

---

## **SENTINEL RESOURCES CORP.**

CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2020 AND THE PERIOD FROM INCEPTION ON  
AUGUST 3, 2018 TO JANUARY 31, 2019  
(Unaudited – Expressed in Canadian Dollars)

---

## **NOTICE TO READER**

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

The accompanying unaudited condensed interim financial statements 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 condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**SENTINEL RESOURCES CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited – Expressed in Canadian Dollars)

	Note	January 31, 2020 \$	April 30, 2019 \$
<b>ASSETS</b>			
Current assets			
Cash		28,480	78,099
Prepaid expenses		28,125	28,125
		56,605	106,224
Exploration and evaluation assets	4	100,000	200,000
Total assets		156,605	306,224
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	6	41,275	31,636
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	5	210,000	310,010
Contributed surplus	5	2,763	-
Deficit		(97,433)	(35,422)
		115,330	274,588
Total liabilities and shareholders' equity		156,605	306,224

Nature of operations and going concern (Note 1)  
Subsequent event (Notes 1 and 7)

**Approved and authorized on behalf of the Board of Directors on March 27, 2020**

\_\_\_\_\_  
"Robin Gamley" Director

\_\_\_\_\_  
"Robert McMorran" Director

**SENTINEL RESOURCES CORP.**  
**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the three and nine months ended January 31, 2020 and  
the period from inception on August 3, 2018 to January 31, 2019  
(Unaudited – Expressed in Canadian Dollars)

	Three months ended January 31, 2020 \$	From inception to January 31, 2019 \$	Nine months ended January 31, 2020 \$	From inception to January 31, 2019 \$
Expenses				
Filing fees	4,803	-	14,758	-
Office expenses	347	48	1,561	118
Professional fees	13,672	12,064	42,929	12,064
Share based compensation	2,763	-	2,763	-
Net and comprehensive loss for the period	(21,585)	(12,112)	(62,011)	(12,182)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of shares outstanding	12,000,001	14,130,535	15,478,328	9,445,155

**SENTINEL RESOURCES CORP.**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
(Unaudited – Expressed in Canadian dollars, except for share figures)

	Number of Shares #	Share Capital \$	Contributed Surplus \$	Deficit \$	Total \$
Balance, Inception on August 3, 2018	-	-	-	-	-
Shares issued for cash	15,000,100 <sup>(1)(2)</sup>	210,010	-	-	210,010
Shares issued for acquisition of exploration and evaluation assets	5,000,000 <sup>(3)</sup>	100,000	-	-	100,000
Net and comprehensive loss for the period	-	-	-	(12,182)	(12,182)
Balance, January 31, 2019	20,000,100	310,010	-	(12,182)	297,828
Net and comprehensive loss for the period	-	-	-	(23,240)	(23,240)
Balance, April 30, 2019	20,000,100	310,010	-	(35,422)	274,588
Shares cancelled	(3,000,100)	(10)	-	-	(10)
Cancellation of shares issued for acquisition of exploration and evaluation assets	(5,000,000)	(100,000)	-	-	(100,000)
Share based compensation	-	-	2,763	-	2,763
Net and comprehensive loss for the period	-	-	-	(62,011)	(62,011)
Balance, January 31, 2020	12,000,000	210,000	2,763	(97,433)	115,330

- (1) During the nine months ended January 31, 2020, the shareholders agreed to surrender to the Company one half of their units originally subscribed for at a price of \$0.005 per unit. As a result, 3,000,000 units of the Company have been cancelled.
- (2) During the nine months ended January 31, 2020, the Company cancelled the 100 common shares previously issued at \$0.10 per share on August 3, 2018.
- (3) During the nine months ended January 31, 2020, the Company cancelled the 5,000,000 previously issued units issued under the Assignment Agreement.

