

**SORRENTO RESOURCES LTD.**

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED INTERIM FINANCIAL STATEMENTS**

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Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the 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 auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**SORRENTO RESOURCES LTD.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited - Expressed in Canadian Dollars)  
**AS AT**

	<b>September 30, 2025</b>	June 30, 2025
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 75,588	\$ 114,480
Accounts receivable	32,761	51,767
Prepaid expenses and deposits (Note 5)	<u>21,559</u>	<u>48,624</u>
	129,908	214,871
<b>Investment</b> (Note 4)	50,000	65,000
<b>Mineral properties</b> (Note 5)	<u>1,413,805</u>	<u>1,908,555</u>
	<u>\$ 1,593,713</u>	<u>\$ 2,188,426</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 310,523	\$ 221,635
Loans payable (Note 3)	<u>200,000</u>	<u>200,000</u>
	<u>510,523</u>	<u>421,635</u>
<b>Shareholders' equity</b>		
Share capital (Note 6)	3,691,511	3,671,261
Reserves (Note 6)	3,882	3,882
Obligation to issue equity instrument (Note 3)	184,665	184,665
Accumulated other comprehensive loss (Note 4)	(90,000)	(75,000)
Deficit	<u>(2,706,868)</u>	<u>(2,018,017)</u>
	<u>1,083,190</u>	<u>1,766,791</u>
	<u>\$ 1,593,713</u>	<u>\$ 2,188,426</u>

Approved and authorized by the Board of Directors on December 1, 2025.

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*"Alex Bugden"* Director      \_\_\_\_\_  
*"Brent Clark"* Director

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

**SORRENTO RESOURCES LTD.**  
**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Unaudited - Expressed in Canadian Dollars)  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30,**

	<b>2025</b>	2024
<b>Expenses</b>		
Consulting fees (Note 7)	54,000	15,000
Directors' fees (Note 7)	-	7,500
Exploration expenses (Notes 5 and 7)	78,670	54,598
Investor relations	680	1,200
Listing fees	8,503	8,050
Management fees (Note 7)	-	15,000
Office and miscellaneous	1,268	1,732
Professional fees	2,558	13,145
Transfer agent and filing fees	<u>940</u>	<u>2,643</u>
<b>Total expenses</b>	(146,619)	(118,868)
<b>Other expense</b>		
Impairment of exploration deposit (Note 5)	(22,232)	-
Impairment of mineral property (Note 5)	<u>(520,000)</u>	<u>-</u>
<b>Net loss</b>	(688,851)	(118,868)
<b>Other comprehensive loss</b>		
Unrealized loss on investment (Note 4)	<u>(15,000)</u>	<u>(5,000)</u>
<b>Comprehensive loss for the period</b>	<u>\$ (703,851)</u>	<u>\$ (123,868)</u>
<b>Basic and diluted loss per common share</b>	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>
<b>Weighted average number of common shares outstanding</b>	<u>32,600,348</u>	<u>23,701,002</u>

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

**SORRENTO RESOURCES LTD.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
(Unaudited - Expressed in Canadian Dollars)  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30,**

	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (688,851)	\$ (118,868)
Items not affecting cash:		
Impairment of exploration deposit	22,232	-
Impairment of mineral property	520,000	-
Shares issued for services	-	5,000
Changes in non-cash working capital items:		
Accounts receivable	19,006	(14,531)
Accounts payable and accrued liabilities	88,888	(27,163)
Prepaid expenses and deposits	4,833	(17,559)
Net cash used in operating activities	<u>(33,892)</u>	<u>(173,121)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Mineral property interests - paid	<u>(5,000)</u>	<u>(47,500)</u>
Net cash used in investing activity	<u>(5,000)</u>	<u>(47,500)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan proceeds	-	175,000
Warrants exercised	<u>-</u>	<u>32,500</u>
Net cash provided by financing activities	<u>-</u>	<u>207,500</u>
<b>Change in cash for the period</b>	<b>(38,892)</b>	<b>(13,121)</b>
<b>Cash, beginning of period</b>	<u>114,480</u>	<u>19,261</u>
<b>Cash, end of period</b>	<u>\$ 75,588</u>	<u>\$ 6,140</u>
<b>Supplemental cash flow information</b>		
Shares issued for mineral property	<u>\$ 20,250</u>	<u>\$ 1,053,500</u>

