expenses	6	120,818	139,048
		4,882,300	6,750,019
Equipment	7	191,081	169,552
Exploration and evaluation assets	8	20,096,046	20,070,058
Deferred acquisition costs	9	6,980,245	6,929,822
Deposits	10	745,995	550,530
Equity investment	11	17,040	17,124
		\$ 32,912,707	\$ 34,487,105
LIABILITIES			
Current			
Trade and other payables	12	\$ 445,978	\$ 655,595
SHAREHOLDERS' EQUITY			
Share capital	13	46,384,714	46,384,714
Reserve	13	3,860,909	2,434,223
Deficit		(17,778,894)	(14,987,427)
		32,466,729	33,831,510
		\$ 32,912,707	\$ 34,487,105
Nature of operations and going concern	1		

These condensed interim consolidated financial statements were approved and authorized for issue by the Audit Committee of the Board of Directors of the Company on May 28, 2026.

On behalf of the Board:/s/ Doris Meyer

Director

/s/ Greg Davis

Director

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

SUN PEAK METALS CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**
(Unaudited – Expressed in Canadian dollars)

		Three months ended March 31,	
	<i>Note</i>	2026	2025
Expenses			
Depreciation	7	\$ 17,534	11,332
Director fees	14	33,000	-
Exploration and evaluation expenditures	8	699,237	89,387
Foreign exchange		27,906	7,880
Office expenses		24,258	29,214
Marketing and promotion	14	189,243	40,727
Professional fees		23,228	13,435
Project investigation costs		-	17,913
Regulatory costs		25,646	16,140
Salaries and benefits / Consulting fees	14	266,243	223,200
Share-based compensation	13 & 14	1,426,686	-
Travel expenses		82,110	27,016
		(2,815,091)	(476,244)
Interest income		23,708	10,208
Loss on equity investment	11	(84)	(83)
Loss and comprehensive loss for the period		\$ (2,791,467)	\$ (466,119)
Basic and diluted loss per share		\$ (0.02)	\$ (0.01)
Weighted average number of shares outstanding - basic and diluted		164,217,196	87,098,634

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

SUN PEAK METALS CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited – Expressed in Canadian dollars)

	Three months ended March 31,	
	2026	2025
Cash flows to operating activities		
Loss for the period	\$ (2,791,467)	\$ (466,119)
Items not involving cash:		
Depreciation	17,534	11,332
Share-based compensation	1,426,686	-
Loss on equity investment	84	83
Change in non-cash working capital items:		
Receivables	(49,491)	(2,271)
Prepaid expenses	18,230	(17,038)
Trade and other payables	(209,617)	(36,825)
	<u>(1,588,041)</u>	<u>(510,838)</u>
Cash flows to investing activities		
Equipment	(39,063)	(5,421)
Exploration and evaluation assets	(25,988)	-
Deferred acquisition costs	(50,423)	(429,187)
Deposits	(195,465)	-
	<u>(310,939)</u>	<u>(434,608)</u>
Decrease in cash for the period	(1,898,980)	(945,446)
Cash, beginning of period	6,452,757	2,265,655
Cash, end of period	\$ 4,553,777	\$ 1,320,209
Supplementary information		
Interest paid	\$ -	\$ -
Income taxes paid	-	-

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

SUN PEAK METALS CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Unaudited – Expressed in Canadian dollars)

	Number of shares	Share capital	Reserve	Deficit	Total
Balance, December 31, 2025	164,217,196	\$ 46,384,714	\$ 2,434,223	\$ (14,987,427)	\$ 33,831,510
Share-based compensation	-	-	1,426,686	-	1,426,686
Loss and comprehensive loss for the period	-	-	-	(2,791,467)	(2,791,467)
Balance, March 31, 2026	164,217,196	\$ 46,384,714	\$ 3,860,909	\$ (17,778,894)	\$ 32,466,729

	Number of shares	Share capital	Reserve	Deficit	Total
Balance, December 31, 2024	87,098,634	\$ 19,044,808	\$ 2,366,934	\$ (12,899,200)	\$ 8,512,542
Loss and comprehensive loss for the period	-	-	-	(466,119)	(466,119)
Balance, March 31, 2025	87,098,634	\$ 19,044,808	\$ 2,366,934	\$ (13,365,319)	\$ 8,046,423

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

SUN PEAK METALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2026

(Unaudited – Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Sun Peak Metals Corp. (“Sun Peak” or the “Company”) is a publicly traded company incorporated pursuant to the provisions of the British Columbia Business Corporations Act on June 2, 2016. The Company’s common shares are listed for trading on the TSX Venture Exchange (“TSXV”) under the symbol PEAK and on the OTCQB Venture Market in the United States under the symbol SUNPF. The Company’s head office and registered and records office address is Unit 1 – 15782 Marine Drive, White Rock, B.C. Canada V4B 1E6.

