

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Sorrento Resources Ltd. (the "Issuer").

Trading Symbol: SRS

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

Unaudited condensed interim financial statements for the six months ended December 31, 2023 (the “Interim Financial Statements”) as filed with securities regulatory authorities, are attached to this Form 5 - Quarterly Listing Statement as Appendix I.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

All related party transactions have been disclosed in Note 5 to the Issuer’s Interim Financial Statements attached hereto as Appendix I.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

All securities issued and options granted, if any, during the reporting period have been disclosed in the Issuer’s financial statements for the six months ended December 31, 2023 attached hereto as Appendix I.

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
Any securities issued have been disclosed in the Issuer's Financial Statements attached here to as Appendix I.								

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
Any options granted have been disclosed in the Issuer's Financial Statements attached here to as Appendix I.						

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

A summary of securities as at the end of the reporting period has been disclosed in the Issuer's financial statements for the six months ended December 31, 2023 attached hereto as Appendix I.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name	Position (s) Held
Brayden R. Sutton	President, Chief Executive Officer and Director
T. Joshua Taylor	Director
Brent M. Clark	Director
Samantha L. Shorter	Director
Bobby S. Dhaliwal	Chief Financial Officer and Corporate Secretary

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

The MD&A if required by applicable securities legislation.

Management's Discussion & Analysis for the six months ended December 31, 2023 as filed with securities regulatory authorities, are attached to this Form 5 - Quarterly Listing Statement as Appendix II.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated February 28, 2024.

Bobby S. Dhaliwal
Name of Director or Senior Officer

"Bobby S. Dhaliwal"
Signature

Chief Financial Officer
Official Capacity

Issuer Details Name of Issuer	For Quarter Ended	Date of Report YY/MM/D
Sorrento Resources Ltd.	December 31, 2023	24/02/28
Issuer Address		
9285 -203 B Street		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Langley, B.C., V1M 2L9	N/A	(604) 290-6152
Contact Name	Contact Position	Contact Telephone No.
Robert Coltura	Administrator	(604) 290-6152
Contact Email Address	Web Site Address	
rcoltura@matalia.ca	N/A	

Appendix I

SORRENTO RESOURCES LTD.

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

FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

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

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated 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 LOSS AND COMPREHENSIVE LOSS**

(Unaudited - Expressed in Canadian Dollars)

	Three months ended,		Six months ended,	
	December 31,		December 31,	
	2023	2022	2023	2022
EXPENSES				
Consulting fees (Note 5)	\$ 24,000	\$ 13,500	\$ 48,000	\$ 27,000
Directors' fees (Note 5)	7,500	-	15,000	-
Exploration expenses (Note 3)	99,250	23,810	233,269	37,343
Investor relations	17,099	-	34,099	-
Listing fees	7,306	-	14,612	-
Management fees (Note 5)	22,500	15,000	45,000	30,000
Office and miscellaneous	7,757	8,953	14,381	12,694
Professional fees	19,942	1,541	26,707	7,846
Transfer agent and filing fees	7,778	-	10,027	-
Loss and comprehensive loss for the period	\$ (213,132)	\$ (62,804)	\$ (441,095)	\$ (114,883)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.01)
Weighted average number of common shares outstanding	17,457,524	9,166,666	17,255,078	9,166,666

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 SIX MONTHS ENDED DECEMBER 31,

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (441,095)	\$ (114,883)
Changes in non-cash working capital items:		
Accounts receivable	(13,746)	(461)
Accounts payable and accrued liabilities	82,496	31,611
Prepaid expenses and deposits	<u>127,022</u>	<u>-</u>
Net cash used in operating activities	<u>(245,323)</u>	<u>(83,733)</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Mineral property interests	<u>(50,000)</u>	<u>-</u>
Net cash used in investing activity	<u>(50,000)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Deferred financing costs	<u>-</u>	<u>(38,982)</u>
Net cash used in financing activity	<u>-</u>	<u>(38,982)</u>
Change in cash for the period	(295,323)	(122,715)
Cash, beginning of period	<u>322,545</u>	<u>261,990</u>
Cash, end of period	<u>\$ 27,222</u>	<u>\$ 139,275</u>
Supplemental cash flow information		
Deferred financing costs in accounts payable and accrued liabilities	\$ -	\$ 77,453
Shares issued for mineral property	\$ 340,000	\$ -

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)

