Sentinel Metals Corp.

BC1320942

Financial Report for the financial period ended 31 July 2023

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 JULY 2023

	Note	31 July 2023 $	31 July 2022 $
Income			
Interest income	4	1,638	-
Expenses			
Corporate costs		-	(145,263)
General and administration expenditure		(48,535)	(8,024)
Loss before income tax expense		**(46,897)**	**(153,287)**
Income tax expense	16	-	-
Loss after income tax expense for the year		**(46,897)**	**(153,287)**
Other comprehensive income			
Foreign currency translation		133,184	48,212
Total comprehensive income / (loss) for the year		**86,287**	**(105,075)**
		$	**$**
Basic and diluted loss per share	18	(4,690)	(15,329)

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2023

	Note	31 July 2023 $	31 July 2022 $
Assets			
Current assets			
Cash and cash equivalents	5	314,747	227,599
Other current assets	6	24,960	106,571
Total current assets		**339,707**	**334,170**
Non-current assets			
Exploration and evaluation expenditure	7	2,002,186	1,745,616
Total non-current assets		**2,002,186**	**1,745,616**
Total assets		**2,341,893**	**2,079,786**
Liabilities			
Current liabilities			
Trade and other payables	8	145,835	183,012
Borrowings	9	2,214,845	2,001,848
Total current liabilities		**2,360,680**	**2,184,860**
Total liabilities		**2,360,680**	**2,184,860**
Net Assets		**(18,787)**	**(105,074)**
Issued capital	10	1	1
Reserves	11	181,396	48,212
Accumulated losses	12	(200,184)	(153,287)
Total		**(18,787)**	**(105,074)**

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 JULY 2023

	Issued Capital	Foreign Currency Translation Reserve	Accumulated Losses	Total
	$	$	$	$
At 1 August 2022	1	48,212	(153,287)	**(105,074)**
Loss for the year	-	-	(46,897)	**(46,897)**
Other comprehensive income	-	133,184	-	**133,184**
Total comprehensive income for the year after tax	**-**	**133,184**	**(46,897)**	**86,287**
For the period ending 31 July 2023	**1**	**181,396**	**(200,184)**	**(18,787)**

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 JULY 2022

	Issued Capital	Foreign Currency Translation Reserve	Accumulated Losses	Total
	$	$	$	$
At 23 August 2021	-	-	-	**-**
Loss for the year	-	-	(153,287)	**(153,287)**
Other comprehensive income	-	48,212	-	**48,212**
Total comprehensive income/(loss) for the year after tax	**-**	**48,212**	**(153,287)**	**(105,075)**
Transactions with owners in their capacity as owners:				
Issue of share capital	1	-	-	**1**
For the period ending 31 July 2022	**1**	**48,212**	**(153,287)**	**(105,074)**

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 JULY 2023

	Note	31 July 2023 $	31 July 2022 $
Cash flows from operating activities			
Payments to suppliers and employees		(364)	(713)
Interest received		1,609	-
Refund of deposit		82,097	-
Net cash provided by/(used in) operating activities		83,342	(713)
Cash flows from investing activities			
Payments for related to exploration and evaluation		-	-
Security deposit received/(paid)		-	-
Net cash used in investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		-	226,445
Acquired on acquisition of business		-	1,867
Net cash provided by financing activities		-	228,312
Net increase in cash and cash equivalents		83,342	227,599
Cash and cash equivalents at the beginning of the period		227,599	-
Effect of exchange rate fluctuations on cash held		3,806	-
Cash and cash equivalents at the end of the financial year	5	314,747	227,599

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

The financial statements and notes represent those of Sentinel Metals Corp. Sentinel Metals Corp. is a company limited by shares, incorporated and domiciled in Canada.

The financial statements were authorised for issue on 16 June 2025 by the directors of Sentinel Metals Corp.

NOTE 1: MATERIAL ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as appropriate for for-profit oriented entities.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Accordingly, the financial statements comply with IFRS. The material accounting policies adopted in the preparation of these financial statements are set out below and have been consistently applied unless otherwise stated.

