



**CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended June 30, 2025

(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> | June 30, 2025 | December 31, 2024 |
|---|-------------|--------------------------|------------------------------|
| ASSETS | | | |
| Current | | | |
| Cash | 4 | \$ 693,375 | \$ 2,265,655 |
| Receivables | 5 | 30,687 | 30,100 |
| Prepaid expenses | 6 | 33,939 | 39,422 |
| | | 758,001 | 2,335,177 |
| Equipment | 7 | 77,521 | 94,797 |
| Exploration and evaluation assets | 8 | 11,465 | 11,465 |
| Deferred acquisition costs | 9 | 6,804,251 | 6,169,292 |
| Equity investment | 10 | 19,778 | 20,570 |
| | | \$ 7,671,016 | \$ 8,631,301 |
| LIABILITIES | | | |
| Current | | | |
| Trade and other payables | 11 | \$ 35,296 | \$ 118,759 |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | 12 | 19,044,808 | 19,044,808 |
| Reserve | 12 | 2,366,934 | 2,366,934 |
| Deficit | | (13,776,022) | (12,899,200) |
| | | 7,635,720 | 8,512,542 |
| | | \$ 7,671,016 | \$ 8,631,301 |
| Nature of operations and going concern | 1 | | |
| Subsequent event | 12 | | |

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 August 28, 2025.

On behalf of the Board:

_____/s/ David Awram_____
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 June 30, | | Six months ended June 30, | |
|--|------|-----------------------------|--------------|---------------------------|----------------|
| | Note | 2025 | 2024 | 2025 | 2024 |
| Expenses | | | | | |
| Consulting fees | 13 | \$ 37,500 | \$ 37,500 | \$ 75,000 | \$ 72,500 |
| Depreciation | 7 | 11,109 | 13,861 | 22,441 | 28,597 |
| Exploration and evaluation expenditures | 8 | 51,843 | 165,528 | 141,230 | 241,593 |
| Foreign exchange | | 18,722 | 9,165 | 26,602 | 12,979 |
| Office expenses | | 47,968 | 43,312 | 77,182 | 100,101 |
| Marketing and promotion | 13 | 21,356 | 52,717 | 62,083 | 86,251 |
| Professional fees | | 20,584 | 23,827 | 34,019 | 23,827 |
| Project investigation costs | | - | - | 17,913 | - |
| Regulatory costs | | 15,976 | 15,825 | 32,116 | 31,332 |
| Salaries and benefits | 13 | 178,965 | 166,445 | 364,665 | 328,770 |
| Share-based compensation | | - | 7,469 | - | 554,820 |
| Travel expenses | | 10,429 | 27,569 | 37,445 | 84,752 |
| | | (414,452) | (563,218) | (890,696) | (1,565,522) |
| Interest income | | 4,458 | 64,040 | 14,666 | 143,102 |
| Loss on equity investment | 10 | (709) | (1,103) | (792) | (1,189) |
| Loss and comprehensive loss for the period | | \$ (410,703) | \$ (500,281) | \$ (876,822) | \$ (1,423,609) |
| Basic and diluted loss per share | | \$ (0.00) | \$ (0.01) | \$ (0.01) | \$ (0.02) |
| Weighted average number of shares outstanding - basic and diluted | | 87,098,634 | 87,098,634 | 87,098,634 | 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)