The Company’s principal business is the acquisition, exploration, and development of resource properties for the mining of precious or base metals in Ethiopia and the Kingdom of Saudi Arabia (“KSA”).

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. As at March 31, 2026, the Company had working capital of \$4,436,322. Management estimates that its working capital may not provide the Company with sufficient financial resources to carry out currently planned operations and exploration through the next twelve months. Additional financing may be required by the Company to complete its strategic objectives and continue as a going concern. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

These condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). The policies applied in these condensed interim consolidated financial statements are based on IFRS Accounting Standards issued and outstanding as at the date the Board of Directors approved these condensed interim consolidated financial statements for issue.

These condensed interim consolidated financial statements do not include all of the information and disclosures required by IFRS for annual financial statements and therefore should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2025.

Basis of measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

SUN PEAK METALS CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2026

(Unaudited – Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (continued)

Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the parent Company's functional currency as well as being the functional currency for the Company's subsidiaries.

Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

The carrying value and the recoverability of exploration and evaluation assets and deferred acquisition costs - Management has determined that exploration and evaluation, and deferred acquisition costs which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities and existing permits.

Going concern assumption - In the determination of the Company's ability to meet its ongoing obligations and future contractual commitments management relies on the Company's planning, budgeting and forecasting process to help determine the funds required to support the Company's normal operations for a period of one year. Changes in estimated cash use may alter the Company's ability to meet its ongoing obligations and future contractual commitments and could result in adjustments to the amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Determination of functional currency - In accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates" management determined that the functional currency of the parent Company as well as the Company's subsidiaries is the Canadian dollar.

SUN PEAK METALS CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2026

(Unaudited – Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (continued)

Use of estimates and judgments (continued)

Capitalization of deferred acquisition costs - The Company has entered into an agreement to acquire a company holding mineral projects. The expenditures incurred on the mineral projects are being accounted for as advances toward the purchase of a company interest in accordance with IFRS 10 and capitalized to the consolidated statement of financial position. Upon attaining control of the company, the Company will consolidate it as a subsidiary. On a quarterly basis, the Company assesses the deferred acquisition costs to determine if any impairment indicators are present.

Equity investment - The Company has a 25% interest in the shares of Kandaka Mining Corp. (“Kandaka”) and a director of the Company is the sole director of Kandaka. The Company has determined that it has significant influence in Kandaka, therefore the Company accounts for this investment using equity accounting.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied by the Company in these condensed interim consolidated financial statements are the same as those applied by the Company as at and for the year ended December 31, 2025.

New standards, interpretations and amendments not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of March 31, 2026 and have not been applied in preparing these condensed interim consolidated financial statements.

On April 9, 2024, the IASB issued IFRS 18 “Presentation and Disclosure in the Financial Statements” (“IFRS 18”) replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 “Earnings per Share” were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its financial statements.

SUN PEAK METALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2026

(Unaudited – Expressed in Canadian dollars)

4. CASH

	March 31, 2026	December 31, 2025
Canadian dollar denominated deposits held in Canada	\$ 3,943,663	\$ 6,193,661
US dollar denominated deposits held in Canada	312,784	174,982
US dollar denominated deposits held in Ethiopia	9,303	18,656
Birr denominated deposits held in Ethiopia	13,983	13,981
SAR denominated deposits held in Saudi Arabia	274,044	51,477
Total	\$ 4,553,777	\$ 6,452,757

5. RECEIVABLES

	March 31, 2026	December 31, 2025
Amounts due from the Government of Canada pursuant to goods and services input tax credits	\$ 30,282	\$ 25,990
Other	177,423	132,224
Total	\$ 207,705	\$ 158,214

6. PREPAID EXPENSES

	March 31, 2026	December 31, 2025
Prepaid insurance	\$ 11,615	\$ 20,261
Prepaid rent	5,259	705
Prepaid marketing and promotion	61,802	78,479
Prepaid other	42,142	39,603
Total	\$ 120,818	\$ 139,048

SUN PEAK METALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2026

(Unaudited – Expressed in Canadian dollars)