**SENTINEL RESOURCES CORP.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
For the nine months ended January 31, 2020 and  
the period from inception on August 3, 2018 to January 31, 2019  
(Unaudited – Expressed in Canadian Dollars)

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Operating activities:</b>		
Net loss for the period	(62,011)	(12,182)
Items not affecting cash		
Share based compensation	2,763	-
Changes in non-cash working capital related to operations:		
Accounts payable and accrued liabilities	9,639	10,000
Prepaid expenses	-	(28,125)
<b>Net cash used in operating activities</b>	<b>(49,609)</b>	<b>(30,307)</b>
<b>Investing activity:</b>		
Acquisition costs on exploration and evaluation assets	-	(100,000)
<b>Net cash used in investing activity</b>	<b>-</b>	<b>(100,000)</b>
<b>Financing activities:</b>		
Issuance of common shares	-	210,010
Shares cancelled	(10)	-
<b>Net cash (used in) provided by financing activities</b>	<b>(10)</b>	<b>210,010</b>
(Decrease) increase in cash during the period	(49,619)	79,703
Cash – beginning of the period	78,099	-
<b>Cash – end of the period</b>	<b>28,480</b>	<b>79,703</b>
<b>Supplemental cash flow information</b>		
Income taxes paid	-	-
Interest paid	-	-

**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the three and nine months ended January 31, 2020 and  
the period from inception on August 3, 2018 to January 31, 2019  
(Unaudited – Expressed in Canadian Dollars)

---

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

Sentinel Resources Corp. (“the Company” or “Sentinel”) was incorporated under the Business Corporations Act of British Columbia on August 3, 2018. The Company is engaged in the exploration and development of mineral properties in Canada. The Company’s head office is located at 810-609 Granville Street, Vancouver, BC V7Y 1G5. The Company has elected to have April 30 as its year end.

These condensed interim financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At January 31, 2020, the Company had accumulated losses of \$97,433 since its inception and expects to incur further losses in the development of its business. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of exploration and corporate overhead. These factors indicate material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern.

Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These condensed interim financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

On February 28, 2020, the Company successfully completed its initial public offering (the “IPO”) and issued 6,500,000 shares of the Company at a price of \$0.10 per share for proceeds of \$650,000. The Company’s common shares were listed on the Canadian Securities Exchange (“CSE”) effective February 28, 2020, with its common shares commencing trading on the CSE on March 2, 2020 under the trading symbol “SNL”.

**2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION**

**a) Statement of compliance**

These condensed interim financial statements have been prepared in conformity with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company’s audited financial statements for the period from inception on August 3, 2018 to April 30, 2019. They do not include all the information required for complete annual financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and therefore should be read together with the audited financial statements for the period from inception on August 3, 2018 to April 30, 2019.

**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the three and nine months ended January 31, 2020 and  
the period from inception on August 3, 2018 to January 31, 2019  
(Unaudited – Expressed in Canadian Dollars)

---

**b) Basis of presentation**

These condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these condensed interim financial statements are prepared using the accrual basis of accounting, aside from cash flow information.

**c) Foreign currencies**

These condensed interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

**d) Critical judgments and estimates**

Management makes judgments in determining the share price attributed to issuances of shares for mineral properties. Management considers market conditions, recent or pending private placements of the Company, and or contracted terms of the issuance. Should management's judgment as to an appropriate share price be incorrect, the value attributed to properties could be materially different.

**3. RECENT ACCOUNTING PRONOUNCEMENTS**

*New and amended standards adopted by the Company*

IFRS 16, Leases ("IFRS 16") specifies how an IFRS reporter will recognize, measure, present and disclose leases and became effective for the Company on May 1, 2019. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The adoption of this standard did not have a material measurement or disclosure impact on the Company's financial statements.



**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the three and nine months ended January 31, 2020 and  
the period from inception on August 3, 2018 to January 31, 2019  
(Unaudited – Expressed in Canadian Dollars)

---

**4. EXPLORATION AND EVALUATION ASSETS**

On September 30, 2018, the Company entered into an assignment agreement (the “Assignment Agreement”) with Madjak Management Ltd. (“Madjak”), which was amended and restated on August 28, 2019 (the “Amended and Restated Assignment Agreement”), to acquire a 100% interest in the North Pass and Anjuli Rose Claims as well as an option (the “Option Agreement”) to acquire a 100% interest in the Pass Claim (collectively the “Pass Property”). The Pass Property is located in the Nelson Mining Division in the Province of British Columbia.

Under the terms of the Assignment Agreement, the Company paid \$100,000 and issued 5,000,000 units (at fair value of \$100,000) of the Company. Each unit consisted of one common share of the Company and one share purchase warrant, with each warrant entitling the holder to purchase an additional share of the Company at a price of \$0.10 per share for a period of three years from the date of issue. On August 28, 2019, the Company cancelled the 5,000,000 previously issued units issued under the Assignment Agreement.