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

**SORRENTO RESOURCES LTD.**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited - Expressed in Canadian Dollars)

	<u>Share Capital</u>		Obligation to issue equity instrument	Reserves	Accumulated other comprehensive loss	Deficit	Total
	Number	Amounts					
<b>Balance, June 30, 2024</b>	19,408,611	\$ 1,912,818	\$ -	\$ 59,057	\$ (40,000)	\$ (1,275,245)	\$ 656,630
Warrants exercised	650,000	32,500	-	-	-	-	32,500
Shares issued for mineral property	4,300,000	1,053,500	-	-	-	-	1,053,500
Directors' fee paid in shares	25,000	5,000	-	-	-	-	5,000
Net loss and comprehensive loss for the period	-	-	-	-	(5,000)	(118,868)	(123,868)
<b>Balance, September 30, 2024</b>	24,383,611	3,003,818	-	59,057	(45,000)	(1,394,113)	1,673,762
Private placement	4,999,998	375,000	-	-	-	-	375,000
Warrants exercised	1,182,500	59,125	-	-	-	-	59,125
Shares issued for mineral property	2,000,000	240,000	-	-	-	-	240,000
Share issuance costs	-	(6,682)	-	3,882	-	-	(2,800)
Obligation to issue warrants	-	-	184,665	-	-	-	184,665
Expiry of agent options	-	-	-	(59,057)	-	59,057	-
Net loss and comprehensive loss for the period	-	-	-	-	(30,000)	(682,961)	(712,961)
<b>Balance, June 30, 2025</b>	32,566,109	3,671,261	184,665	3,882	(75,000)	(2,018,017)	1,766,791
Shares issued for mineral property	150,000	20,250	-	-	-	-	20,250
Net loss and comprehensive loss for the period	-	-	-	-	(15,000)	(688,851)	(703,851)
<b>Balance, September 30, 2025</b>	32,716,109	\$ 3,691,511	\$ 184,665	\$ 3,882	\$ (90,000)	\$ (2,706,868)	\$ 1,083,190

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

**SORRENTO RESOURCES LTD.**  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
(Unaudited - Expressed in Canadian Dollars)  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Sorrento Resources Ltd. (the “Company”) was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on October 4, 2021. The Company maintains its registered office at 830 – 999 West Broadway, Vancouver, British Columbia, Canada V5Z 1K5. The head office and principal address of the Company is 700 – 838 West Hastings Street, Vancouver, British Columbia, Canada V6C 0A6. The Company is in the business of exploration, development and exploitation of mineral resources in Canada.

The recoverability of amounts shown as mineral properties is dependent upon the discovery of economically recoverable reserves, the Company’s ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties. Realized values may be substantially different than carrying values as recorded in these financial statements.

As at September 30, 2025, the Company has an accumulated deficit of \$2,706,868 (June 30, 2025 - \$2,018,017). The Company reported a net loss of \$688,851 (2024 - \$118,868) and negative cashflows from operations of \$33,892 (2024 - \$173,121) for the three months ended September 30, 2025. The Company’s ability to continue as a going concern is dependent upon its ability to raise funds primarily through the issuance of shares or achieve profitable operations. The outcome of these matters cannot be predicted at this time. If the Company is unable to obtain additional financing, management may be required to curtail certain expenses. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern. Accordingly, these financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

**2. BASIS OF PREPARATION**

**Statement of compliance**

These condensed interim financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) on a going concern basis as issued by the International Accounting Standards Board (“IASB”), which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes. These condensed interim financial statements should be read together with the audited financial statements for the year ended June 30, 2025.

The condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their value.

**Basis of presentation**

The condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The condensed interim financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

**SORRENTO RESOURCES LTD.**  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
(Unaudited - Expressed in Canadian Dollars)  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

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**2. BASIS OF PREPARATION** (*cont'd...*)

**Use of judgments and estimates**

The preparation of these financial statements requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The key areas of estimate applied in the preparation of the financial statements that could result in a material adjustment to the carrying value of assets and liabilities are as follows:

- Recovery of capitalized mineral property costs

The Company capitalizes mining property acquisition costs which are to be amortized when production is attained or the balance thereof written off should the property be disproven through exploration or abandoned. The carrying value of the Company's mineral property is reviewed by management at least annually, or whenever events or circumstances indicate that its carrying value may not be recovered. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

The key areas of judgment applied in the preparation of the financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

- Hybrid financial instruments

Loans issued by the Company with accompanying commitment warrants are allocated in the corresponding liability and derivative components at the date of issue. The Company fair values the derivative component first using a Black-Scholes model, and the remaining residual value is then allocated to the loan component. The loan component is subsequently accreted to face value and the derivative component is remeasured at fair value at each reporting date. The inputs to the Black-Scholes model used to calculate the fair value of the derivative component are subject to estimates.