| | Six months ended June 30, | |
|---|----------------------------------|---------------------|
| | 2025 | 2024 |
| Cash flows to operating activities | | |
| Loss for the period | \$ (876,822) | \$ (1,423,609) |
| Items not involving cash: | | |
| Depreciation | 22,441 | 28,597 |
| Share-based compensation | - | 554,820 |
| Loss on equity investment | 792 | 1,189 |
| Change in non-cash working capital items: | | |
| Receivables | (587) | (85,420) |
| Prepaid expenses | 5,483 | (80,784) |
| Trade and other payables | (83,463) | (5,364) |
| | (932,156) | (1,010,571) |
| Cash flows to investing activities | | |
| Purchase of equipment | (5,165) | (4,226) |
| Deferred acquisition costs | (634,959) | (1,493,939) |
| | (640,124) | (1,498,165) |
| Decrease in cash for the period | (1,572,280) | (2,508,736) |
| Cash, beginning of period | 2,265,655 | 6,511,177 |
| Cash, end of period | \$ 693,375 | \$ 4,002,441 |
| 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, 2024 | 87,098,634 | \$ 19,044,808 | \$ 2,366,934 | \$ (12,899,200) | \$ 8,512,542 |
| Loss and comprehensive loss for the period | - | - | - | (876,822) | (876,822) |
| Balance, June 30, 2025 | 87,098,634 | \$ 19,044,808 | \$ 2,366,934 | \$ (13,776,022) | \$ 7,635,720 |

| | Number of shares | Share capital | Reserve | Deficit | Total |
|--|-----------------------------|--------------------------|----------------|-----------------|---------------|
| Balance, December 31, 2023 | 87,098,634 | \$ 19,044,808 | \$ 1,807,536 | \$ (10,489,315) | \$ 10,363,029 |
| Share-based compensation | - | - | 554,820 | - | 554,820 |
| Loss and comprehensive loss for the period | - | - | - | (1,423,609) | (1,423,609) |
| Balance, June 30, 2024 | 87,098,634 | \$ 19,044,808 | \$ 2,362,356 | \$ (11,912,924) | \$ 9,494,240 |

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 six months ended June 30, 2025

(Unaudited – Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Sun Peak Metals Corp. (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 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.

In March 2025, the Interim Regional Administration of Ethiopia enacted a suspension of all mining activities in Ethiopia to curb illegal mining activities. While the Company’s operations are currently limited to exploration and not mining, the Company suspended all fieldwork accordingly. In August 2025, the Company formally notified Ethiopia’s Ministry of Mines of a force majeure declaration covering all six of its exploration licenses (Note 8 and 9). The Company also invoked force majeure under the terms of its option and joint venture agreement with Ezana Mining Development plc (“Ezana”), with notification accepted by Ezana (Note 9).

These 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 June 30, 2025, the Company had working capital of \$722,705. 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 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, 2024.

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 six months ended June 30, 2025

(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 Ethiopian subsidiary.

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 Ethiopian subsidiary is the Canadian dollar.

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.

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

For the six months ended June 30, 2025

(Unaudited – Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (continued)

Use of estimates and judgments (continued)

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, 2024.

New standards, interpretations and amendments not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of June 30, 2025 and have not been applied in preparing these 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.

4. CASH

| | | June 30, 2025 | | December 31, 2024 |
|---|----|------------------|----|----------------------|
| Canadian dollar denominated deposits held in Canada | \$ | 627,673 | \$ | 2,128,651 |
| US dollar denominated deposits held in Canada | | 30,643 | | 73,832 |
| US dollar denominated deposits held in Ethiopia | | 19,958 | | 62,972 |
| Birr denominated deposits held in Ethiopia | | 15,101 | | 200 |
| Total | \$ | 693,375 | \$ | 2,265,655 |

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

For the six months ended June 30, 2025

(Unaudited – Expressed in Canadian dollars)

5. RECEIVABLES

| | June 30, 2025 | December 31, 2024 |
|--|------------------|----------------------|
| Amounts due from the Government of Canada pursuant to goods and services input tax credits | \$ 5,806 | \$ 6,083 |
| Other | 24,881 | 24,017 |
| Total | \$ 30,687 | \$ 30,100 |

6. PREPAID EXPENSES

| | June 30, 2025 | December 31, 2024 |
|-------------------|------------------|----------------------|
| Prepaid insurance | \$ 6,048 | \$ 20,582 |
| Prepaid rent | 2,467 | 5,353 |
| Prepaid other | 25,424 | 13,487 |
| Total | \$ 33,939 | \$ 39,422 |