	Common Shares		Obligation to issue shares	Reserves	Deficit	Total
	Number	Amounts				
Balance, June 30, 2022	9,166,666	\$ 503,941	\$ -	\$ -	\$ (225,379)	\$ 278,562
Net loss for the period	-	-	-	-	(114,883)	(114,883)
Balance, December 31, 2022	9,166,666	503,941	-	-	(340,262)	163,679
IPO	4,884,300	854,753	-	-	-	854,753
Over-allotment exercised	732,645	128,213	-	-	-	128,213
Shares issuable on mineral property	2,000,000	475,000	-	-	-	475,000
Share issuance costs	-	(371,839)	-	59,057	-	(312,782)
Obligation to issue shares	-	-	42,750	-	-	42,750
Net loss for the period	-	-	-	-	(322,406)	(322,406)
Balance, June 30, 2023	16,783,611	1,590,068	42,750	59,057	(662,668)	1,029,207
Shares issuable on mineral property	2,000,000	340,000	-	-	-	340,000
Directors' fee payable in shares	225,000	42,750	(42,750)	-	-	-
Net loss for the period	-	-	-	-	(441,095)	(441,095)
Balance, December 31, 2023	19,008,611	\$1,972,818	\$ -	\$ 59,057	\$ (1,103,763)	\$ 928,112

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 SIX MONTHS ENDED DECEMBER 31, 2023

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 3200 – 650 West Georgia Street, Vancouver, British Columbia, Canada V6B 4P7. The head office and principal address of the Company is 9285 – 203B Street, Langley, British Columbia, Canada V1M 2L9. 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 condensed interim financial statements.

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

As at December 31, 2023, the Company has an accumulated deficit of \$1,103,763 (June 30, 2023 - \$662,668). The Company reported a net loss of \$441,095 (2022 - \$114,883) and negative cashflows from operations of \$245,323 (2022 - \$83,733) for the for the six months ended December 31, 2023. 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 condensed interim 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 IAS 34, Interim Financial Reporting. 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, 2023.

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 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.

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

Use of judgments and estimates

The preparation of these condensed interim 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 condensed interim 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 judgment applied in the preparation of the condensed interim 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.

- **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.

- **Treatment of deferred financing costs**

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Management applies significant judgment to determine whether the completion of the transaction is considered likely.

The key estimate applied in the preparation of condensed interim financial statements is assumptions used in the calculation of the fair value assigned to options. The Company uses the Black-Scholes option pricing model for valuation of options. Option pricing models require the input of subjective assumptions, including expected price volatility, interest rate and forfeiture rate. Changes in input assumptions can materially affect the fair value estimate and the Company's equity reserves.

3. 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.

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, 2023, the Company had advanced a deposit of \$153,180 on the Wing Pond Project, which has been fully applied against work programs in the period ended December 31, 2023.

During the six months ended December 31, 2023, 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 acquire 2/3 (2%) at any time for \$1,000,000.

Central and Northern Peninsula Projects, Newfoundland, Canada

On June 13, 2023, the Company entered into a property purchase agreement ("PPA") with Gold Hunter Resources Inc. ("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, as well as three properties along the Doucers Valley Fault.

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 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 six months ended December 31, 2023, the Company had advanced a deposit of \$20,020 on the PEG Lithium property, which remains in prepaid expenses and deposits.

SORRENTO RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

3. MINERAL PROPERTIES (cont'd...)

Mineral Property Interests

Details of mineral property balance is as follows:

	Wing Pond	PEG	Harmsworth	Tom Joe	Jackson's Arm	Silver Mountain	Taylor's Pond	Total
Balance, June 30, 2022	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
Option payments – cash	-	19,421	5,365	9,871	4,614	1,824	8,905	50,000
Option payments – shares	<u>175,000</u>	<u>116,524</u>	<u>32,189</u>	<u>59,227</u>	<u>27,682</u>	<u>10,944</u>	<u>53,434</u>	<u>475,000</u>
Balance, June 30, 2023	210,000	135,945	37,554	69,098	32,296	12,768	62,339	560,000
Option payments – cash	50,000	-	-	-	-	-	-	50,000
Option payments – shares	<u>340,000</u>	-	-	-	-	-	-	<u>340,000</u>
Balance, December 31, 2023	\$ 600,000	\$ 135,945	\$ 37,554	\$ 69,098	\$ 32,296	\$ 12,768	\$ 62,339	\$ 950,000

Exploration Expenditures

The Company expended the following exploration and evaluation expenditures:

Three months ended December 31, 2023 and 2022

	Wing Pond		PEG		Tom Joe	
	2023	2022	2023	2022	2023	2022
Assays	\$ -	\$ -	\$ 18,678	\$ -	\$ 6,208	\$ -
Field office	71	560	1,000	-	815	-
Geological and geophysical	5,250	13,065	38,350	-	28,563	-
Travel, logistics & camp costs	-	<u>10,185</u>	<u>315</u>	-	-	-
Total exploration expenditures	\$ 5,321	\$ 23,810	\$ 58,343	\$ -	\$ 35,586	\$ -