**SORRENTO RESOURCES LTD.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited - Expressed in Canadian Dollars)  
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**3. LOANS PAYABLE**

During the year ended June 30, 2025, the Company received \$200,000 in loans from third parties.

During the year ended June 30, 2025, the Company entered into a loan agreement with the third parties that will issue such number of share purchase warrants (the “Bonus Warrants”) as is equivalent to the outstanding value of the loan on such maturity date divided by the share issue price of a future financing. The maturity date of the loans will be the date that the Company completes an equity financing generating gross proceeds of not less than \$350,000. Each loan Bonus Warrant will entitle the holder to purchase one common share of the Company at an exercise price equivalent to the price of the future financing for a term equivalent to any warrants issued in such future financing. The loans are non-interest bearing and are unsecured.

For accounting purposes, the loans payable were considered a compound financial instrument and the principal value was bifurcated into corresponding derivative liability and debt components at the date of issue. The values were allocated \$200,000 to derivative liability and \$nil to debt. The derivative liability was remeasured at the future financing date and determined to have a fair value of \$184,665 and a gain on derivative liability of \$15,335 was recognized in the statement of loss and comprehensive loss. At that date, the terms of the instrument no longer met the definition of a liability, and the derivative was reclassified to equity. The Company determined the fair value of the derivative liability component using a Black-Scholes model in accordance with Level 3 of the fair value hierarchy using the following assumptions:

	<b>At October 24, 2024 (loan issuance)</b>	<b>At May 6, 2025</b>
Expected exercise price	\$0.075	\$0.075
Expected volatility	115%	115%
Expected life (in years)	3.0	3.0
Risk-free interest rate	3.12%	2.54%
Expected forfeiture rate	0.00%	0.00%
Expected dividend rate	0.00%	0.00%

During the year ended June 30, 2025, the Company completed a private placement of \$375,000 resulting in the maturity of the loans payable. Accordingly, the loans payable is due on demand and accretion expense of \$200,000 was recognized in the statement of loss and comprehensive loss.

**4. INVESTMENT**

During the year ended June 30, 2024, the Company received 1,000,000 common shares of Gold Hunter Resources Inc. (“Gold Hunter”), an arm’s length party, in connection with a property purchase agreement (“PPA”). The Company is a non-significant shareholder following the receipt of these common shares. Further details are included in Note 5.

The shares of Gold Hunter had a market value of \$140,000 upon acquisition and are classified as financial assets measured at fair value through other comprehensive income (“FVOCI”). At September 30, 2025, the shares of Gold Hunter had a fair value of \$50,000 (June 30, 2025 - \$65,000), resulting in a change in fair value of \$15,000 (2024 - \$5,000) for the three months ended September 30, 2025 recognized through other comprehensive loss.

**5. MINERAL PROPERTIES**

Title to mineral properties involves inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently unreliable conveyance history characteristics of many mineral properties. The Company has investigated title of all of its mineral properties and to the best of its knowledge the properties are in good standing.

**SORRENTO RESOURCES LTD.**  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
(Unaudited - Expressed in Canadian Dollars)  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

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**5. MINERAL PROPERTIES** (*cont'd...*)

**Wing Pond Project, Newfoundland, Canada**

On November 9, 2021, and subsequently amended on October 28, 2022, the Company entered into an option agreement (the “Wing Pond Agreement”), with unrelated parties (the “Wing Pond Optionors”), to acquire a 100% interest in 462 mining claims located in Newfoundland.