7. EQUIPMENT

| | Office furniture and equipment | Field equipment | Vehicles | Total |
|---------------------------------|--------------------------------------|--------------------|------------|------------|
| Cost | | | | |
| At December 31, 2024 | \$ 82,326 | \$ 271,507 | \$ 113,310 | \$ 467,143 |
| Additions | 5,165 | - | - | 5,165 |
| At June 30, 2025 | \$ 87,491 | \$ 271,507 | \$ 113,310 | \$ 472,308 |
| Accumulated depreciation | | | | |
| At December 31, 2024 | \$ 76,806 | \$ 182,230 | \$ 113,310 | \$ 372,346 |
| Depreciation | 2,881 | 19,560 | - | 22,441 |
| At June 30, 2025 | \$ 79,687 | \$ 201,790 | \$ 113,310 | \$ 394,787 |
| Carrying amounts | | | | |
| At December 31, 2024 | \$ 5,520 | \$ 89,277 | \$ - | \$ 94,797 |
| At June 30, 2025 | \$ 7,804 | \$ 69,717 | \$ - | \$ 77,521 |

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

For the six months ended June 30, 2025

(Unaudited – Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS

| | Ethiopia | | | | Total |
|-------------------|----------|-----------|-----------|----------|-----------|
| | Nefasit | Adi Dairo | Adi Mendi | Workemba | |
| December 31, 2024 | \$ 5,257 | \$ 2,797 | \$ 899 | \$ 2,512 | \$ 11,465 |
| Additions | - | - | - | - | - |
| June 30, 2025 | \$ 5,257 | \$ 2,797 | \$ 899 | \$ 2,512 | \$ 11,465 |

Details on the Company's exploration and evaluation assets are found in Note 8 of the December 31, 2024 consolidated financial statements.

Exploration and evaluation expenditures included in the loss for the three and six months ended June 30, 2025 and 2024 are as follows:

| | Three months ended June 30, | | Six months ended June 30, | |
|------------------------|-----------------------------|------------|---------------------------|------------|
| | 2025 | 2024 | 2025 | 2024 |
| Nefasit | | | | |
| Field expenses | \$ - | \$ 25,000 | \$ 23,658 | \$ 25,000 |
| Project administration | 6,520 | 7,411 | 17,101 | 26,104 |
| Salaries and benefits | 42,491 | 43,620 | 92,083 | 78,471 |
| Travel expenses | 2,832 | 89,497 | 8,388 | 112,018 |
| Total | \$ 51,843 | \$ 165,528 | \$ 141,230 | \$ 241,593 |

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

For the six months ended June 30, 2025

(Unaudited – Expressed in Canadian dollars)

9. DEFERRED ACQUISITION COSTS

| | June 30, 2025 | December 31, 2024 |
|---------------------------------|--------------------------|------------------------------|
| Opening balance | \$ 6,169,292 | \$ 3,510,931 |
| Advances to Axum | 634,959 | 1,508,395 |
| Expenses paid on behalf of Axum | - | 1,149,966 |
| Closing balance | \$ 6,804,251 | \$ 6,169,292 |

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 (originally extended indefinitely due to force majeure – the Terer and Meli projects are no longer in force majeure and the Company is working with Ezana to establish a new date for completion of the US\$5 million expenditures).

The Company is the operator of the program and is sole 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 9 of the December 31, 2024 consolidated financial statements.

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

For the six months ended June 30, 2025

(Unaudited – Expressed in Canadian dollars)

10. EQUITY INVESTMENT

| | June 30, 2025 | December 31, 2024 |
|-----------------|--------------------------|------------------------------|
| Opening balance | \$ 20,570 | \$ 21,920 |
| Loss | (792) | (1,350) |
| Closing balance | \$ 19,778 | \$ 20,570 |

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 June 30, 2025 and December 31, 2024, the net assets of Kandaka were as follows:

| | June 30, 2025 | December 31, 2024 |
|-----------------|--------------------------|------------------------------|
| Assets | \$ 79,110 | \$ 82,279 |
| Liabilities | - | - |
| Net assets | 79,110 | 82,279 |
| Ownership | 25% | 25% |
| Closing balance | \$ 19,778 | \$ 20,570 |