Six months ended December 31, 2023 and 2022

	Wing Pond		PEG		Tom Joe	
	2023	2022	2023	2022	2023	2022
Assays	\$ -	\$ -	\$ 18,678	\$ -	\$ 6,208	\$ -
Field office	9,821	989	1,000	-	815	-
Geological and geophysical	122,428	19,975	38,350	-	28,563	-
Staking	2,405	-	-	-	-	-
Surveying	-	-	-	-	-	-
Technical report	-	1,950	-	-	-	-
Travel, logistics & camp costs	<u>4,686</u>	<u>14,429</u>	<u>315</u>	-	-	-
Total exploration expenditures	\$ 139,340	\$ 37,343	\$ 58,343	\$ -	\$ 35,586	\$ -

SORRENTO RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

4. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

Period ended December 31, 2023

On September 12, 2023, the Company issued 225,000 shares at a price of \$0.19 per share for an aggregate value of \$42,750 to non-executive directors recorded as obligation to issue shares at June 30, 2023.

On November 30, 2023, the Company issued 2,000,000 common shares in accordance with the Wing Pond Agreement (Note 3).

Year ended June 30, 2023

On February 23, 2023, the Company completed its IPO and concurrent listing of the common shares in the capital of the Company on the Canadian Securities Exchange. Leede Jones Gable Inc. (the "Agent") acted as lead agent and sole bookrunner for the Company in connection with the IPO of the Company.

The IPO completed with the issuance of 4,884,300 common shares at an offering price of \$0.175 per common share for gross proceeds of \$854,753. As compensation for services rendered by the Agent in connection with the IPO, the Company paid a cash commission of \$76,928 and issued an aggregate of 439,587 non-transferable agent's options to acquire up to 439,587 common shares at a price of \$0.175 per common share until February 23, 2025. In addition, the Company paid a corporate finance fee of \$35,000 in cash, plus applicable taxes. The Company incurred other share issuance costs of \$186,379 of which \$33,375 had been recorded as deferred financing costs as at June 30, 2022.

The agent's options were valued at \$42,785 using the Black-Scholes inputs: risk-free interest rate of 4.20%, volatility of 103.80%, expected dividend rate of 0% and expected life of 2 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.

Concurrently, the Company issued 1,000,000 common shares in accordance with the Wing Pond Agreement (Note 3).

On March 21, 2023, the Agent exercised its over-allotment option in full in connection with the IPO. The Company issued 732,645 common shares to the Agent at a price of \$0.175 per share for gross proceeds of \$128,213. The Company paid a cash commission of \$11,539 and issued an aggregate of 65,938 non-transferable agent's options to acquire up to 65,938 common shares at a price of \$0.175 per common share until March 21, 2025. The Company incurred other share issuance costs of \$2,936.

The agent's options were valued at \$16,272 using the Black-Scholes inputs: risk-free interest rate of 3.70%, volatility of 104.95%, expected dividend rate of 0% and expected life of 2 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, 2023, the Company issued 1,000,000 common shares in accordance with the Gold Hunter PPA (Note 3).

SORRENTO RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

4. SHARE CAPITAL (cont'd...)

b) Issued share capital (cont'd...)

Pursuant to an escrow agreement dated December 22, 2022, the directors of the Company agreed to deposit 5,216,666 common shares in escrow. Under the terms of the escrow agreement, 10% of the escrowed securities will be released from escrow on the listing date of the Company's common shares on the TSX Venture Exchange. The listing date was February 28, 2023. An additional 15% will be released from escrow on the dates which are 6 months, 12 months, 18 months, 24 months, 30 months, and 36 months following the listing date.

At December 31, 2023, there were 4,695,000 (June 30, 2023 – 4,695,000) common shares held in escrow.

c) Stock Options

On July 21, 2022, the Company adopted a formal Stock Option Plan (the "Option Plan"). Under the Option Plan, the exercise price of each option shall be not less than the market price on the grant date. The expiry date for each option shall not be more than ten years after the grant date. The maximum number of shares issuable pursuant to options granted under the Option Plan shall be equal to 10% of Company's issued share capital from time to time. An option shall be granted as fully vested unless a vesting schedule is imposed by the Board as a condition of the grant on the Grant Date.

At December 31, 2023 and June 30, 2023, no stock options were outstanding.

