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**SENTINEL RESOURCES CORP.**

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2021 AND 2020  
(Unaudited – Expressed in Canadian Dollars)

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## **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 consolidated 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 consolidated 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 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Unaudited – Expressed in Canadian Dollars)

	Note	January 31, 2021 \$	April 30, 2020 \$
<b>ASSETS</b>			
Current assets			
Cash		617,185	324,860
GST recoverable		107,498	-
Prepaid expenses		50,000	-
		774,683	324,860
Exploration and evaluation assets	<b>4</b>	1,707,715	310,000
<b>Total assets</b>		2,482,398	634,860
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	<b>7</b>	126,471	19,663
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	<b>6</b>	4,155,983	735,591
Contributed surplus	<b>6</b>	207,850	26,833
Accumulated other comprehensive income		1,886	-
Deficit		(2,009,792)	(147,227)
		2,355,927	615,197
<b>Total liabilities and shareholders' equity</b>		2,482,398	634,860

Nature of operations and going concern (Note 1)

Subsequent event (Note 4)

**Approved and authorized on behalf of the Board of Directors on March 30, 2021**

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

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"Greg Bronson" Director

**SENTINEL RESOURCES CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
For the three and nine months ended January 31, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

	Notes	Three months ended January 31,		Nine months ended January 31,	
		2021	2020	2021	2020
		\$	\$	\$	\$
<b>Expenses</b>					
Consulting fees	7	80,225	-	227,808	-
Corporate development		5,000	-	155,000	-
Filing fees		5,390	4,803	33,861	14,758
Interest and bank charges		516	-	78,243	-
Marketing		136,613	-	661,994	-
Office expenses		1,711	347	3,042	1,561
Professional fees	7	35,341	13,672	99,465	42,929
Share based payment	7	-	2,763	185,751	2,763
<b>Loss before other item</b>		(264,796)	(21,585)	(1,445,164)	(62,011)
<b>Other item</b>					
Write-off of exploration and evaluation assets	4	(417,401)	-	(417,401)	-
<b>Net loss for the period</b>		(682,197)	(21,585)	(1,862,565)	(62,011)
<b>Items that may be reclassified subsequently to loss</b>					
Exchange difference on translating foreign operations		1,886	-	1,886	-
<b>Comprehensive loss for the period</b>		(682,009)	(21,585)	(1,860,679)	(62,011)
<b>Basic and diluted loss per share</b>		(0.02)	(0.00)	(0.08)	(0.00)
<b>Weighted average number of shares outstanding</b>		28,019,829	12,000,001	22,622,019	15,478,328

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

	Number of Shares #	Share Capital \$	Share Issue Costs \$	Contributed Surplus \$	Accumulated Other Comprehensive Income \$	Deficit \$	Total \$
Balance, April 30, 2019	20,000,100	310,010	-	-	-	(35,422)	274,588
Shares cancelled	(3,000,100)	(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
Shares issued for acquisition of exploration and evaluation assets	50,000	5,000	-	-	-	-	5,000
Initial public offering share issuance	6,500,000	650,000	(129,409)	24,070	-	-	544,661
Net and comprehensive loss for the period	-	-	-	-	-	(49,794)	(49,794)
Balance, April 30, 2020	18,550,000	865,000	(129,409)	26,833	-	(147,227)	615,197
Shares issued for acquisition of exploration and evaluation assets	2,495,000	1,632,750	-	-	-	-	1,632,750
Shares issued for loan agreements	210,527	73,684	-	-	-	-	73,684
Shares issued pursuant to private placements	4,000,000	1,500,000	(72,750)	-	-	-	1,427,250
Shares issued for option and warrant exercises	2,819,737	286,708	-	(4,734)	-	-	281,974
Share based compensation	-	-	-	185,751	-	-	185,751
Comprehensive loss for the period	-	-	-	-	1,886	(1,862,565)	(1,860,679)
Balance, January 31, 2021	28,075,264	4,358,142	(202,159)	207,850	1,886	(2,009,792)	2,355,927

**SENTINEL RESOURCES CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the nine months ended January 31, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