In addition, under the Assignment Agreement the Company was required to:

- (a) pay \$100,000 within five days of listing on the Canadian Securities Exchange (the “Exchange”);
- (b) pay \$50,000 sixty days after listing on the Exchange; and
- (c) pay \$50,000 one hundred and twenty days after listing on the Exchange.

As a result of closing the Amended and Restated Assignment Agreement, the Company has assumed all of Madjak’s rights and obligations under the Option Agreement. In order to exercise the option, the Company is required to:

- (a) pay the Optionor \$5,000 and issue 50,000 common shares upon acceptance by the Exchange of the Pass Claim being acquired or optioned, in full or in part, by the Company;
- (b) pay the Optionor \$15,000 and issue 50,000 common shares, no later than three months after the date of the Exchange acceptance of the Pass Claim being acquired or optioned, in full or in part by the Company;
- (c) pay the Optionor \$15,000, no later than one year after the date of the Exchange acceptance of the Pass Claim being acquired or optioned, in full or in part by the Company; and
- (d) pay the Optionor \$35,000, no later than two years after the date of the Exchange acceptance of the Pass Claim being acquired or optioned, in full or in part by the Company.

The Optionor will also retain a 2% net smelter return royalty (the “Royalty”). The Company may purchase 1% of the Royalty by paying the Optionor a total of \$500,000.

**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the three and nine months ended January 31, 2020 and  
the period from inception on August 3, 2018 to January 31, 2019  
(Unaudited – Expressed in Canadian Dollars)

Below is a summary of the changes in the exploration and evaluation assets during the period from inception on August 3, 2018 to April 30, 2019 and the nine months ended January 31, 2020:

<b>Pass Property</b>	<b>\$</b>
<b>Balance, August 3, 2018</b>	-
Acquisition costs – cash	100,000
Acquisition costs – shares issued	100,000
Balance, April 30, 2019	200,000
Shares cancelled	(100,000)
<b>Balance, January 31, 2020</b>	<b>100,000</b>

**5. SHARE CAPITAL**

- a) **Authorized** – Unlimited common shares without par value.
- b) **Issued and outstanding** – 12,000,000 common shares
- c) **Financings**

During the period ended April 30, 2019, the Company issued the following common shares:

On August 3, 2018, the Company issued 100 common shares at \$0.10 per share for gross proceeds of \$10. On November 1, 2019, the Company cancelled these 100 previously issued common shares.

On September 30, 2018, the Company issued a total of 6,000,000 units at a price of \$0.005 per unit for gross proceeds of \$30,000. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder to purchase an additional common share of the Company at a price of \$0.10 per share for a period of three years from the date of issue. The Company assigned \$nil to the warrants. On August 28, 2019, the shareholders agreed to surrender to the Company one half of their units originally issued to them; as a result, 3,000,000 of these units have been cancelled.

On October 31, 2018, the Company issued 5,000,000 units at a fair value of \$100,000 for the acquisition of the Pass Property. Each unit consisted of one common share of the Company and one share purchase warrant, with each warrant entitling the holder to purchase an additional share of the Company at a price of \$0.10 per share for a period of three years from the date of issue. The Company assigned \$nil to the warrants. On August 28, 2019, the Company cancelled these 5,000,000 previously issued units issued under the Assignment Agreement. Refer to Note 4.

**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the three and nine months ended January 31, 2020 and  
the period from inception on August 3, 2018 to January 31, 2019  
(Unaudited – Expressed in Canadian Dollars)

---

On December 31, 2018, the Company issued 9,000,000 units at a price of \$0.02 per unit for gross proceeds of \$180,000. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder to purchase an additional common share of the Company at a price of \$0.10 per share for a period of three years from the date of issue. The Company assigned \$nil to the warrants.

The Company did not issue any common shares during the nine months ended January 31, 2020.

**d) Escrowed shares**

As at January 31, 2020, 2,000,000 common shares are held in escrow (April 30, 2019: 3,000,000) to be released pro-rata to the shareholders as to 10% on the listing date with the remaining escrow shares being released in six equal tranches of 15% every six months for a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities. During the nine months ended January 31, 2020, 1,000,000 common shares held in escrow were cancelled.

**e) Stock Options**

On March 15, 2019, the Company adopted a stock option plan (the “Stock Option Plan”), which provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of the Company’s common shares issued and outstanding at the time such options are granted. Options may be granted under the Stock Option Plan to the directors, officers, employees, management or consultants of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The Stock Option Plan provides that the number of common shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued common shares, if the individual is a director, officer, employee or consultant, or 1% of the issued common shares, if the individual is engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability.