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar unless stated otherwise.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Sentinel Metals Corp. ('company' or 'parent entity') as at 31 July 2023 and the results of all subsidiaries for the year then ended. Sentinel Metals Corp. and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial statements have been prepared on a going concern basis, which assumes the Group will be able to continue its operations for the foreseeable future and will be able to realise its assets and

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discharge its liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of $46,897 for the year ended 31 July 2023. As at that date, the Group has net current liabilities of $2,020,973, including cash balance of $314,747.

The ability of the consolidated entity to continue as a going concern is principally dependent upon the ability of the consolidated entity to secure funds by raising additional capital from equity markets and managing cash flows in line with available funds.

These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore where it will realise its assets and extinguish its liabilities in the normal course of business. And at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

• The group is actively progressing towards an initial public offering (IPO) currently targeted for August 2025;

• The Company issued 34,000,000 shares on 24 February 2025 at $0.0213 to raise $724,201 AUD.

• The ability of the consolidated entity to further scale back certain parts of their activities that are non-essential to conserve cash.

•The directors remain committed to supporting the Group financially and intend to continue providing funding if required.

Should the consolidated entity be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they fall due.

Accounting Policies

a. **Income Tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or that is not a business combination and that, at the time of the transaction, affects neither the acc
- When the taxable temporary difference is associated with interests in subsidiaries, associates the reversal can be controlled and it is probable that the temporary difference will not reverse in

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

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b. **Fair Value of Assets and Liabilities**

The consolidated entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the consolidated entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

c. **Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-ta discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

d. **Exploration and Evaluation expenditure**

Acquisition, exploration and evaluation costs associated with mining tenements are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful commercial development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

Each area of interest is also reviewed annually, and acquisition costs written off to the extent that they will not be recoverable in the future.

e. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as borrowings in current liabilities on the statement of financial position.

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f. **Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

g. **Trade and Other Payables**

Trade and other payables are initially measured at fair value and subsequently measured at cost using the effective interest method.

Trade and other payables represent the liabilities for goods and services received by the consolidated entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

h. **Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

i. **Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

j. **Rounding of Amounts**

Amounts in this report have been rounded off to the nearest thousand currency units, or in certain cases, the nearest currency unit.

k. **Foreign currency translation**

The financial statements are presented in Canadian dollars, which is the consolidated entity's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The revenues, expenses assets and liabilities of foreign operations are translated into Canadian dollars using the exchange rates at the reporting date. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

l. **Issued Capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds**.**

m. **Asset acquisition**

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under IAS 12 applies. No goodwill will arise on the acquisition

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and transaction costs of the acquisition will be included in the capitalised cost of the asset.

n. **Earnings per share**

Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to owners of the consolidated entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

o. **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

p. **Dividends**

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS

(i) *Exploration and evaluation expenditure*

Exploration and evaluation costs have been capitalised on the basis that activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

(ii) The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

NOTE 3: OPERATING SEGMENTS

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The consolidated entity has one operating segment being gold exploration in the state of Montana, USA.

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NOTE 4 OTHER INCOME

	2023	2022
	$	$
Interest income	1,638	-

NOTE 5: CASH AND CASH EQUIVALENTS

	2023	2022
	$	$
Cash at bank	314,747	227,599

NOTE 6: OTHER CURRENT ASSETS

	2023	2022
	$	$
Prepayments	18,371	16,966
Surety bond deposit	6,589	89,605
	24,960	106,571

NOTE 7: EXPLORATION AND EVALUATION

	2023	2022
	$	$
Exploration and evaluation expenditure capitalised	2,002,186	1,745,616
Reconciliation: Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening Balance	1,745,616	-
Additions	214,690	230,882
Acquisition of project	-	1,500,000
Exchange differences	41,880	14,734
Closing balance	2,002,186	1,745,616

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NOTE 8: TRADE AND OTHER PAYABLES

	2023 $	2022 $
Trade payables	130,864	98,270
GST	(3,698)	-
Accrued expenses	18,669	84,742
	145,835	183,012

The average credit period on trade and other payables (excluding GST payable) is 1 month. No interest is payable on outstanding payables during this period. Refer to note 21 for further information on financial instruments.