	2021 \$	2020 \$
Operating activities:		
Net loss for the period	(1,862,565)	(62,011)
Items not involving cash:		
Interest expense	73,684	-
Write-off of exploration and evaluation assets	417,401	-
Share based payment	185,751	2,763
Changes in non-cash working capital related to operations:		
GST recoverable	(107,498)	-
Prepaid expenses	(50,000)	-
Accounts payable and accrued liabilities	106,808	9,639
Net cash used in operating activities	(1,236,419)	(49,609)
Investing activity:		
Acquisition and exploration costs on exploration and evaluation assets	(182,366)	-
Net cash used in investing activity	(182,366)	-
Financing activities:		
Shares cancelled	-	(10)
Issuance of common shares	1,709,224	-
Proceeds from loans payable	200,000	-
Repayment of loans payable	(200,000)	-
Net cash provided by (used in) financing activities	1,709,224	(10)
Increase (decrease) in cash during the period	290,439	(49,619)
Effect of exchange rate changes on cash	1,886	-
Cash – beginning of the period	324,860	78,099
Cash – end of the period	617,185	28,480
Supplemental cash flow information		
Income taxes paid	-	-
Interest paid	3,507	-
Shares issued for acquisition of exploration and evaluation assets	1,632,750	-

**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2021 and 2020

(Unaudited – Expressed in Canadian Dollars)

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**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. The Company’s head office is located at 204 - 998 Harbourside Drive, North Vancouver, BC V7P 3T2. The Company’s common shares are listed for trading on the Canadian Securities Exchange (the “Exchange”) under the trading symbol “SNL” and on the OTC under the symbol “SNLRF”.

These condensed interim consolidated 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, 2021, the Company had accumulated losses of \$2,009,792 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. In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business and continue to have a negative impact on the stock market, including trading prices of the Company’s shares and its ability to raise new capital. These events and conditions indicate a material uncertainty 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 consolidated 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.

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

**a) Statement of compliance**

These condensed interim consolidated 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 year ended April 30, 2020. 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 year ended April 30, 2020.

**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2021 and 2020

(Unaudited – Expressed in Canadian Dollars)

---

**b) Basis of presentation**

These condensed interim consolidated 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 consolidated financial statements are prepared using the accrual basis of accounting, aside from cash flow information.

**c) Consolidation**

These condensed interim consolidated financial statements include the financial statements of the Company and its wholly-owned and controlled subsidiary, Sentinel Resources (Australia) Pty Ltd., incorporated in New South Wales, Australia on August 24, 2020.

Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

**d) Foreign currencies**

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

These condensed interim consolidated financial statements are presented in Canadian dollars. The functional currency of Sentinel Resources Corp. is the Canadian dollar and the functional currency of Sentinel Resources (Australia) Pty Ltd. is the Australian dollar. Subsidiaries whose functional currencies differ from that of the parent company (“foreign operations”) are translated into Canadian dollars as follows: assets and liabilities – at the closing rate as at the reporting date, and income and expenses – at the average rate of the period. All resulting changes are recognized in other comprehensive loss as cumulative translation differences.

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. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to the statement of operations.



**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2021 and 2020

(Unaudited – Expressed in Canadian Dollars)

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When the Company disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive loss related to the foreign operation are reclassified to profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive loss related to the subsidiary are reallocated between controlling and non-controlling interests.

**e) Critical judgments and estimates**

*Shares issued for exploration and evaluation assets*

Management makes judgments in determining the share price attributed to issuances of shares for exploration and evaluation assets. 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 could be materially different.

*Share-based payments*

The Company uses the fair-value method of accounting for share-based payments related to incentive stock options and compensation warrants granted, modified or settled. Under this method, compensation cost attributable to options granted is measured at fair value, using the Black-Scholes option pricing model, at the grant date and expensed over the vesting period. In determining the fair value, the Company makes estimates of the expected volatility of the stock, the expected life of the options, and an estimated risk-free interest rate.

**3. RECENT ACCOUNTING PRONOUNCEMENTS**

*Future accounting standards issued but not yet effective*

In January 2020, the IASB issued amendments to IAS 1, *Presentation of Financial Statements* to clarify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual periods beginning on or after January 1, 2022. Adoption thereof is not expected to have a material impact on the presentation of the Company's financial statements.

**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the three and nine months ended January 31, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

**4. EXPLORATION AND EVALUATION ASSETS**

	Pass	Litter Bear	Waterloo	Salama	Total
	\$	\$	\$	\$	\$
<b>April 30, 2020</b>	<b>310,000</b>	-	-	-	<b>310,000</b>
Acquisition costs – cash	15,000	25,000	30,000	26,200	96,200
Acquisition costs – shares issued	7,500	-	155,250	1,470,000	1,632,750
Assaying and sampling	9,675	-	4,645	-	14,320
Consulting	9,281	-	21,620	-	30,901
Equipment	4,173	-	-	-	4,173
Geologists	27,019	-	-	-	27,019
Travel	9,753	-	-	-	9,753
	82,401	25,000	211,515	1,496,200	1,815,116
Write-down	(392,401)	(25,000)	-	-	(417,401)
<b>January 31, 2021</b>	-	-	<b>211,515</b>	<b>1,496,200</b>	<b>1,707,715</b>

**Pass Property**

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 during the year ended April 30, 2019. 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 units previously issued under the Assignment Agreement. In addition, the Company paid a total of \$200,000 during the year ended April 30, 2020.