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, 2022 and 2023 and December 31, 2023	2,650,000	\$ 0.05

Summary of warrants outstanding as at December 31, 2023 and June 30, 2023:

December 31, 2023	June 30, 2023	Exercise Price	Expiry Date
		\$	
1,000,000	1,000,000	0.05	November 19, 2024
300,000	300,000	0.05	December 3, 2024
1,350,000 ⁽¹⁾	1,350,000	0.05	December 14, 2024
2,650,000	2,650,000		

(1) 400,000 warrants exercised subsequent to December 31, 2023.

The weighted average remaining contractual life of the warrants is 0.93 (June 30, 2023 – 1.43) years.

SORRENTO RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

4. SHARE CAPITAL (cont'd...)

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, 2022	-	\$ -
Issued	<u>505,525</u>	<u>0.175</u>
Balance, June 30, 2023 and December 31, 2023	<u>505,525</u>	<u>\$ 0.175</u>

Summary of agent options outstanding December 31, 2023 and June 30, 2023:

December 31, 2023	June 30, 2023	Exercise Price	Expiry Date
		\$	
439,587	439,587	0.175	February 23, 2025
65,938	65,938	0.175	March 21, 2025
<u>505,525</u>	<u>505,525</u>		

The weighted average remaining contractual life of the agent options is 1.16 (June 30, 2023 – 1.66) years.

SORRENTO RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

5. 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:

	For the six months ended December 31, 2023	For the six months ended December 31, 2022
Payments to key management personnel		
Consulting fees	\$ 30,000	\$ 9,000
Directors' fees	\$ 15,000	\$ -
Management fees	\$ 45,000	\$ 30,000

As at December 31, 2023 and June 30, 2023, \$nil was included in accounts payable and accrued liabilities owing to key management personnel.

In the six months ended December 31, 2023, the Company issued 225,000 common shares at a value of \$42,750 to settle directors' fees accrued in the year ended June 30, 2023.

6. FINANCIAL INSTRUMENTS AND RISK MANAGERMENTS

Financial instruments

Cash, accounts receivable, and accounts payable and accrued liabilities are carried at amortized cost. The Company considers that the carrying amount of these financial assets and liabilities measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments.

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 December 31, 2023, the Company had working capital deficiency of \$21,888 (June 30, 2023 – working capital of \$469,207). The Company's financial obligations are limited to accounts payable and accrued liabilities, which have contractual maturities of less than a year.

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's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity. The Company is not exposed to interest rate risk as at December 31, 2023.

SORRENTO RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

6. FINANCIAL INSTRUMENTS AND RISK MANAGERMENTS *(cont'd...)*

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

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 December 31, 2023, 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.

7. 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 \$928,112 (June 30, 2023 - \$1,029,207) as at December 31, 2023. 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 period ended December 31, 2023. The Company is not subject to externally imposed capital requirements.

8. SEGMENTED INFORMATION

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

9. SUBSEQUENT EVENT

Subsequent to the six months ended December 31, 2023, 400,000 warrants were exercised for gross proceeds of \$20,000.

Appendix II

Management's Discussion and Analysis
For the six months ended December 31, 2023

SORRENTO RESOURCES LTD.

("Sorrento" or "the Company")

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

Introduction

The following management's discussion and analysis ("MD&A"), prepared as of February 28, 2024, is the responsibility of management and is intended to supplement the condensed interim financial statements of the Company. The following discussion of performance, financial condition and future prospects should be in conjunction with the unaudited condensed interim financial statements for the six months ended December 31, 2023 and audited financial statements for the year ended June 30, 2023, and the related notes thereto. All financial information in this document have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A contains forward-looking statements. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations. The Company is currently engaged in exploration and development of mineral properties and does not have any source of revenue or operating assets. The recoverability of the amounts shown for mineral properties is dependent upon the ability of the Company to obtain necessary financing to complete exploration, technical studies and, if warranted, development and future profitable production or proceeds from the disposition of properties.

Sorrento was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on October 4, 2021. The Company maintains its registered office at 3200 – 650 West Georgia Street, Vancouver, British Columbia, Canada V6B 4P7. The head office and principal address of the Company is 9285-203B Street, Langley, BC, Canada V1M 2L9.

Description of Business

The Company is a mineral resource company engaged in the business of acquiring and exploring mineral resource properties in Canada. The Company's principal properties are located in Newfoundland, Canada.

Wing Pond Project

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 six months ended December 31, 2023, 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 acquire 2/3 (2%) at any time for \$1,000,000.

On March 16, 2023, the Company announced that it has signed a contract to engage Axiom Exploration Group Ltd. to perform exploration work on the Wing Pond Project. The work program will comprise of two phases and build upon the high resolution airborne magnetic survey flown by the Company in 2022. The phase 1 and 2 work programs were completed in September 2023.