NOTE 9: CURRENT LIABILITIES - BORROWINGS

	2023 $	2022 $
Related parties' borrowings (i)	2,214,845	1,001,848
Project acquisition liability (ii)	-	1,000,000
	2,214,845	2,001,848

(i) Refer to note 17 for further information on financing arrangements.

(ii) Refer to note 19 for the details of project acquisition liability

NOTE 10: ISSUED CAPITAL

	2023 $	2022 $
Issued capital	1	1
Total share capital	1	1

Reconciliation

Share issues	Date	Number of shares issued	Price per share	$
On incorporation	23/08/2021	10	$0.025	1
		10		**1**

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

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Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

There have been no changes in the capital structure or the objectives, policies, processes and strategy adopted by management to manage the capital of the consolidated entity from the previous year.

NOTE 11: EQUITY – RESERVES

	2023	2022
	$	$
Foreign currency translation reserve	181,396	48,212
	181,396	48,212

NOTE 12: EQUITY – ACCUMULATED LOSSES

	2023	2022
	$	$
Accumulated losses at the beginning of the financial year	(153,287)	-
Loss after income tax expense for the year	(46,897)	(153,287)
Accumulated losses at the end of the financial year	(200,184)	(153,287)

NOTE 13: DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

NOTE 14: COMMITMENTS

Total Commitments on exploration tenements for the 12 months from 31 July 2023 are nil (2022: nil).

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NOTE 15: EVENTS AFTER THE REPORTING PERIOD

The Company notes the following subsequent events:

- On 2 August 2024 the company changed name from B.C. Ltd to Sentinel Metals Corp.
- On 24 October 2024 the Sentinel Metals Pty Ltd was registered, and ownership of Sentinel Metals Corp. was transferred on 31 December 2024. Jody Dahrouge resigned due to company structure change. Ultimate beneficial owner remained unchanged.
- Subsequent to 31 July 2023, the Company and Deborah Dahrouge and Jody Dahrouge (the Company's controlling shareholder) executed a formal loan agreement relating to a loan originally provided in 2021, with a principal amount of $200,000. In lieu of interest accruing prior to 31 December 2024, it is accepted by all parties that a fixed interest amount of $10,000 will be payable. The Parties agree that interest will accrue on the balance from 1 January 2025.The introduction of the fixed interest amount and 8% interest formalises the commercial arrangement between the parties and was made on an arm's length basis. It does not impact the financial position of the Company as at 31 July 2023. Accordingly, no adjustments have been made to the 2023 financial statements. The loan remains unsecured and repayable on demand.
- Subsequent to 31 July 2023, the Company and Dahrouge Geological Consulting (a related party partly owned by the Company's controlling shareholder) executed a formal loan agreement relating to a loan originally provided between Q3 2021 and Q4 2024, with a principal amount of $1,773,021. In lieu of interest accruing prior to 31 December 2024, it is accepted by all parties that a fixed interest amount of $10,000 will be payable. The Parties agree that interest will accrue on the balance from 1 January 2025.The introduction of the fixed interest amount and 8% interest formalises the commercial arrangement between the parties and was made on an arm's length basis. It does not impact the financial position of the Company as at 31 July 2023. Accordingly, no adjustments have been made to the 2023 financial statements. The loan remains unsecured and repayable on demand.
- Subsequent to 31 July 2023, the Company and Dahrouge Geological Resource Management (a wholly owned entity of the Company's controlling shareholder) executed a formal loan agreement relating to a loan originally provided between Q3 2021 and Q4 2023, with a principal amount of $528,281. In lieu of interest accruing prior to 31 December 2024, it is accepted by all parties that a fixed interest amount of $10,000 will be payable. The Parties agree that interest will accrue on the balance from 1 January 2025.The introduction of the fixed interest amount and 8% interest formalises the commercial arrangement between the parties and was made on an arm's length basis. It does not impact the financial position of the Company as at 31 July 2023. Accordingly, no adjustments have been made to the 2023 financial statements. The loan remains unsecured and repayable on demand.
- Subsequent to 31 July 2023, the Company changed its corporate structure from a proprietary company (Pty Ltd) to a public company (Ltd) on 18 April 2024. This change does not affect the financial statements for the year ended 31 July 2023.
- Subsequent to 31 July 2023, the Company appointed new Directors, as per below table:

Director's name	Position	Date of appointment
Mark Williams	Non-executive Chair	24 February 2025
Matthew Herbert	Managing Director	24 February 2025
Simon Dahrouge	Executive Director	24 February 2025
Adam Ritchie	Non-executive Director	24 October 2024

- Subsequent to 31 July 2023, the Company appointed Joel Ives as Company Secretary on 24 February 2025.
- Subsequent to 31 July 2024, the Company issued 34,000,000 shares on 24 February 2025 at$0.0213 totalling 724,201 AUD, consisting of capital raise of $667,724 and conversion of an unsecured investor loan of $56,477 AUD.

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No further subsequent events have been noted.

NOTE 16: TAXATION

	2023	2022
	$	$
Income tax expense		
Deferred tax	-	-
Under/ (over) provision in respect of prior years	-	-
	-	-
Reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense	(46,897)	(153,287)
Tax at the Canadian tax rate of 27% (2022: 27%)	(12,662)	(41,387)
Tax effect of expenditure not deductible in calculating taxable income:	-	-
Income tax benefit not recognized	12,662	41,387
Income tax expense	-	-
Unrecognised deferred tax assets		
Tax losses	200,184	153,287
Other timing differences	-	-
Deferred tax assets not recognised	54,050	41,387

The Group has not recognised any deferred tax assets or liabilities. These benefits will only be obtained if:

I. the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deduction for the losses to be realised;

II. the Group continues to comply with the conditions for deductibility imposed by tax legislation; and

III. no changes in tax legislation adversely affect the Group in realising the benefit from the deduction for the losses.

NOTE 17: RELATED PARTY TRANSACTIONS

The consolidated entity's main related parties are as follows:

a. **Entities that are subject to common control outside the consolidated entity**

Entities that are subject to common control outside the consolidated entity are those entities over which the consolidated entity's immediate parent or ultimate parent exercises control. These entities are deemed "sister" entities (fellow subsidiaries) of the reporting entity.

b. **Key management personnel of the consolidated entity**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the consolidated entity or any of the consolidated entity's parent entities (as described in (a) above), directly or indirectly, including any director (whether executive or otherwise) of the entity, is considered key management personnel.

c. *Parent entity*

Sentinel Metals Corp. is the parent entity.

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NOTE 17: RELATED PARTY TRANSACTIONS

d. *Subsidiary*

Interest in subsidiary are set out in Note 22.

Transactions and outstanding balances with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties (ie at arm's length) unless the terms and conditions disclosed below state otherwise. The following transactions occurred with related parties:

		Consolidated 2023 $	Consolidated 2022 $
(i)	*Entities exercising control over the consolidated entity*		
	Outstanding balances:		
	Loans – unsecured interest free	2,214,845	2,001,848
	Accounts payables - unsecured	130,864	98,270

Expenses were incurred during the 2022 and 2023 financial year, which were funded by the related party entities of Jody Dahrouge on behalf of the consolidated entity and accounted for as a loan. These loans are interest free – non-arm's length – loans made to the parent entity. The loans are repayable on call of the lenders.