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

**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2021 and 2020

(Unaudited – Expressed in Canadian Dollars)

---

(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 by the Company (paid and issued shares during the year ended April 30, 2020);

(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 by the Company (paid \$15,000 and issued shares at fair value of \$7,500 during the nine months ended January 31, 2021);

(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 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 by the Company.

The Optionor would also retain a 2% net smelter return royalty (the “NSR”). The Company had the option to purchase 1% of the NSR by paying the Optionor a total of \$500,000.

Subsequent to January 31, 2021, the Company decided to drop the Pass Property, as the Company has determined that the claims are no longer a good fit in the Company's portfolio of properties. As a result, the Company wrote down the capitalized balance of the project to \$nil and recognized an impairment charge of \$392,401 for the nine months ended January 31, 2021.

#### **Little Bear Project**

The Company entered into an option agreement (the “Little Bear Option Agreement”) to acquire a mineral exploration project in British Columbia. Pursuant to the Little Bear Option Agreement, the Company could earn a 100% interest in two mineral claims, known as the Little Bear 1 and Little Bear 2 claims, located on Vancouver Island, British Columbia, by making a one-time cash payment of \$25,000 (paid in May 2020) and completing a \$50,000 work program.

During the nine months ended January 31, 2021, the Issuer decided to drop the Little Bear Property the claims of which were about to expire. As a result, the Company wrote down the capitalized balance of the project to \$nil and recognized an impairment charge of \$25,000 for the nine months ended January 31, 2021.

#### **Waterloo Property**

In September 2020, the Company entered into an option agreement with RebelEX Resources Corp. (“RebelEx”), to acquire up to a 100% interest in the historic Waterloo silver-gold property, located near Vernon, British Columbia.

Terms of the option agreement are as follows:

**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2021 and 2020

(Unaudited – Expressed in Canadian Dollars)

---

1. Making cash payments to RebelEX of an aggregate of \$200,000, including: (i) \$30,000 within 10 business days of the effective date of the agreement (“Effective Date”) (paid during the nine months ended January 31, 2021); (ii) \$30,000 on or before the date that is 12 months following the Effective Date; (iii) \$40,000 on or before the date that is 24 months following the Effective Date; (iv) \$40,000 on or before the date that is 36 months following the Effective Date; and (v) \$60,000 on or before the date that is 48 months following the Effective Date;

2. Issuing to RebelEX the aggregate amount of 4,000,000 common shares of the Company as follows: (i) 300,000 common shares within 10 business days following the Effective Date (issued at fair value of \$126,000 during the nine months ended January 31, 2021); (ii) 600,000 common shares on or before the date that is 12 months following the Effective Date; (iii) 700,000 common shares on or before the date that is 24 months following the Effective Date; (iv) 800,000 common shares on or before the date that is 36 months following the Effective Date; (v) 1,600,000 common shares on or before the date that is 48 months following the Effective Date;

3. Funding aggregate expenditures on the property of \$1,200,000 as follows: (i) \$200,000 on or before the date that is 12 months following the Effective Date; (ii) \$250,000 on or before the date that is 24 months following the Effective Date; (iii) \$250,000 on or before the date that is 36 months following the Effective Date; and (iv) \$500,000 on or before the date that is 48 months following the Effective Date.

After the Company has earned the 100% Interest, the Company will pay to RebelEX a royalty being equal to 2% of NSR. The Company may purchase 1% of the NSR for \$1,000,000.

In connection with the transaction, the Company will issue 435,000 common shares to an arm's length finder over the term of the option agreement. On October 7, 2020, 45,000 of these finder's shares have been issued at a fair value of \$29,250.

### **Salama Gold Project**

In October 2020, the Company acquired the Salama Gold Project, consisting of four gold focused mining concessions totaling approximately 2,700 hectares, located in western Peru. The Company entered into an assignment agreement with a third party whereby it assumed all of the right, title and interest in and to a purchase agreement with the holders of the Salama Gold Project. Under the terms of the various agreements, the Company acquired a 100% interest in the Salama Gold Project, royalty free, by making a cash payment of US\$35,000 and issuing a total of 2,100,000 common shares (issued at a fair value of \$1,470,000 during the nine months ended January 31, 2021).