During the three months ended January 31, 2020, the Company granted 275,000 of options to officers and directors of the Company. The stock options have an exercise price of \$0.10 per share and expire on January 14, 2025. The options vested immediately upon grant. The weighted average fair value of the options granted during the three months ended January 31, 2020 was \$0.01. The fair value of these options on the date of grant was determined using the Black-Scholes Option pricing model and the following assumptions:

**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the three and nine months ended January 31, 2020 and  
the period from inception on August 3, 2018 to January 31, 2019  
(Unaudited – Expressed in Canadian Dollars)

	<b>2020</b>	<b>2019</b>
Risk free interest rate	1.55%	Nil
Expected life	5 years	Nil
Expected volatility	100%	Nil
Expected forfeiture	Nil	Nil
Expected dividends	Nil	Nil

Expected volatility was determined by measuring the historical volatility of the Company's share price. The historical period used to measure historical volatility was the same as the expected life of the options granted.

For the three and nine months ended January 31, 2020, the Company recorded share-based compensation expense of \$2,763 and \$2,763 (2019 - \$nil and \$nil). The changes in the stock options for the nine months ended January 31, 2020 and the period from inception on August 3, 2018 to April 30, 2019 are as follows:

	<b>Number of options</b>	<b>Weighted average exercise price (per share)</b>	<b>Weighted average remaining life (years)</b>
Balance April 30, 2019	-	-	-
Granted	275,000	\$0.10	4.96
Balance January 31, 2020	275,000	\$0.10	4.96
<b>Exercisable, January 31, 2020</b>	<b>275,000</b>	<b>\$0.10</b>	<b>4.96</b>

The balance of options outstanding as at January 31, 2020 was as follows:

<b>Expiry date</b>	<b>Exercise price</b>	<b>Remaining life (years)</b>	<b>Options Outstanding</b>	<b>Unvested</b>	<b>Vested</b>
January 14, 2025	\$0.10	4.96	275,000	-	275,000
			275,000	-	275,000

**f) Warrants**

Details of warrants activity for the period from inception on August 3, 2018 to April 30, 2019 and the nine months ended January 31, 2020 are as follows:

**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the three and nine months ended January 31, 2020 and  
the period from inception on August 3, 2018 to January 31, 2019  
(Unaudited – Expressed in Canadian Dollars)

	Number of Warrants #	Weighted Average Exercise Price \$
Balance, August 3, 2018	-	-
Issued	20,000,000	0.10
Balance, April 30, 2019	20,000,000	0.10
Warrants cancelled <sup>(1)(2)</sup>	(8,000,000)	0.10
Balance, January 31, 2020	12,000,000	0.10

<sup>(1)</sup>The shareholders agreed to surrender to the Company one half of their units originally issued to them; as a result, 3,000,000 warrants were cancelled.

<sup>(2)</sup>The Company cancelled the 5,000,000 previously issued units issued under the Assignment Agreement. Refer to Note 4.

The balance of warrants outstanding as at January 31, 2020 is as follows:

Expiry Date	Exercise Price \$	Remaining Life (Years)	Warrants Outstanding #
September 30, 2021	0.10	1.67	3,000,000
December 31, 2021	0.10	1.92	9,000,000
		1.85	12,000,000

## 6. RELATED PARTY TRANSACTIONS

During the three and nine months ended January 31, 2020, accounting fees of \$1,860 and \$13,163 have been paid to a company that also employs a director and officer of the Company. As at January 31, 2020, fees of \$7,859 (April 30, 2019 - \$4,197) are included in accounts payable and accrued liabilities for accounting services due to the same company.

## 7. SUBSEQUENT EVENT

On February 28, 2020, the Company successfully completed its IPO and issued 6,500,000 shares of the Company at a price of \$0.10 per share for proceeds of \$650,000. Pursuant to the agency agreement dated February 5, 2020, Leede Jones Gable Inc. acted as agent (the "Agent") for the IPO. Sentinel paid to the Agent a cash commission equal to 7% of the proceeds and granted the Agent non-transferable warrants entitling the Agent to purchase a total of 455,000 common shares at a price of \$0.10 per common share until February 28, 2022. In connection with the IPO, the Agent also received a corporate finance fee.

The Company's common shares were listed on the CSE effective February 28, 2020, with its common shares commencing trading on the CSE on March 2, 2020 under the trading symbol "SNL".