NOTE 18: LOSSES PER SHARE

	2023 $ Dollars per share	2022 $ Dollars per share
Loss after income tax attributable to the owners of Sentinel Corporation Limited	(46,897)	(153,287)
	Number	**Number**
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	10	10
	$	$
Basic and diluted loss per share	(4,690)	(15,329)

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NOTE 19: PROJECT ACQUISITION LIABILITY

On 4 October 2021, the Company entered into agreement to acquire 100% Great Plains Mining, a company that owns Columbia Project located in Montana, USA. Key terms of acquisition:

1. Payment of $200,000 (completed in FY 2022)
2. Issuance of Contingent Value Rights (CVRs) to the seller, with the following terms:

Milestone	**Status**
Payment of CAD $300,000	Completed in FY 2022
Payment of CAD $500,000	Completed in FY 2023
Payment of CAD $500,000	Completed in FY 2023

Upon successful completion of the IPO, the CVRs collectively entitle the holders to receive:

- Such number of ordinary shares in the Resulting Issuer as would represent 9.99% of the issued and outstanding shares (on an undiluted basis) immediately following completion of the IPO; and
- An equivalent number of Warrants.

Each Warrant will be exercisable into one ordinary share of the Resulting Issuer at an exercise price equal to 140% of the IPO price ("Go Public Price"), subject to standard adjustment provisions (including for capital reorganisations).

Warrant holders are subject to a restriction preventing exercise to the extent it would result in the holder (together with affiliates or parties acting jointly or in concert) beneficially owning more than 9.99% of the Resulting Issuer's outstanding shares, unless waived by the holder with 61 days' prior written notice. Beneficial ownership is determined in accordance with Section 1.8 of National Instrument 62-104 – *Takeover Bids and Issuer Bids* (Canada).

As at 31 July 2023, the issuance of shares and warrants under the CVRs remained outstanding.

Reconciliation of project acquisition liability:

	2023	**2022**
	$	**$**
Opening loan balance	1,000,000	-
Project acquisition cost	-	1,500,000
Liability paid on behalf of the consolidated entity's by related party	(1,000,000)	(500,000)
Closing loan balance	**-**	**1,000,000**

Accounting Treatment

The acquisition did not meet the definition of a business combination under IFRS 3 and has been accounted for as an asset acquisition. Accordingly:

- The consideration paid has been allocated to the relevant exploration and evaluation assets;
- No goodwill has been recognised;
- Transaction costs were capitalised as part of the asset cost.

NOTE 20: CONTINGENT LIABILITY

As part of the acquisition of the project, the Company entered into a Contingent Value Rights Agreement ("CVRA") under which it issued 100 Contingent Value Rights ("CVRs"). Upon satisfaction of IPO, all CVRs collectively entitle the holders to receive:

- Issued shares equal to 9.99% of the issued and outstanding shares of the Resulting Issuer (on an undiluted basis) immediately following completion of the IPO; and

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- an equivalent number of Warrants.

Each Warrant will be exercisable into one Resulting Issuer Share at an exercise price equal to 140% of the Go Public Price, subject to standard adjustment provisions (including for capital reorganisations). The Warrants also include a restriction preventing their exercise to the extent it would result in the holder (together with affiliates or parties acting jointly or in concert) beneficially owning more than 9.99% of the Resulting Issuer's outstanding shares, unless waived by the holder with 61 days' prior written notice. Beneficial ownership is determined in accordance with Section 1.8 of National Instrument 62-104 – Takeover Bids and Issuer Bids.

NOTE 21 – FINACIAL INSTRUMENTS

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Categories of financial instruments

	2023 $	2022 $
Financial assets		
Cash and cash equivalents	314,747	227,599
Other current assets	24,960	106,571
	339,707	334,170
Financial liabilities		
Borrowings	2,214,845	2,001,848
Trade and other payables	145,835	183,012
	2,360,680	2,184,860

a) Capital risk management

The consolidated entity manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The consolidated entity's overall strategy remains unchanged from prior years. The capital structure of the consolidated entity consists of debt, cash and cash equivalents and equity, comprising issued capital, reserves and retained earnings (accumulated losses). Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

b) Foreign Exchange Risk

Consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

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Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the consolidated entity 's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Foreign currency sensitivity analysis

The sensitivity analysis below details the consolidated entity's sensitivity to an increase/decrease in the Canadian Dollar against the United States Dollar. The sensitivity analysis includes only outstanding foreign currency denominated monetary items. A 100-basis point is the sensitivity rate used when reporting foreign currency risk internally to management and represents management's assessment of the possible change in foreign exchange rates.