7. EQUIPMENT

	Office furniture and equipment	Field equipment	Vehicles	Total
Cost				
At December 31, 2025	\$ 93,255	\$ 271,507	\$ 223,312	\$ 588,074
Additions	-	1,086	37,977	39,063
Write-off	(33,175)	-	-	(33,175)
At March 31, 2026	\$ 60,080	\$ 272,593	\$ 261,289	\$ 593,962
Accumulated depreciation				
At December 31, 2025	\$ 81,764	\$ 221,350	\$ 115,408	\$ 418,522
Depreciation	765	9,780	6,989	17,534
Write-off	(33,175)	-	-	(33,175)
At March 31, 2026	\$ 49,354	\$ 231,130	\$ 122,397	\$ 402,881
Carrying amounts				
At December 31, 2025	\$ 11,491	\$ 50,157	\$ 107,904	\$ 169,552
At March 31, 2026	\$ 10,726	\$ 41,463	\$ 138,892	\$ 191,081

8. EXPLORATION AND EVALUATION ASSETS

	December 31, 2025	Additions	March 31, 2026
Ethiopia			
Nefasit	\$ 5,257	\$ -	\$ 5,257
Adi Dairo	2,797	-	2,797
Adi Mendi	899	-	899
Workemba	2,512	-	2,512
	11,465	-	11,465
Saudi Arabia			
Aff	1	-	1
Halahila	6,686,197	-	6,686,197
Al Miyah	6,686,197	-	6,686,197
Safra	6,686,198	-	6,686,198
Round 9	-	25,988	25,988
	20,058,593	25,988	20,084,581
Total	\$ 20,070,058	\$ 25,988	\$ 20,096,046

SUN PEAK METALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2026

(Unaudited – Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

Details on the Company's exploration and evaluation assets are found in Note 9 of the December 31, 2025 consolidated financial statements, other than as described below.

In March 2026, the Company was awarded seven exploration licenses as a part of the Ministry's Round 9 auction and all seven exploration licenses are valid for an initial five year period.

Exploration and evaluation expenditures included in the loss for the three months ended March 31, 2026 are as follows:

	Ethiopia		Saudi Arabia			Total
	Nefasit	Halahila	Al Miyah	Safra		
Assays	\$ -	\$ -	\$ 20,680	\$ -	\$ 20,680	
Geophysics	-	98,317	185,641	19,074	303,032	
Professional fees	8,712	19,544	2,557	-	30,813	
Project administration	7,734	18,614	32,512	4,840	63,700	
Salaries and benefits	27,550	43,477	80,702	13,311	165,040	
Travel expenses	11,897	36,849	44,059	23,167	115,972	
Total	\$ 55,893	\$ 216,801	\$ 366,151	\$ 60,392	\$ 699,237	

Exploration and evaluation expenditures included in the loss for the three months ended March 31, 2025 are as follows:

	Ethiopia	
	Nefasit	Total
Professional fees	\$ 10,581	\$ 10,581
Project administration	23,658	23,658
Salaries and benefits	49,592	49,592
Travel expenses	5,556	5,556
Total	\$ 89,387	\$ 89,387

SUN PEAK METALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2026

(Unaudited – Expressed in Canadian dollars)

9. DEFERRED ACQUISITION COSTS

	March 31, 2026	December 31, 2025
Opening balance	\$ 6,929,822	\$ 6,169,292
Advances to Axum	50,423	760,530
Closing balance	\$ 6,980,245	\$ 6,929,822

Axum agreement

On November 11, 2017, the Company entered into an option and joint venture shareholders' agreement (the "JV Agreement"), as amended, with Ezana Mining Development plc ("Ezana") that became effective on December 12, 2017, when the conditions precedent were met. Pursuant to the JV Agreement, the Company has an option to earn up to 70% in Axum Metals Share Company ("Axum"), which holds the Terer and Meli exploration licenses in Ethiopia. The Company may earn a 51% interest in Axum upon completion of US\$5 million in expenditures by December 3, 2022. The Company believes it has met the required US\$5 million qualifying expenditures and is now working with Ezana to formalize the Company's 51% interest in Axum. The Terer and Meli projects are in force majeure, and accordingly minimum expenditure obligations are suspended until force majeure is lifted.

The Company is the operator of the program and is solely funding Axum.