On January 18, 2024, the Company announced that it has received analytical results from the geochemical sampling program. In total, 274 soil samples were collected across the property in an approximate 400m x 400m spaced grid. In addition, 27 grab samples were collected over the course of the program.

During the year ended June 30, 2023, the Company had advanced a deposit of \$153,180 on the Wing Pond Project, which has been fully applied against work programs in the period ended December 31, 2023.

Central and Northern Peninsula Projects

On June 13, 2023, the Company entered into a property purchase agreement ("PPA") with Gold Hunter Resources Inc. ("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, as well as three properties along the Doucers Valley Fault.

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 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.

On August 10, 2023, the Company announced that it is has engaged Planet X to complete a prospecting program on the PEG Lithium property.

On November 7, 2023, the Company announced that it has received analytical results from the prospecting program on the PEG Lithium property. The Company will continue analysis of the field data collected which will be integrated with historical data sets to determine the next phase of follow-up work on the project.

On November 29, 2023, the Company received analytical results from the prospecting and soil program completed on the Tom Joe property. The Company will continue analysis of the field data collected which will be integrated with historical data sets to determine the next phase of follow-up work on the property.

During the six months ended December 31, 2023, the Company had advanced a deposit of \$20,020 on the PEG Lithium property, which remains in prepaid expenses and deposits.

Mineral Property Interests

Details of mineral property balances are as follows:

	Wing Pond	PEG	Harmsworth	Tom Joe	Jackson's Arm	Silver Mountain	Taylor's Pond	Total
Balance, June 30, 2022	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
Option payments – cash	-	19,421	5,365	9,871	4,614	1,824	8,905	50,000
Option payments – shares	175,000	116,524	32,189	59,227	27,682	10,944	53,434	475,000
Balance, June 30, 2023	210,000	135,945	37,554	69,098	32,296	12,768	62,339	560,000
Option payments – cash	50,000	-	-	-	-	-	-	50,000
Option payments – shares	340,000	-	-	-	-	-	-	340,000
Balance, December 31, 2023	\$ 600,000	\$ 135,945	\$ 37,554	\$ 69,098	\$ 32,296	\$ 12,768	\$ 62,339	\$ 950,000

Exploration Expenditures

The Company expended the following exploration and evaluation expenditures:

Three months ended December 31, 2023 and 2022

	Wing Pond		PEG		Tom Joe	
	2023	2022	2023	2022	2023	2022
Assays	\$ -	\$ -	\$ 18,678	\$ -	\$ 6,208	\$ -
Field office	71	560	1,000	-	815	-
Geological and geophysical	5,250	13,065	38,350	-	28,563	-
Travel, logistics & camp costs	-	10,185	315	-	-	-
Total exploration expenditures	\$ 5,321	\$ 23,810	\$ 58,343	\$ -	\$ 35,586	\$ -

Six months ended December 31, 2023 and 2022

	Wing Pond		PEG		Tom Joe	
	2023	2022	2023	2022	2023	2022
Assays	\$ -	\$ -	\$ 18,678	\$ -	\$ 6,208	\$ -
Field office	9,821	989	1,000	-	815	-
Geological and geophysical	122,428	19,975	38,350	-	28,563	-
Staking	2,405	-	-	-	-	-
Surveying	-	-	-	-	-	-
Technical report	-	1,950	-	-	-	-
Travel, logistics & camp costs	4,686	14,429	315	-	-	-
Total exploration expenditures	\$ 139,340	\$ 37,343	\$ 58,343	\$ -	\$ 35,586	\$ -

Technical information and project details is provided on Sedar (www.sedarplus.ca).

Performance Summary

Equity:

Period ended December 31, 2023

On September 12, 2023, the Company issued 225,000 shares at a price of \$0.19 per share for an aggregate value of \$42,750 to non-executive directors recorded as obligation to issue shares at June 30, 2023.

On November 30, 2023, the Company issued 2,000,000 common shares in accordance with the Wing Pond Agreement.

At December 31, 2023, there were 4,695,000 (June 30, 2023 – 4,695,000) common shares held in escrow.

Results of Operations

The Company has not generated any revenues since inception from its planned operations and has incurred losses primarily from investment into the Wing Pond and Central and Northern Peninsula Projects through exploration expenditures, and the related general and administrative expenses to support the corporate entity.

As at December 31, 2023, the Company had total assets of \$1,043,105 (June 30, 2023 - \$1,061,704). As at December 31, 2023, the Company had current liabilities of \$114,993 (June 30, 2023 - \$32,497).