In order to exercise the option and acquire the Wing Pond property, the Company must complete, over a period of two years, the following payments:

- Make a cash payment of \$35,000 within 21 days of signing the Wing Pond Agreement (paid);
- Incur \$90,000 of exploration expenditures on the claims and deliver the technical report, on or before November 30, 2022 (completed);
- Issue 1,000,000 common shares to the optionors on or before the earlier of (i) listing of the Company’s common shares on the Canadian Securities Exchange, and (ii) April 30, 2023 (issued); and
- Make a further cash payment of \$50,000 and issue a further 2,000,000 common shares to the Wing Pond Optionors and incur a further \$200,000 of exploration expenditures (incurred) on the claims on or before the earlier of (i) the first anniversary of the listing date, and (ii) November 30, 2023 (paid and issued).

During the year ended June 30, 2024, the Company fully exercised its option to acquire the Wing Pond property. The Company now holds 100% interest in and to the Wing Pond property, subject to a 3% net smelter returns royalty, of which the Company may repurchase 2% at any time for \$1,000,000.

During the three months ended September 30, 2025, the Company determined indicators of impairment existed with respect to the Wing Pond property leading to a test of a recoverable amount as the Company decided not to renew the licenses to focus on the other mineral properties, which resulted in an impairment property expense of \$520,000 and in an impairment of exploration deposit of \$22,232. The estimated recoverable value was based on its value-in-use of \$nil, estimated in accordance with level 3 of the fair value hierarchy.

**Central Peninsula Projects, Newfoundland, Canada**

On June 13, 2023, the Company entered into a PPA with Gold Hunter, a public company under the laws of British Columbia. The Company completed its acquisition with Gold Hunter of a 100% interest in a portion of the claims comprising PEG Lithium, Harmsworth, and Tom Joe properties (“Central Peninsula Projects”).

The Company paid Gold Hunter \$50,000 in cash and issued 1,000,000 common shares. The Company also granted a 1% net smelter returns royalty to Gold Hunter (the “Gold Hunter NSR”).

The properties are also subject to a 2% net smelter returns royalty held by Fair Haven Resources Inc. (the “Fair Haven NSR”). The Fair Haven NSR is subject to the right to buy back 50% of the Fair Haven NSR at any time for \$1,000,000. The Company will also have the right to buy back 50% of the Gold Hunter NSR at any time for \$1,000,000. Both the Fair Haven NSR and Gold Hunter NSR are subject to rights of first refusal in favor of the Company in connection with any proposed sale or transfer of such royalty.

During the year ended June 30, 2024, the Company had advanced a deposit of \$4,701 on the Harmsworth property, which remains in prepaid expenses and deposits. The Company determined indicators of impairment existed with respect to the Tom Joe property leading to a test of a recoverable amount, which resulted in an impairment of mineral property expense of \$69,098.

During the year ended June 30, 2025, the Company had advanced a deposit of \$621 on the Harmsworth property, which remains in prepaid expenses and deposits. The Company determined indicators of impairment existed with respect to the PEG Lithium property leading to a test of a recoverable amount, which resulted in an impairment property expense of \$135,944 and in an impairment of exploration deposit of \$20,020. The estimated recoverable value was based on its value-in-use of \$nil, estimated in accordance with level 3 of the fair value hierarchy.

**SORRENTO RESOURCES LTD.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited - Expressed in Canadian Dollars)  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

**5. MINERAL PROPERTIES** (cont'd...)

**Lord Baron Project, Newfoundland, Canada**

On July 10, 2024, the Company completed the acquisition of a 100% undivided interest in the minerals licenses collectively representing the Lord Baron copper project (the "Lord Baron Project") located in the province of Newfoundland and Labrador (the "Lord Baron Transaction"). The Lord Baron Transaction was completed pursuant to three separate purchase agreements with arm's length parties for aggregate consideration of \$47,500 in cash and the issuance of an aggregate of 4,300,000 common shares of the Company valued at \$1,053,500, as well as the grant of 2% net smelter returns royalties to the underlying vendors of the various mineral licenses representing the Lord Baron Project.

During the three months ended September 30, 2025, the Company had advanced a deposit of \$914 on the Lord Baron property, which remains in prepaid expenses and deposits.

Subsequent to the three months ended September 30, 2025, the Company sold the Lord Baron Project (Note 11).

**Rodgers Cove Project, Newfoundland, Canada**

On June 13, 2025, the Company completed the acquisition of a 100% undivided interest in the minerals licenses collectively representing the Rodgers Cove gold project (the "Rodgers Cove Project") located in the province of Newfoundland and Labrador (the "Rodgers Cove Transaction"). The Rodgers Cove Transaction was completed with arm's length parties for aggregate consideration of \$10,000 in cash and the issuance of an aggregate of 2,000,000 common shares of the Company valued at \$240,000, as well as the grant of 2% net smelter returns royalties to the underlying vendors of the various mineral licenses representing the Rodgers Cove Project.

