



STERLING METALS CORP.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2024

Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

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

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MANAGEMENT'S RESPONSIBILITY

To the Shareholders of Sterling Metals Corp.:

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

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

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

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

The financial statements were approved by the Board of Directors on May 2, 2024.

"Mathew Wilson"

Mathew Wilson, CEO

"Dennis Logan"

Dennis Logan, CFO

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UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	As of March 31, 2024	As of December 31, 2023
Assets		
Current Assets		
Cash and cash equivalents	\$3,308,069	\$3,811,689
Sales tax receivable	42,823	133,360
Interest receivable on GIC investment	-	31,130
Prepaid expenses	53,867	151,763
Total Current Assets	3,404,759	4,127,942
Vehicle and equipment (Note 7)	94,794	104,692
Property rights, evaluation and exploration assets (Note 8)	14,043,806	13,661,041
	14,138,600	13,765,733
Total Assets	\$17,543,359	\$17,893,675
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Note 9)	\$156,485	\$237,490
Flow-through share premium liability (Note 10)	354,833	396,863
Total Current Liabilities	511,318	634,353
Total Liabilities	511,318	634,353
Shareholders' Equity		
Share capital (Note 11)	42,215,341	42,215,341
Warrants (Note 11)	12,965,442	12,965,442
Share based payment reserve (Note 11)	16,652,457	16,652,457
Deficit	(54,801,199)	(54,573,918)
Total Shareholders' Equity	17,032,041	17,259,322
Total Liabilities and Shareholders' Equity	\$17,543,359	\$17,893,675

Nature of operations and going concern (Note 1)

Commitments (Note 8 and 10)

The financial statements were approved by the Board of Directors on May 2, 2024, and were signed on its behalf by:

“Stephen Keith”

Stephen Keith, Director

“Richard Patricio”

Richard Patricio, Director

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UNAUDITED CONDENSED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
General and Administrative Expenses		
General and administration	\$54,632	\$74,413
Investor relations	96,411	118,683
Management and Director fees (Note 13)	97,179	97,179
Share-based compensation (Note 11)	-	235,400
Professional fees	27,299	35,607
Operating loss for the year	(275,521)	(561,282)
Other income		
Recovery of flow-through premium liability (Note 10)	42,030	71,370
Interest income	6,210	-
Net loss and comprehensive loss for the year	(\$227,281)	(\$489,912)
Net loss per share for the year		
Basic and diluted loss per share	\$0.00	(\$0.01)
Weighted Average Number of Shares Outstanding	112,499,425	70,260,259

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

	Number of shares outstanding	Share Capital	Warrants	Share Based Payment Reserve	(Deficit)	Total Equity
Balance at January 1, 2023	69,760,259	\$37,912,174	\$11,213,271	\$15,980,757	(\$53,009,663)	\$12,096,539
Shares issued on property option acquisition (Notes 8,11)	4,500,000	765,000	-	-	-	765,000
Share-based compensation	-	-	-	235,400	-	235,400
Net loss and comprehensive loss for the period	-	-	-	-	(489,912)	(489,912)
Balance at March 31, 2023	74,260,259	\$38,677,174	\$11,213,271	\$16,216,157	(\$53,499,575)	\$12,607,027
Balance at April 1, 2023	74,260,259	\$38,677,174	\$11,213,271	\$16,216,157	(\$53,499,575)	\$12,607,027
Shares and warrants issued on private placement (Note 11)	38,239,166	3,956,944	1,778,936	-	-	5,735,880
Share issuance costs	-	(418,777)	(188,262)	-	-	(607,039)
Issuance of broker warrants	-	-	161,497	-	-	161,497
Share-based compensations - Issuance of share purchase options	-	-	-	436,300	-	436,300
Net loss and comprehensive loss for the period	-	-	-	-	(1,074,343)	(1,074,343)
Balance at December 31, 2023	112,499,425	\$42,215,341	\$12,965,442	\$16,652,457	(\$54,573,918)	\$17,259,322
Balance at January 1, 2024	112,499,425	\$42,215,341	\$12,965,442	\$16,652,457	(\$54,573,918)	\$17,259,322
Net loss and comprehensive loss for the period	-	-	-	-	(227,281)	(227,281)
Balance at March 31, 2024	112,499,425	\$42,215,341	\$12,965,442	\$16,652,457	(\$54,801,199)	\$17,032,041