For the three months ended December 31, 2023 compared to three months ended December 31, 2022

For the three months ended December 31, 2023, the Company reported a net loss of \$213,132 (2022 - \$62,804). Significant expenses included in net loss are as follows:

- Consulting fees of \$24,000 (2022 - \$13,500) is associated with payments to the Chief Financial Officer and to a consultant providing general consulting services.
- Directors' fees of \$7,500 (2022 - \$nil) includes fees to one director.
- Exploration expenses of \$99,250 (2022 - \$23,810) is related to exploration work on the Wing Pond and Central and Northern Peninsula Projects.
- Investor relations of \$17,099 (2022 - \$nil) includes amounts for market making and news releases.
- Listing fees of \$7,306 (2022 - \$nil) is comprised of listing fee services for the Company to be listed on the CSE and OTC markets.
- Management fees of \$22,500 (2022 - \$15,000) are fees to the Chief Executive Officer.
- Professional fees of \$19,942 (2022 - \$1,541) increased due to legal fees from corporate matters.
- Transfer agent and filing fees of \$7,778 (2022 - \$nil) primarily consists of monthly fees to the transfer agent.

For the six months ended December 31, 2023 compared to six months ended December 31, 2022

For the six months ended December 31, 2023, the Company reported a net loss of \$441,095 (2022 - \$114,883). Significant expenses included in net loss are as follows:

- Consulting fees of \$48,000 (2022 - \$27,000) is associated with payments to the Chief Financial Officer and to a consultant providing general consulting services.
- Directors' fees of \$15,000 (2022 - \$nil) includes fees to one director.
- Exploration expenses of \$233,269 (2022 - \$37,343) is related to exploration work on the Wing Pond and Central and Northern Peninsula Projects.
- Investor relations of \$34,099 (2022 - \$nil) includes amounts for market making and news releases.
- Listing fees of \$14,612 (2022 - \$nil) is comprised of listing fee services for the Company to be listed on the CSE and OTC markets.
- Management fees of \$45,000 (2022 - \$30,000) are fees to the Chief Executive Officer.
- Professional fees of \$26,707 (2022 - \$7,846) increased due to legal fees from corporate matters.
- Transfer agent and filing fees of \$10,027 (2022 - \$nil) primarily consists of monthly fees to the transfer agent.

Financial Condition, Liquidity, Capital Resources and Financial Instruments

As at December 31, 2023, the Company had cash of \$27,222 and a working capital deficiency of \$21,888, compared with cash of \$322,545 and working capital of \$469,207 as of the year ended June 30, 2023.

Cash Used in Operating Activities

Cash used in operating activities during the period ended December 31, 2023 was \$245,323 (2022 - \$83,733) resulting from a net loss of \$441,095 (2022 - \$114,883) and net of non-cash and working capital adjustments.

Cash Used in Investing Activity

Cash used in investing activity during the period ended December 31, 2023 was \$50,000 (2022 - \$nil) with respect to its mineral property payments.

Cash Used in Financing Activity

Cash used in financing activity during the period ended December 31, 2023 comprised of \$nil (2022 - \$38,982) in deferred financing costs from the IPO.

The Company will need a financing to continue administrative operations and development of its exploration asset and may continue to have capital requirements in excess of its currently available resources. The Company intends to raise additional financing either privately or through a public financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Financial instruments

Cash, accounts receivable, and accounts payable and accrued liabilities are carried at amortized cost. The Company considers that the carrying amount of these financial assets and liabilities measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments.

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.

Financial risk factors

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 December 31, 2023, the Company had working capital deficiency of \$21,888 (June 30, 2023 – working capital of \$469,207). The Company's financial obligations are limited to accounts payable and accrued liabilities, which have contractual maturities of less than a year.

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's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity. The Company is not exposed to interest rate risk as at December 31, 2023.

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 December 31, 2023, 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.

Requirement of Additional Equity Financing

The Company has relied on equity financings and funding contributions from exploration project agreements for all funds raised to date for its operations. The Company will need additional funding to meet its current and further exploration commitments and option payments. Until the Company starts generating profitable operations from exploration development, sale of properties, and sale of minerals, the Company intends to continue relying upon venture partners and the issuance of securities to finance its operations and acquisitions pursuant to private placements, the exercise of warrants and stock options, and short-term or long-term loans. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. This may be further complicated by the limited liquidity for the Company's Shares, restricting access to some institutional investors. The Company's growth and success is dependent on external sources of financing which may not be available on acceptable terms.

Use of Proceeds

During the year ended June 30, 2023, the Company completed an IPO on February 23, 2023 and raised gross proceeds of \$854,753.

The following tables sets out a comparison of how the Company used the proceeds following the closing date to December 31, 2023, an explanation of the variances and the impact of the variance on the ability of the Company to achieve its business objectives and milestones.