After earning a 51% interest, the Company may then elect to continue to solely fund Axum through completion of a definitive feasibility study to earn an additional 16.5% interest in Axum for a total interest of 67.5%. The Company may withdraw from its obligations under the JV Agreement at any time prior to earning a 67.5% interest but would forfeit its interest and would have no right, title or interest in Axum or the Axum properties.

Within 60 days of Axum being granted a mining license, the Company will have an option to purchase an additional 2.5% interest in Axum from Ezana for a payment of US\$6 million.

Details on the two licenses are found in Note 10 of the December 31, 2025 consolidated financial statements.

SUN PEAK METALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2026

(Unaudited – Expressed in Canadian dollars)

10. DEPOSITS

	March 31, 2026	December 31, 2025
Opening balance	\$ 550,530	\$ -
Additions	195,465	550,530
Closing balance	\$ 745,995	\$ 550,530
Al Miyah	\$ 280,865	\$ 280,865
Halahilah	269,665	269,665
Round 9	195,465	-
Closing balance	\$ 745,995	\$ 550,530

The Company acquires the majority of its exploration licenses in the KSA through a bidding process. Bidders are required to provide a performance financial guarantee in favor of the Ministry to guarantee their bid. This deposit must be for an amount equal to at least fifteen per cent (15%) of the bidder's projected expenditure throughout the work program.

The performance financial guarantee may be called upon by the Ministry at any time during the term of the exploration license in the event that the relevant licensee fails to meet the agreed performance requirements and targets as set out in the work program.

11. EQUITY INVESTMENT

	March 31, 2026	December 31, 2025
Opening balance	\$ 17,124	\$ 20,570
Loss	(84)	(3,446)
Closing balance	\$ 17,040	\$ 17,124

The Company has a 25% interest in the shares of Kandaka, a Canadian private mineral exploration company. In addition to the Company's 25% interest in Kandaka, directors and officers of the Company hold an additional 20% of Kandaka. A director of the Company is the sole director of Kandaka.

As at March 31, 2026 and December 31, 2025, the net assets of Kandaka were as follows:

	March 31, 2026	December 31, 2025
Assets	\$ 68,159	\$ 68,495
Liabilities	-	-
Net assets	68,159	68,495
Ownership	25%	25%
Closing balance	\$ 17,040	\$ 17,124

SUN PEAK METALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2026

(Unaudited – Expressed in Canadian dollars)

12. TRADE AND OTHER PAYABLES

	March 31, 2026	December 31, 2025
Trade and other payables in Canada	\$ 110,675	\$ 417,071
Trade and other payables in Ethiopia	4,319	17,969
Trade and other payables in Saudi Arabia	128,286	50,056
Amounts due to related parties (Note 14)	202,698	170,499
Total	\$ 445,978	\$ 655,595

13. SHARE CAPITAL AND RESERVE**a) Authorized share capital**

The authorized share capital is comprised of an unlimited number of common shares without par value.

b) Issued share capital

There were no common shares issued during the three months ended March 31, 2026.

c) Warrants

The continuity of share purchase warrants for the three months ended March 31, 2026 is as follows:

Expiry date	<i>Exercise price</i>	Balance, December 31, 2025	Granted	Exercised	Cancelled/ Expired	Balance, March 31, 2026
November 27, 2028	\$ 0.50	56,873	-	-	-	56,873
December 18, 2028	\$ 0.50	9,826,363	-	-	-	9,826,363
		9,883,236	-	-	-	9,883,236
Weighted average exercise price	\$ 0.50	\$ -	\$ -	\$ -	\$ -	\$ 0.50

As at March 31, 2026, the weighted average remaining life of the warrants outstanding was 2.72 years.

SUN PEAK METALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2026

(Unaudited – Expressed in Canadian dollars)

13. SHARE CAPITAL (continued)**d) Share-based compensation**

The Company has a 10% “rolling” stock option plan which governs the granting of stock options to directors, officers, employees and consultants of the Company or a subsidiary of the Company for the purchase of up to 10% of the issued and outstanding common shares of the Company from time to time. The maximum term of stock options is ten years from the grant date. The exercise price and vesting terms are at the discretion of the directors.

In addition, the Company has an equity incentive plan (the “Equity Plan”) which governs the granting of any restricted share unit, performance share unit or deferred share unit granted under the Equity Plan, to directors, officers, employees and consultants of the Company or a subsidiary of the Company. The Company has reserved for issuance up to 8,709,863 common shares pursuant to the Equity Plan.