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UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Operating activities		
Net loss for the year	(\$227,281)	(\$489,912)
Add (deduct) non-cash items:		
Non-cash share-based compensation	-	235,400
Non-cash recovery of flow-through share premium liability (Note 10)	(42,030)	(71,370)
	<u>(269,311)</u>	<u>(325,882)</u>
Net change in non-cash working capital		
Change in sales tax receivable	90,537	43,062
Change in interest receivable	31,130	-
Change in prepaid expenses	97,896	17,745
Change in accounts payable and accrued liabilities	(81,004)	(16,798)
Cash used in operating activities	<u>(130,752)</u>	<u>(281,873)</u>
Investing activities		
Property rights, evaluation and exploration costs (Note 8)	(372,868)	(400,000)
Cash used in investing activities	<u>(372,868)</u>	<u>(400,000)</u>
Financing activities		
Cash provided by financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents during the year	(503,620)	(681,873)
Cash and cash equivalents at beginning	3,811,689	3,260,978
Cash and cash equivalents at ending	<u>\$3,308,069</u>	<u>\$2,579,105</u>
Cash and cash equivalents consists of :		
Cash	\$ 3,308,069	\$ 2,579,105
Cash equivalents	-	-
	<u>\$ 3,308,069</u>	<u>\$ 2,579,105</u>
Supplementary Cash Flow Information		
Issuance of 4,500,000 common shares on property option acquisition	\$ -	\$ 765,000
Accrued as of December 31, 2023 received January 15, 2024	\$ 31,130	\$ -
Interest received on GIC investment	\$ 6,210	\$ -
Taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -
Depreciation and amortization capitalized to mineral properties	\$ 9,897	\$ 7,717

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

1) Nature of operations and going concern

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

These unaudited condensed interim financial statements have been prepared on the going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company realized a net loss of \$227,281 for the three months ended March 31, 2024 (2023: \$489,912). On March 31, 2024, the Company had an accumulated deficit of \$54,801,199 (December 31, 2023: \$54,573,918). In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. On March 31, 2024, the Company had a total of \$3,404,759 of current assets and a working capital of \$2,893,441 and had flow through expenditure commitments of \$1,191,144 nil to be incurred. Subsequent to March 31, 2024, the Company received \$225,000 of a government grant from Newfoundland & Labrador that increases the remaining flow through commitment to \$1,416,144.

While the Company has been successful in obtaining the necessary financing to cover its corporate operating costs and advance the development of its projects through the issuance of common shares and the exercise of warrants in the past, there is no assurance it will be able to raise funds in this manner in the future. There remain material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern.

2) Statement of compliance and basis of presentation

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

The unaudited condensed interim financial statements were approved and authorized for issuance by the Board of Directors on May 2, 2024.

3) Material accounting policies

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

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

The accounting policies applied in the preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2023.

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4) Critical accounting judgements, estimates and assumptions

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

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

The critical judgements and areas involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the financial statements are further detailed in note 4 of the Company's audited financial statements for the year ended December 31, 2023.

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

New Standards Adopted in the Current Period

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2024, and have been adopted in preparing these financial statements. None of these had a material effect on the financial statements.