Intended Use of Proceeds	Actual Use of Proceeds
To pay the estimated cost of phase 1 of the recommended exploration program and the budget on the Wing Pond Project as outlined in the technical report.	The Company signed a contract to engage Axiom Exploration Group Ltd. to perform exploration work on the Wing Pond Project. The work program comprised of two phases and build upon the high resolution airborne magnetic survey flown by the Company in 2022. Phase 1 was completed on September 14, 2023 and has been paid in full.
To pay the estimated cost of phase 2 of the recommended exploration program and the budget on the Wing Pond Project, if warranted by the results of the phase 1 exploration program, as outlined in the technical report	Phase 2 was completed by Axiom Exploration Group Ltd. on September 29, 2023 and has been paid in full. On January 28, 2024, the Company received analytical results from the geochemical sampling program.

Intended Use of Proceeds	Actual Use of Proceeds
To pay consulting and management fees to the CEO and CFO.	The Company are up to date on payments for consulting and management fees to the CEO and CFO.
To provide funding sufficient to meet administrative costs for 12 months.	The Company have used funds to meet the monthly administrative costs.
Explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones.	No material variances have yet been identified by the Company. Proceeds have been used as intended to date.

Summary of Quarterly Results

	For the three months ended December 31, 2023	For the three months ended September 30, 2023	For the three months ended June 30, 2023	For the three months ended March 31, 2023
Net loss	\$ (213,132)	\$ (227,963)	\$ (203,211)	\$ (119,195)
Loss per share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)

	For the three months ended December 31, 2022	For the three months ended September 30, 2022	For the three months ended June 30, 2022	For the three months ended March 31, 2022
Net loss	\$ (62,804)	\$ (52,079)	\$ (57,861)	\$ (148,409)
Loss per share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.02)

The loss for the three months ended June 30, 2023 and March 31, 2023 increased compared to the prior periods as the Company incurred increased administrative expenses subsequent to completing the IPO. The net loss during the December 31, 2023, September 30, 2023, December 31, 2022, September 30, 2022 and March 31, 2022 periods is mainly due to investment into the Wing Pond and Central and Northern Peninsula Projects through exploration expenditures, and the related general and administrative expenses to support the corporate entity. Total assets consist of primarily cash, accounts receivable and prepaid expenses, and total liabilities is all from accounts payable and accrued liabilities.

Off Balance Sheet Arrangements

As of December 31, 2023, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

There are no proposed transactions other than as disclosed elsewhere in this document.

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares without par value, of which 19,408,611 common shares are issued and outstanding as fully paid and non-assessable at the date of this report.

The Company has 2,250,000 warrants and 505,525 agent options outstanding at the date of this report.

Related Party Transactions

The Company's related parties consist of key management personnel that are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel are comprised of the officers and directors of the Company. Amounts paid or accrued to key management personnel are as follows:

	For the six months ended December 31, 2023	For the six months ended December 31, 2022
Payments to key management personnel		
Consulting fees – Red Fern Consulting Ltd., a company in which the CFO, Bobby Dhaliwal, is an employee	\$ 30,000	\$ 9,000
Directors' fees – Clark Geoservices Inc., a company in which the Director, Brent Clark, has a significant investment	\$ 15,000	\$ -
Management fees – Sutton Ventures Ltd., a company in which the CEO, Brayden Sutton, has a significant investment	\$ 45,000	\$ 30,000

As at December 31, 2023 and June 30, 2023, \$nil was included in accounts payable and accrued liabilities owing to key management personnel.

In the six months ended December 31, 2023, the Company issued 225,000 common shares at a value of \$42,750 to settle directors' fees accrued in the year ended June 30, 2023.

Risk Factors

Due to the nature of the Company's business and the present stage of development of its business, the Company is subject to significant risks. A more complete, but not exhaustive, listing of risks is included in the Company's final long-form prospectus filed on Sedar (www.sedarplus.ca) on December 23, 2022. The risks described herein are not the only risks that affect the Company. Other risks and uncertainties that the Company does not presently consider to be material, or of which the Company is not presently aware, may become important factors that affect the Company's future business, financial condition and result of operations. Select risks significant to the Company are included here:

Insufficient Capital

The Company does not currently have any revenue producing operations and may, from time to time, report a working capital deficit. To maintain its activities, the Company will require additional funds which may be obtained either by the sale of equity capital or by entering into an option or joint venture agreement with a third party providing such funding. There is no assurance that the Company will be successful in obtaining such additional financing; failure to do so could result in the loss or substantial dilution of the Company's interest in the Wing Pond Property and Central and Northern Peninsula Properties.