The continuity of stock options for the three months ended March 31, 2026 is as follows:

Expiry date	Exercise price	Balance, December 31, 2025	Issued	Exercised	Cancelled/ Expired	Balance, March 31, 2026				
July 20, 2026	\$ 0.35	225,000	-	-	-	225,000				
January 18, 2028	\$ 0.235	250,000	-	-	-	250,000				
February 22, 2028	\$ 0.26	2,150,000	-	-	-	2,150,000				
March 8, 2029	\$ 0.50	1,475,000	-	-	-	1,475,000				
January 9, 2031	\$ 0.38	-	6,575,000	-	-	6,575,000				
		4,100,000	6,575,000	-	-	10,675,000				
Weighted average exercise price	\$	0.35	\$	0.38	\$	-	\$	-	\$	0.37

As at March 31, 2026, all stock options were exercisable with a weighted average remaining life of 3.78 years.

During the three months ended March 31, 2026, the Company recorded share-based compensation of \$1,426,686 (2025 - \$Nil) for stock options that were granted and vested during the period.

On January 9, 2026, the Company granted 6,325,000 stock options to directors, officers, employees and consultants of the Company at a fair value of \$1,390,358 or \$0.22 per option, all of which was recorded as share-based compensation for the three months ended March 31, 2026. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.92%; an expected volatility of 78%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On January 9, 2026, the Company granted 250,000 stock options to a consultant of the Company at a fair value of \$54,955 or \$0.22 per option, of which \$36,328 was recorded as share-based compensation for the three months ended March 31, 2026. The options vest 25% immediately and 25% every three months thereafter. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.92%; an expected volatility of 78%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

SUN PEAK METALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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14. RELATED PARTY TRANSACTIONS*Compensation of key management personnel*

Key management includes members of the Board of Directors, the President and Chief Executive Officer, the Vice President Project Development, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid, or payable, to key management personnel during the three months ended March 31, 2026 and 2025 was as follows:

	Three months ended March 31,	
	2026	2025
Salaries and benefits / Consulting fees		
Chief Executive Officer	\$ 62,500	\$ 46,875
Vice President Project Development	62,500	31,250
Golden Oak (1)	37,500	37,500
Former Vice President Exploration & Geology	-	62,500
	<u>162,500</u>	<u>178,125</u>
Director fees	33,000	-
Marketing and promotion		
Peak (2)	36,000	18,000
Share-based compensation	1,146,416	-
	<u>\$ 1,377,916</u>	<u>\$ 196,125</u>

(1) Golden Oak Corporate Services Ltd. ("Golden Oak") is a consulting company owned by the Chief Financial Officer and Corporate Secretary of the Company. The Chief Financial Officer and the Corporate Secretary are employees of Golden Oak and are not paid directly by the Company.

(2) Peak Investor Marketing Corp. ("Peak") is a company of which the spouse of the Chief Executive Officer is a principal.

Amounts due to related parties

		March 31,		December 31,	
		2026	2025	2026	2025
Vice President Project Development	Expenses	\$ 5,930	\$ -		
Golden Oak	Expenses	5,925	3,003		
Directors	Fees	21,000	-		
Director	Expenses	993	11,246		
Peak	Fees	12,600	-		
Former Vice President Exploration & Geology	Fees	156,250	156,250		
		<u>\$ 202,698</u>	<u>\$ 170,499</u>		

SUN PEAK METALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2026

(Unaudited – Expressed in Canadian dollars)

15. SEGMENTED INFORMATION

Operating segments are identified on the basis of internal reports that are regularly reviewed by the chief operating decision-maker to allocate resources to the segments and to assess their performance.

The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments, has been defined as the Chief Executive Officer.

The Company operates in a single segment, being mineral exploration and evaluation.

With the exception of the cash disclosed in Note 4, all of the Company's significant assets are located in Ethiopia and the KSA.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

Financial instruments are classified into one of the following categories: fair value through profit or loss; fair value through other comprehensive income; or at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

		March 31, 2026	December 31, 2025
Cash	Amortized cost	\$ 4,553,777	\$ 6,452,757
Receivables	Amortized cost	207,705	158,214
Deposits	Amortized cost	745,995	550,530
Trade and other payables	Amortized cost	445,978	655,595

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.
- Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The carrying values of cash, receivables, deposits, and trade and other payables approximate their fair values due to their short-term nature. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost.

Risk management

The Company's risk management objectives and policies are consistent with those disclosed by the Company for the year ended December 31, 2025.