6) Financial instruments and risk management

a) Fair value hierarchy

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

The fair value of hierarchy has the following levels:

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

The Company's financial instruments include cash, accounts payable and accrued liabilities and are classified as Level 1. The carrying amounts approximate their fair values due to their short-term nature.

b) Credit risk

Credit risk is the risk that a third party might fail to discharge its obligations under the terms of a financial instrument. Credit risk arises from cash with banks and financial institutions. It is management's opinion that the Company is not exposed to significant credit risk arising from these financial instruments. The Company limits credit risk by entering into business arrangements with high credit-quality counterparties. There have not been any changes in the exposure to risk or the entity's objective, policies, and processes for managing the risk.

c) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to significant interest rate risk. There have not been any changes in the exposures to risk or the Company's objectives, policies, and processes for managing risk.

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d) Liquidity risk

Liquidity risk management involves always maintaining sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations.

As of March 31, 2024, the Company had positive working capital of \$2,893,441. Available funds from cash 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 entity's objectives, policies, and processes for managing the risk.

7) Vehicles and Equipment

	Vehicles	Equipment	Total
Cost			
Balance December 31, 2023	\$ 93,545	\$ 75,263	\$ 168,808
Additions	-	-	-
Disposals	-	-	-
Balance March 31, 2024	\$ 93,545	\$ 75,263	\$ 168,808
Accumulated Amortization			
Balance December 31, 2023	\$ (44,177)	\$ (19,939)	\$ (64,116)
Amortization	(5,207)	(4,691)	(9,898)
Disposals	-	-	-
Additions	-	-	-
Balance March 31, 2024	\$ (49,384)	\$ (24,630)	\$ (74,014)
Carrying Amounts			
At December 31, 2023	49,368	55,324	104,692
At March 31, 2024	\$ 44,161	\$ 50,633	\$ 94,794

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8) Property rights, evaluation and exploration assets

	Sail Pond	Adeline	Copper road	Total
Carrying amount				
Balance January 1, 2023	\$ 8,758,671	\$ -	\$ -	\$ 8,758,671
Acquisitions				
Cash	\$ -	400,000	\$ -	400,000
Common shares issued	-	765,000	-	765,000
Exploration				
Drilling	348,249	812,908	-	1,161,157
Field and administration	441,112	943,186	-	1,384,298
Geological and Geophysical services	534,140	402,691	-	936,831
Assays	137,815	86,126	-	223,941
Prospecting	3,325	-	-	3,325
Depreciation and amortization capitalized	7,802	20,016	-	27,818
Balance December 31, 2023	\$ 10,231,114	\$ 3,429,927	\$ -	\$13,661,041
Acquisitions				
Cash	\$ -	\$ -	200,000	200,000
Common shares issued	-	-	-	-
Exploration				
Drilling	-	-	-	-
Field and administration	-	9,899	-	9,899
Geological and Geophysical services	-	153,495	-	153,495
Assays	6,301	3,173	-	9,474
Prospecting	-	-	-	-
Depreciation and amortization capitalized	3,063	6,834	-	9,897
Balance March 31, 2024	\$10,240,478	\$3,603,328	\$200,000	\$14,043,806

Sail Pond Silver-Copper-Lead-Zinc Project

On September 23, 2020, the Company entered into an option agreement (“Sail Pond Property Option Agreement”) with Altius Resources Inc. to purchase from Altius Resources Inc., 100% of the Sail Pond silver-copper-lead-zinc project (“Project”) on the Great Northern Peninsula of Newfoundland. In consideration for the purchase of the Project, on signing of the Definitive Agreement (the “Agreement”), the Company issued 5,899,125 common shares of the Company, representing approximately 19.9% of the then outstanding shares of the Company, to Altius Resources Inc. Altius also holds a 2% NSR royalty over the project. Other key conditions of the option purchase agreement include a minimum expenditure commitment on the project of \$500,000 within the first 12 months and \$1,000,000 within the first 3 years of entering into the agreement. Additionally, the Company was committed to issue Altius Resources Inc. an additional \$200,000 in common shares on the earlier of 12 months from the date of signing or on the completion of an equity financing of at least \$2,000,000. On February 1, 2021, the Company issued an additional 606,061 common shares valued at \$200,000 to Altius in satisfaction of this commitment.