The consolidated entity had net asset denominated in foreign currency of $1,491,084 (assets of $2,024,161 less liabilities of $533,077) as at 31 July 2023 (2022: net assets of $1,495,565, (assets of $1,761,667 less liabilities of $266,101). If foreign exchange rates had been 100 basis points higher or lower and all other variables held constant, the consolidated entity's loss will increase/decrease by $14,911 (2022: $14,956); and net assets will increase/decrease by $14,911 (2022: $14,956).

The consolidated entity's sensitivity to foreign exchange rates has not changed significantly from prior year.

c) Interest rate risk

The consolidated entity is not exposed to interest rate risk as it has no interest-bearing loans.

d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity.

There are no significant concentrations of credit risk within the consolidated entity. The consolidated entity considers its credit risk exposure to be negligible. The carrying amount of the consolidated entity's financial assets represents the maximum credit risk exposure, as represented below:

	Consolidated	
	2023	**2022**
	$	**$**
Other current assets	24,960	106,571

Trade and other receivables are comprised primarily of sundry receivables and GST refunds due. Where possible the consolidated entity trades only with recognised, creditworthy third parties.

e) Liquidity risk

Vigilant liquidity risk management requires consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

Consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.The contractual maturities of financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

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Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated – 31 July 2023	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Borrowings	0%	2,214,845	-	-	-	2,214,845
Trade payables	0%	145,835	-	-	-	145,835
Total non-derivatives		2,360,680	-	-	-	2,360,680

Consolidated – 31 July 2022	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Borrowings	2,001,848				2,001,848
Trade payables	183,012	-	-	-	183,012
Total non-derivatives	2,184,860	-	-	-	2,184,860

f) Fair values

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

NOTE 22. INTEREST IN SUBSIDIARY

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**2023 %**	**2022 %**
Great Plains Mining LLC	United States of America	100%	100%

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Sentinel Metals Corp.

BC1320942

DIRECTORS' DECLARATION

In the opinion of the Board of Directors of Sentinel Metals Corp. ("the Company"):

- IFRS compliance – the accompanying consolidated financial statements and notes have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, as described in Note 1.

- Fair presentation – the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at 31 July 2023 and its financial performance and cash flows for the year then ended.

- Board approval under corporate law – the Board has authorised these financial statements in accordance with section 158(1) of the Canada Business Corporations Act (or the equivalent section of the applicable provincial statute), and that approval is evidenced by the director signatures below.

- Going-concern basis – having reviewed the Company's cash-flow forecasts, financing arrangements and other relevant matters, the Board believes there are reasonable grounds to conclude that the Company will be able to pay its liabilities as they become due and that the going-concern basis of accounting remains appropriate.

This statement is made pursuant to a resolution of the Board of Directors dated 16 June 2025.

Approved and signed on behalf of the Board:

Director: Matthew Herbert

Name: Matthew Herbert
Title: Managing director
Date: 16 June 2025

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RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

www.rsm.com.au

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SENTINEL METALS CORP.

Opinion

We have audited the financial report of Sentinel Metals Corp. (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 July 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 July 2023, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial report of the Group presents fairly, in all material respects, the financial position of the Group as at 31 July 2023 and of its financial performance for the year ended 31 July 2023 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the International Ethics Standard Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1, which indicates that the Group incurred a net loss of $46,897 for the year ended 31 July 2023. As at that date, the Group has net current liabilities of $2,020,973. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 July 2023 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter

The financial report of the Group for the year ended 31 July 2022 was not audited.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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ALASDAIR WHYTE
Partner

Perth, WA
Dated: 16 June 2025

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