On September 9, 2025, the Company acquired a 100% undivided interest in 7 mineral licenses, adding to its Rodgers Cove project. The transaction was completed with an arm's length party for aggregate consideration of \$5,000 in cash and the issuance of an aggregate of 150,000 common shares of the Company, as well as the grant of 2% net smelter returns royalties to the vendor, of which the Company may purchase at 1.5% royalty for a total of \$1,000,000.

**Mineral Property Interests**

Details of mineral property balance is as follows:

	<b>Wing Pond</b>	<b>Central Peninsula</b>	<b>Lord Baron</b>	<b>Rodgers Cove</b>	<b>Total</b>
Balance, June 30, 2024	\$ 520,000	\$ 173,499	\$ -	\$ -	\$ 693,499
Option payments – cash	-	-	47,500	10,000	57,500
Option payments – shares	-	-	1,053,500	240,000	1,293,500
Impairment	-	(135,944)	-	-	(135,944)
Balance, June 30, 2025	520,000	37,555	1,101,000	250,000	1,908,555
Option payments – cash	-	-	-	5,000	5,000
Options payments – shares	-	-	-	20,250	20,250
Impairment	(520,000)	-	-	-	(520,000)
Balance, September 30, 2025	\$ -	\$ 37,555	\$ 1,101,000	\$ 275,250	\$ 1,413,805

**SORRENTO RESOURCES LTD.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited - Expressed in Canadian Dollars)  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

**5. MINERAL PROPERTIES** *(cont'd...)*

**Exploration Expenditures**

The Company expended the following exploration and evaluation expenditures:

*Three months ended September 30, 2025 and 2024*

	Wing Pond		Central Peninsula		Lord Baron		Rodgers Cove		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Assays	\$ -	\$ 5,203	\$ -	\$ -	\$ 48,670	\$ -	\$ -	\$ -	\$ 48,670	\$ 5,203
Field office	-	645	-	-	-	-	-	-	-	645
Geological and geophysical	-	17,250	3,000	3,000	12,000	28,500	15,000	-	30,000	48,750
<b>Total exploration expenditures</b>	<b>\$ -</b>	<b>\$ 23,098</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 60,670</b>	<b>\$ 28,500</b>	<b>\$ 15,000</b>	<b>\$ -</b>	<b>\$ 78,670</b>	<b>\$ 54,598</b>

**SORRENTO RESOURCES LTD.**  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
(Unaudited - Expressed in Canadian Dollars)  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

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**6. SHARE CAPITAL**

a) Authorized share capital

Unlimited number of common shares without par value.

At September 30, 2025, there were 1,082,500 (June 30, 2025 - 2,165,000) common shares held in escrow. The remaining shares held in escrow will release on the 36<sup>th</sup> month anniversary of the listing date of the Company, February 22, 2023.

b) Issued share capital

*Period ended September 30, 2025*

On September 9, 2025, the Company acquired issued 150,000 common shares fair valued at \$20,250 in accordance with the additional mineral claims for the Rodgers Cove Project (Note 5).

*Year ended June 30, 2025*

On July 10, 2024, the Company issued 4,300,000 common shares fair valued at \$1,053,500 in accordance with the Lord Baron Transaction (Note 5).

On August 1, 2024, the Company issued 25,000 shares at a price of \$0.20 per share for an aggregate value of \$5,000 to a vendor for services.

The Company issued 1,832,500 common shares from warrant exercises for gross proceeds of \$91,625.

On May 6, 2025, the Company closed a non-brokered private placement of 4,999,998 units, at a price of \$0.075 per unit, for gross proceeds of \$375,000. Each unit consists of one common share and one-half share purchase warrant. Each warrant entitles the holder to purchase a common share at a price of \$0.15 per share until May 6, 2028. The Company issued 37,333 finders' warrants and paid \$2,800 in finders' fees.

The finders' warrants were valued at \$3,882 using the Black-Scholes inputs: risk-free interest rate of 2.55%, volatility of 115.10%, expected dividend rate of 0%, and expected life of 3 years. The expected volatility assumption is based on comparable public companies as the Company has limited trading history. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the expected life of the instrument.