The Company has met the conditions under the property option purchase agreement and now holds a 100% interest in the project.

Adeline Copper-Silver Project

On March 6, 2023, the Company entered into an option agreement (“Adeline Property Option Agreement”) with Chesterfield Resources Plc, and its wholly owned subsidiary, Chesterfield (Canada) Inc. (collectively “Chesterfield”) to purchase from Chesterfield, 100% of the Adeline Copper-Silver project in Labrador. In consideration for the purchase of the Project, on signing of the Definitive Agreement (the “Agreement”), the Company made a cash payment of \$100,000. On approval of the transaction by the TSX Venture Exchange, the Company issued 4,500,000 common shares of the Company, to Chesterfield Resources Plc., and made an additional cash payment of \$300,000 to

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Chesterfield (Canada) Inc. Other key conditions of the option purchase agreement include the issuance of an additional 4,500,000 common shares of the Company on or before November 30, 2024, and an additional cash payment of \$400,000 on or before November 30, 2024.

Copper-Road Copper Project

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

In order to effect the Transaction, the Vendor will assign all its right, title and interest to the Project, including two option agreements (the "Option Agreements"), to the Subsidiary. The Company will acquire, by way of an exempt takeover bid, all of the issued and outstanding common shares (the "Purchased Shares") in the capital of the Subsidiary from the Vendor, in consideration, of the issuance to the Vendor such number of common shares (the "Common Shares") in the capital of the Company which is equal to 49% of the issued and outstanding Common Shares immediately upon closing of the Transaction, and aggregate cash payments of \$460,000 to the Vendor, comprised of \$200,000 upon execution of the Agreement (paid on March 1, 2024) and \$260,000 upon closing of the Transaction. The Subsidiary currently holds a 100% interest in the Copper Road Project, an exploration stage property and will be accounted for as an asset acquisition by the Company. The completion of the Transaction is subject to the satisfaction of certain conditions precedent, including but not limited to receipt of all necessary consents, including the consent of the assignment of the Option Agreements to the Subsidiary by the optionors to the Option Agreements, approvals and other authorizations of any regulatory authorities, including but not limited to the approval of the TSX Venture Exchange and the approval of the shareholders of the Vendor (approval received April 30, 2024 by shareholder vote)..

9) Accounts payable and accrued liabilities

	March 31, 2024		December 31, 2023	
Accounts payable	\$	139,477	\$	159,188
Accrued liabilities		17,008		78,302
Total	\$	156,485	\$	237,490

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10) Flow-through share premium liability

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

Flow-Through Share Premium Liability	
Balance December 31, 2022	\$ 71,370
Flow-through share premium on the issuance of flow-through common share units (Note 11 (b))	740,784
Issuance costs allocated to the flow-through share premium liability	(78,398)
Settlement of flow-through share premium liability on incurrence of eligible expenditures	(336,893)
Balance December 31, 2023	\$ 396,863
Flow-through share premium on the issuance of flow-through common share units (Note 11 (b))	-
Issuance costs allocated to the flow-through share premium liability	-
Settlement of flow-through share premium liability on incurrence of eligible expenditures	(42,030)
Balance March 31, 2024	\$ 354,833

As of March 31, 2024, the Company had yet to settle all of the flow-through share liability by renouncing eligible exploration expenditures on the April 2023 flow through issuance. Subsequent to March 31, 2024, the Company received a grant of \$225,000 from the Government of Newfoundland & Labrador for eligible expenditures incurred on its Adeline project in 2023. The Company must incur an additional \$1,416,144 (\$1,191,144 plus \$225,000 grant received) in eligible expenditures by December 31, 2024, to satisfy its expenditure renunciation commitments.