11. TRADE AND OTHER PAYABLES

| | June 30, 2025 | December 31, 2024 |
|--|--------------------------|------------------------------|
| Trade and other payables in Canada | \$ 27,380 | \$ 86,730 |
| Trade and other payables in Ethiopia | 6,626 | 17,337 |
| Amounts due to related parties (Note 13) | 1,290 | 14,692 |
| Total | \$ 35,296 | \$ 118,759 |

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

For the six months ended June 30, 2025

(Unaudited – Expressed in Canadian dollars)

12. 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 six months ended June 30, 2025.

c) 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 six months ended June 30, 2025 is as follows:

| Expiry date | Exercise price | Balance, December 31, 2024 | Issued | Exercised | Cancelled/ Expired | Balance, June 30, 2025 |
|---------------------------------|-----------------------|---|---------------|------------------|-------------------------------|---------------------------------------|
| August 17, 2025 | \$ 0.35 | 4,100,000 | - | - | - | 4,100,000 * |
| 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 |
| | | 8,200,000 | - | - | - | 8,200,000 |
| Weighted average exercise price | \$ 0.35 | \$ - | \$ - | \$ - | \$ - | \$ 0.35 |

* expired unexercised subsequent to June 30, 2025

As at June 30, 2025, all stock options were exercisable with a weighted average remaining life of 1.53 years.

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

For the six months ended June 30, 2025

(Unaudited – Expressed in Canadian dollars)

13. 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 Exploration & Geology, 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 and six months ended June 30, 2025 and 2024 was as follows:

| | | Three months ended June 30, | | Six months ended June 30, | |
|---|-----|-----------------------------|------------|---------------------------|------------|
| | | 2025 | 2024 | 2025 | 2024 |
| Consulting fees | | | | | |
| Golden Oak | (1) | \$ 37,500 | \$ 37,500 | \$ 75,000 | \$ 72,500 |
| Deferred acquisition costs | | | | | |
| VRIFY | (2) | - | 25,000 | - | 25,000 |
| Exploration and evaluation expenditures | | | | | |
| VRIFY | (2) | - | 25,000 | - | 25,000 |
| Marketing and promotion | | | | | |
| Peak | (3) | 18,000 | 18,000 | 36,000 | 36,000 |
| Salaries and benefits | | | | | |
| Chief Executive Officer | | 46,875 | 34,375 | 93,750 | 69,792 |
| Vice President Exploration & Geology | | 31,250 | 31,250 | 62,500 | 68,750 |
| Vice President Project Development | | 62,500 | 62,500 | 125,000 | 120,833 |
| | | 140,625 | 128,125 | 281,250 | 259,375 |
| Share-based compensation | | - | 7,469 | - | 460,007 |
| | | \$ 196,125 | \$ 241,094 | \$ 392,250 | \$ 877,882 |

(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) VRIFY Technology Inc. ("VRIFY") is a company of which a director of the Company is a principal.

(3) 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

| | | June 30, | December 31, |
|------------------------------------|----------|----------|--------------|
| | | 2025 | 2024 |
| Chief Executive Officer | Expenses | \$ - | \$ 8,112 |
| Vice President Project Development | Expenses | - | 5,384 |
| Corporate Secretary | Expenses | - | 309 |
| Golden Oak | Expenses | 1,290 | 887 |
| | | \$ 1,290 | \$ 14,692 |

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

For the six months ended June 30, 2025

(Unaudited – Expressed in Canadian dollars)

14. 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.

15. 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:

| | | June 30, 2025 | December 31, 2024 |
|--------------------------|----------------|--------------------------|------------------------------|
| Cash | Amortized cost | \$ 693,375 | \$ 2,265,655 |
| Receivables | Amortized cost | 30,687 | 30,100 |
| Trade and other payables | Amortized cost | 35,296 | 118,759 |

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 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, 2024.