On June 13, 2025, the Company issued 2,000,000 common shares fair valued at \$240,000 in accordance with the Rodgers Cove Transaction (Note 5).

**SORRENTO RESOURCES LTD.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
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**6. SHARE CAPITAL (cont'd...)**

c) Omnibus Share Incentive Option Plan

On November 6, 2023, the Company's shareholders approved an Omnibus Share Incentive Option Plan (the "Option Plan"), replacing the stock option plan that was adopted on July 21, 2022. The Option Plan includes the providing for the grant of options ("Options"), restricted share units ("RSUs"), performance share units ("PSUs" and together with RSUs, "Share Units"), and deferred share units ("DSUs" and together with the Options and Share Units, "Awards"). Under the Option Plan, it includes a rolling stock option plan component that sets the maximum number of common shares reserved for issuance, in the aggregate, pursuant to the exercise of Awards granted under the Option Plan at 10% of the outstanding number of common shares issued and outstanding on a non-diluted basis from time to time.

d) Warrants

The following is a summary of the changes to the Company's outstanding warrants:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2024	2,250,000	\$ 0.05
Exercised	(1,832,500)	0.05
Expired	(417,500)	0.05
Issued	<u>2,537,332</u>	<u>0.15</u>
Balance, June 30 and September 30, 2025	<u>2,537,332</u>	<u>\$ 0.15</u>

Summary of warrants outstanding as at September 30 and June 30, 2025:

September 30, 2025	June 30, 2025	Exercise Price	Expiry Date
		\$	
2,537,332	2,537,332	0.15	May 6, 2028
<u>2,537,332</u>	<u>2,537,332</u>		

The weighted average remaining contractual life of the warrants is 2.60 (June 30, 2025 - 2.85) years.

e) Agent Options

The following is a summary of changes to the Company's outstanding agent options:

	Number of Agent Options	Weighted Average Exercise Price
Balance, June 30, 2024	505,525	\$ 0.175
Expired	<u>(505,525)</u>	<u>0.175</u>
Balance, June 30 and September 30, 2025	<u>-</u>	<u>\$ -</u>

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**7. RELATED PARTY TRANSACTIONS**

Key management personnel are comprised of the officers and directors of the Company. Amounts paid or accrued to key management personnel are as follows:

	<b>For the three months ended September 30, 2025</b>	For the three months ended September 30, 2024
<b>Payments to key management personnel</b>		
Consulting fees	\$ 15,000	\$ 15,000
Directors' fees	\$ -	\$ 7,500
Exploration expenses – geologist	\$ 30,000	\$ 38,500
Management fees <sup>(1)</sup>	\$ -	\$ 15,000

(1) Fees incurred by the former CEO and director of the Company.

As at September 30, 2025, \$173,346 (June 30, 2025 - \$151,621) was included in accounts payable and accrued liabilities owing to key management personnel. These amounts are unsecured, non-interest bearing and due on demand.

**8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**Financial instruments**

The Company's financial instruments consist of cash, investment, accounts payable and accrued liabilities, loans payable, and derivative liability. The fair value of cash, accounts payable and accrued liabilities, and loans payable are carried at amortized cost which approximates their fair value due to the short-term nature of the financial instruments. The fair value of the investment is determined using Level 1 of the fair value hierarchy.

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

*Credit risk*

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. As the Company's policy is to limit cash holdings to instruments issued by a major Canadian bank, the credit risk is considered by management to be negligible. The Company considers credit risk with respect to these amounts to be low.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. As at September 30, 2025, the Company had working capital deficiency of \$380,615 (June 30, 2025 - \$206,764). The Company's financial obligations are limited to accounts payable and accrued liabilities, and loans payable, which have contractual maturities of less than a year.

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**8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT** *(cont'd...)*

**Financial instruments** *(cont'd...)*

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has no-interest bearing debt. The Company is not exposed to interest rate risk as at September 30, 2025.

*Commodity price risk*

The Company's future success is linked to the price of minerals because the value of mineral resources and the Company's future revenues are tied to prices of minerals. Worldwide production levels also affect the prices. The prices of minerals are occasionally subject to rapid short-term changes due to speculative activities.

*Foreign currency risk*

As at September 30, 2025, the Company did not have any accounts in foreign currencies and considers foreign currency risk to be insignificant. The Company may be exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in a foreign currency in the future.

*Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk).

The Company has an investment in Gold Hunter. As at September 30, 2025, the Company had an investment with a fair value of \$50,000 (June 30, 2025 - \$65,000). A 10% movement would have impacted other comprehensive loss by approximately \$15,000 (2024 - \$5,000). As such, price risk will have an impact to the Company's comprehensive net loss.

**9. CAPITAL MANAGEMENT**

The Company's capital management policy is to maintain a strong but flexible capital structure that optimizes the cost of capital, creditor and market confidence while sustaining the future development of the business.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Company's capital structure includes shareholders' equity of \$1,803,190 (June 30, 2025 - \$1,766,791) as at September 30, 2025. In order to maintain or adjust the capital structure, the Company may from time-to-time issue shares, seek debt financing and adjust its capital spending to manage current and working capital requirements. The Company did not change its capital management policy during the three months ended September 30, 2025. The Company is not subject to externally imposed capital requirements.

**10. SEGMENTED INFORMATION**

The Company has one operating segment, the exploration and development of mineral resources, and all non-current assets are located in Canada.

## 11. SUBSEQUENT EVENTS

- The Company completed an arm's length definitive option agreement with Naughty Ventures Corp. to acquire the right's, title and interest in and to certain mineral claims commonly known as the Bottom Brook rare earth element property (the "Bottom Brook Property"). To maintain the option in good standing, the Company must incur exploration expenditures of \$1,000,000 within 12 months and \$1,500,000 within 24 months, pay \$250,000 in cash one year after closing, and issue 9,000,000 common shares on closing, 11,000,000 common shares within 24 months, and, if the Company elects to earn the final 20% interest, additional shares equal to 10% of the Company's then issued and outstanding shares within 36 months. Until the final tranche is issued, Naughty Ventures Corp. retains a 20% free-carried interest. In connection with the agreement, the Company has agreed to pay a finder's fee in an amount equal to 10% of each completed cash payment and share issuance, payable in either cash or common shares in the capital of the Company. The first share issuance of finder's fee of 900,000 common shares was paid to the vendor.
- The Company completed an arm's length property purchase agreement with Naughty Ventures Corp. for the sale of a 100% undivided interest in the Lord Baron Property, subject to an existing underlying 2% net smelter returns royalty. The Company will receive 1,000,000 common shares in the capital of Naughty Ventures Corp., at a deemed price of \$0.18 per common share, subject to the net smelter returns royalty. In connection with the agreement, the Company has agreed to pay a finder's fee of 100,000 common shares in the capital of the Company.
- The Company closed a brokered private placement for gross proceeds of \$3,175,000. In connection with the offering, the Company issued the following combination of securities:
  - 4,200,000 premium flow-through units of the Company at a price of \$0.35 per premium flow-through unit for gross proceeds of \$1,470,000; each premium flow-through unit will consist of one common share of the company that will qualify as a flow-through share within the meaning of Subsection 66(15) of the Income Tax Act (Canada) and one common share purchase warrant;
  - 916,700 flow-through units of the company at a price of \$0.30 per flow-through unit for gross proceeds of \$275,010; each flow-through unit will consist of one common share that will qualify as a flow-through share within the meaning of Subsection 66(15) of the tax act and one-half of one warrant; and
  - 5,719,960 units of the company at a price of \$0.25 per unit for gross proceeds of \$1,429,990; each unit will consist of one common share of the company and one warrant.

Each warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.35 per warrant share until November 18, 2027.

The Company paid the agent a cash commission of \$171,300 and granted the agent 573,400 broker warrants. In addition, the agent received an advisory fee of \$6,000 and 24,000 advisory broker warrants on the same terms as the broker warrants. Each agent's warrant shall entitle the holder thereof to purchase one common share at an exercise price of \$0.25 until November 18, 2027.

A portion of the offering involved the set-off of: (a) \$150,000 in principal value of a loan made by Canal Front Investments Inc, against a subscription for an aggregate of 600,000 units at a cost of \$150,000. \$50,000 in principal value of a loan made by Kluane Capital FZCO, against a subscription for an aggregate of 200,000 units at a cost of \$50,000 (Note 3); (b) \$70,000 in accrued and unpaid fees to a company owned and controlled by the CEO against a subscription for an aggregate of 280,000 units at a cost of \$70,000.