11) Share capital

a) Authorized

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

b) Issued

Three Months ended March 31, 2024

During the three months ended March 31, 2023, the Company did not issue any shares.

Year ended December 31, 2023

On March 21, 2023, the Company issued 4,500,000 common shares valued at \$765,000 to Chesterfield Resources Plc. Under the terms of the Adeline Property Option Agreement.

On April 17, 2023, the Company completed a brokered private placement of: (i) 19,624,966 hard dollar units of the Company (each, a "HD Unit") at a price of \$0.15 per HD Unit, (ii) 11,914,200 flow-through units of the Company (each, a "FT Unit") at a price of \$0.17 per FT Unit, and (iii) 6,700,000 charity flow-through units of the Company (each, a "Charity FT Unit") at a price of \$0.225 per Charity FT Unit, for aggregate gross proceeds of \$6,476,664 (the "Offering"). Each HD Unit is comprised of one common share ("Common Share") in the capital of the Company and one Common Share purchase warrant ("Warrant") of the Company. Each Warrant entitles the holder thereof to acquire

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one Common Share at a price of \$0.25 until April 17, 2025. Each FT Unit is comprised of one Common Share, issued on a flow-through basis (“FT Share”) and one Warrant, issued on a non-flow-through basis, having the same terms as the Warrants partially comprising the HD Units. Each Charity FT Unit is comprised of one Common Share, issued on a flow-through basis (“Charity FT Share”) and one Warrant, having the same terms as the Warrants partially comprising the HD Units and FT Units.

Total gross proceeds of \$6,476,664 were allocated to common shares, warrants and share premium liability in the amounts of \$3,876,788, \$1,859,087 and \$740,784 respectively. The Company issued 1,775,834 Broker Warrants with a strike price of \$0.15 and a term of two years. The April 17, 2023 Broker Warrants were valued at \$161,497.

The fair value of the warrants and broker warrants were determined with the following weighted average assumptions:

Assumption	Warrants	Broker Warrants
	April 17, 2023	April 17, 2023
Share price	\$0.13	\$0.13
Strike Price	\$0.25	\$0.15
Risk-free rate	3.88%	3.88%
Expected dividend yield	0.00%	0.00%
Expected volatility	103.52%	1.3.52%
Warrant life in years	2.00	2.00

c) Stock options

The Company has established an incentive stock option plan (the “Plan”) for management, directors, and consultants of the Company, as designated and administered by a committee of the Company’s Board of Directors. Under the Plan, the Company may grant options for up to 10% of the issued and outstanding common shares of the Company. The plan is approved annually by shareholders and was last approved on October 18, 2023, at the Annual and Special Meeting of Shareholders

During the three months ended March 31, 2024

No incentive stock options were granted.

During the year ended December 31, 2023

On January 23, 2023, the Company granted 2,000,000 incentive stock options to Officers, Directors, Employees and Consultants of the Company that vested immediately. These options are exercisable at a price of \$0.21 per common share for a period of two years from the grant date. The Company recognized \$235,400 in share-based compensation for the stock options that were granted.

On May 8, 2023, the Company granted 6,280,000 incentive stock options to Officers, Directors, Employees and Consultants of the Company that vested immediately. These options are exercisable at a price of \$0.15 per common share for a period of two years from the grant date. The Company recognized \$425,000 in share-based compensation for the stock options that were granted.

On August 29, 2023, the Company granted 175,000 incentive stock options to Employees and Consultants of the Company that vested immediately. These options are exercisable at a price of \$0.15 per common share for a period of two years from the grant date. The Company recognized \$11,000 in share-based compensation for the stock options that were granted.