Financing Risks

The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its common Shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its common Shares. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on any of its properties. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there is no assurance that any such funds will be available on terms acceptable to the Company, or at all. If available, future equity financing may result in substantial dilution to purchasers. At present it is impossible to determine what amounts of additional funds, if any, may be required.

Inflation and Cost Management

The Company's operating costs could escalate and become uncompetitive due to supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs, commodity prices, and additional government intervention through stimulus spending or additional regulations. The Company's inability to manage costs may impact project returns and future development decisions, which could have a material adverse effect on its financial performance and funds from operations.

Limited Operating History and Negative Operating Cash Flow

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on the Wing Pond Property and Central and Northern Peninsula Properties. To the extent that the Company has a negative operating cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative operating cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company.

Property Interests

There is no guarantee that title to the Wing Pond Property will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or aboriginal or indigenous land claims or title may be affected by undetected defects. Surveys have not been carried out on any of the Company's mineral properties, therefore, in accordance with the laws of the jurisdiction in which such properties are situated; their existence and area could be in doubt. Until competing interests in the mineral lands have been determined, the Company can give no assurance as to the validity of title of the Company to those lands or the size of such mineral lands.

Permits and Government Regulations

The future operations of the Company will require certain permits and licenses from various federal, provincial and local governmental Authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters, including the requirement to obtain a forestry permit, mainly for trenching and drilling activities. In particular, in order to conduct its proposed exploration programs on the Wing Pond Property and Central and Northern Peninsula Properties, the Company will require the following permits and licenses from the Newfoundland and Labrador Department of Natural Resources and other governmental departments and agencies having jurisdiction:

Exploration Approval Permit: This permit would cover prospecting, rock and soil geochemistry, line cutting, trenching, bulk sampling, airborne and/or ground geophysical surveys, fuel storage, ATV usage and diamond drilling.

Timber Rights Permit: This permit would cover the removal of timber for line cutting, diamond drilling site preparation and trenching.

Licence to Occupy: This permit would be required if a camp location was to be used for a period of time longer than what was allowed as part of the Exploration Approval Permit.

Temporary Water Use Permit: This permit would allow the use of water, from a specified location, for camp and drilling-related needs.

However, the requirements of such permits, licences and approvals are subject to changes in regulations and in various operating circumstances. There can be no assurance that the Company will be able to obtain the above mentioned permits or any other necessary permits, licenses and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Wing Pond Property and Central and Northern Peninsula Properties. Furthermore, although in the normal course the required permits and licenses are issued within a period of four to six weeks from the date of application, there can be no assurance that the issuance of the necessary permits and licenses will not be delayed due to circumstances beyond the Company's control. The Company currently does not have any permits in place.

Surface Rights

Surface rights are not included with minerals rights in the province of Newfoundland and Labrador. In order to develop future mineral resources on the Wing Pond Property and Central and Northern Peninsula Properties, it is necessary to obtain title to the surface rights to the area of the mining lease and areas for siting the required infrastructure incidental to the mineral development. Accordingly, in order to proceed with mineral exploration or potential mine development from the Wing Pond Property and Central and Northern Peninsula Properties, the Company will be required to submit an application to the applicable agencies of the government of Newfoundland and Labrador for a surface lease. Although there are currently no known surface rights holders within the Property boundaries that would inhibit mineral exploration or potential mine development. There is a risk that, due to circumstances beyond the Company's control, the Company will not be able to obtain the required surface rights in a timely manner or at all.

First Nations Land Claims

First Nations rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Supreme Court of Canada's 2014 decision in *Tsilhqot'in Nation v. British Columbia* marked the first time in Canadian history that a court has declared First Nations title to lands outside of reserve land. The Wing Pond Property and Central and Northern Peninsula Properties may now or in the future be the subject of aboriginal or indigenous land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the Wing Pond Property and Central and Northern Peninsula Properties cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the Wing Pond Property and Central and Northern Peninsula Properties is located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with and seek the approval of holders of aboriginal interests in order to facilitate exploration and development work on the Wing Pond Property and Central and Northern Peninsula Properties, there is no assurance that the Company will be able to establish a practical working relationship with any First Nations in the area which would allow it to ultimately develop the Wing Pond Property and Central and Northern Peninsula Properties.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks and, in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Environmental Laws and Regulations

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Company generally relies on recognized designers and development contractors from which the Company will, in the first instance, seek indemnities. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Competition

The mining industry is intensely competitive in all its phases and the Company competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Management

The success of the Company is currently largely dependent on the performance of its officers. The loss of the services of these persons will have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Fluctuating Mineral Prices

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices. In addition, currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in the world market in United States dollars.