The weighted average assumptions used were as follows:

Weighted Average	August 29, 2023	May 8, 2023	January 23, 2023
Share price	\$0.12	\$0.13	\$0.21
Exercise price	\$0.15	\$0.15	\$0.21
Risk-free rate	4.68%	3.76%	3.64%
Expected dividend yield	0.00%	0.00%	0.00%
Expected volatility	108.51%	103.66%	105.38%
Option life in years	2.00	2.00	2.00

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The following table summarizes information about stock options outstanding and exercisable as of March 31, 2024:

Expiry date	Exercise Price	March 31, 2024 Outstanding	March 31, 2024 Exercisable
June-9-2024	\$0.32	2,125,000	2,125,000
January-24-2025	\$0.21	2,000,000	2,000,000
May-8-2025	\$0.15	6,280,000	6,280,000
August-29-2025	\$0.15	175,000	175,000
		10,580,000	10,580,000

	March 31, 2024
The outstanding options have a weighted-average exercise price of:	\$0.19
The weighted average remaining life in years of the outstanding options is:	0.87

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

Stock option activity	March 31, 2024	Weighted Average Exercise price	December 31, 2023	Weighted Average Exercise price
Balance – beginning	10,580,000	\$0.19	2,870,000	\$0.43
Granted	-	-	8,455,000	\$0.16
Expired	-	-	(745,000)	\$0.78
Balance – ending	10,580,000	\$0.19	10,580,000	\$0.19

d) Warrants

The following table summarizes warrants outstanding on March 31, 2024:

Date of Issuance	Date of Expiry	Exercise Price	March 31, 2024 Outstanding
May-05-2022	May-05-2024	\$0.40	15,000,000
May-05-2022	May-05-2024	\$0.20	594,050
May-27-2022	May-27-2024	\$0.40	6,428,571
May-27-2022	May-27-2024	\$0.28	449,999
April-17-2023	April-17-2025	\$0.25	38,239,166
April-17-2023	April-17-2025	\$0.15	1,775,834

	March 31, 2024
The outstanding warrants have a weighted-average exercise price of:	\$0.30
The weighted average remaining life in years of the outstanding warrants is:	0.71

STERLING METALS CORP.
FOR THE THREE MONTHS ENDED MARCH 31, 2024

Expressed in Canadian Dollars

NOTES TO THE FINANCIAL STATEMENTS

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

	March 31, 2023	Weighted Average Exercise price	December 31, 2023	Weighted Average Exercise price
Warrant activity				
Balance – beginning	62,487,620	\$0.30	28,391,195	\$0.47
Issued on private placements	-	-	38,239,166	\$0.25
Issued to brokers	-	-	1,775,834	\$0.15
Expired	-	-	(5,918,575)	\$0.77
Balance – ending	62,487,620	\$0.30	62,487,620	\$0.30

12) Capital management

The Company's capital structure, as of March 31, 2024, consists of all components of shareholders' equity in the amount of \$17,032,041. The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition and exploration of resource properties and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

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

13) Related party transactions

Related party transactions are summarized as follows:

Name and principal position	Year	Remuneration or fees ⁽¹⁾		Included in accounts payable ⁽¹⁾
			Share based compensation ⁽¹⁾	
Mathew Wilson, CEO - management fees ²	2024	\$57,500	\$0	-
	2023	57,500	41,195	-
Dennis Logan, CFO - management fees ²	2024	\$27,000	\$0	-
	2023	27,000	23,540	-
Jeremy Niemi, VP Exploration ^{2,3}	2024	\$45,000	\$0	-
	2023	45,000	41,195	-
Richard Patricio, Director - director fees	2024	\$6,000	\$0	-
	2023	6,000	23,540	-
Stephen Kieth, Director - director fees	2024	\$6,000	\$0	-
	2023	6,000	11,770	-

⁽¹⁾ Amounts disclosed were paid or accrued to the related party during the three months ended March 31, 2024 and 2023.

⁽²⁾ Amounts paid to the individuals indirectly through companies controlled by the related party.

⁽³⁾ Amounts paid have been capitalized to Property rights, exploration and evaluation assets.

14) Segmented operations

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