**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the three and nine months ended January 31, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

---

**Gold Projects**

In October 2020, the Company has acquired, by staking, 8 gold-focused exploration concessions totaling approximately 94,500 hectares located in New South Wales, Australia. The concessions are known as Star of Hope, Golden Bar, Alliance Reef, Stanleys, Lady Mary, Waddery West, Wittagoona Reef and Toolom South (collectively, the "Gold Projects"). The Company will be required to post a refundable performance bond of AUD\$10,000 per concession and spend exploration and associated expenses on each concession of AUD\$25,000 in Year One and AUD\$50,000 in Year Two.

**Silver Projects**

In October 2020, the Company has acquired, by staking, 7 silver-focused exploration concessions totaling approximately 38,600 hectares located in New South Wales, Australia. The concessions are known as; Wallah Wallah, Stony Creek, Carrington, Dartmoor, Glens Skarn, Broken Hill West and Goongong (collectively, the "Silver Projects"). The Company will be required to post a refundable performance bond of AUD\$10,000 per concession and spend exploration and associated expenses on each concession of AUD\$25,000 in Year One and AUD\$50,000 in Year Two.

**5. LOANS PAYABLE**

On August 25, 2020, the Company entered into loan agreements with several lenders in the total amount of \$200,000. The loans bore an interest rate of 10% per annum and were to be due and payable on August 25, 2021. In addition, the Company issued 210,527 common shares of the Company at a fair value of \$73,684 to the lenders. The loans have been fully repaid during the nine months ended January 31, 2021.

	\$
Balance, April 30, 2020	-
Proceeds	200,000
Interest	3,507
Repayment	(203,507)
<b>Balance, January 31, 2021</b>	<b>-</b>

**6. SHARE CAPITAL**

- a) **Authorized** – Unlimited common shares without par value.
- b) **Issued and outstanding** – 28,075,264 common shares
- c) **Financings**

During the nine months ended January 31, 2021, the Company issued the following common shares:

**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2021 and 2020

(Unaudited – Expressed in Canadian Dollars)

---

On June 2, 2020, the Company issued 50,000 shares at a fair value of \$7,500 for the acquisition of the Pass Property.

On August 26, 2020, the Company issued 210,527 shares at a fair value of \$73,684 to the lenders of the loan agreements. Refer to Note 5.

On September 3, 2020, the Company issued 300,000 shares at a fair value of \$126,000 for the acquisition of the Waterloo Property. Refer to Note 4.

On September 21, 2020, the Company closed a non-brokered private placement financing of 2,000,000 units at a price of \$0.25 per unit for gross proceeds of \$500,000. Each unit comprises one common share of the Company and one share purchase warrant. Each warrant entitles the holder thereof to purchase one common share for \$0.40 for a period of one year from the date of issuance. The Company assigned \$nil to the warrants. The Company paid finders fees totalling \$15,750.

On October 6, 2020, the Company issued 2,100,000 shares at a fair value of \$1,470,000 for the acquisition of the Salama Gold Project. Refer to Note 4.

On October 7, 2020, the Company issued 45,000 finders shares at a fair value of \$29,250 for the acquisition of the Waterloo Property. Refer to Note 4.

On October 22, 2020, the Company closed a non-brokered private placement financing of 2,000,000 units at a price of \$0.55 per unit for gross proceeds of \$1,000,000. Each unit comprises one common share of the Company and one share purchase warrant. Each warrant entitles the holder thereof to purchase one common share for \$1.00 for a period of one year from the date of issuance. The Company assigned \$nil to the warrants. The Company paid finders fees totalling \$57,000.

During the nine months ended January 31, 2021, the Company issued 2,710,000 common shares pursuant to exercise of warrants for total gross proceeds of \$271,000.

During the nine months ended January 31, 2021, the Company issued 25,000 common shares pursuant to exercise of stock options for total gross proceeds of \$2,500. A value of \$251 was transferred from contributed surplus to share capital as a result.

During the nine months ended January 31, 2021, the Company issued 84,737 common shares pursuant to exercise of agent's options for total gross proceeds of \$8,474. A value of \$4,483 was transferred from contributed surplus to share capital as a result.

During the year ended April 30, 2020, the Company issued the following common shares:

**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2021 and 2020

(Unaudited – Expressed in Canadian Dollars)

---

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. Pursuant to the agency agreement dated February 5, 2020, Leede Jones Gable Inc. acted as agent (the “Agent”) for the IPO. The Company paid to the Agent a cash commission of \$45,500 and granted the Agent non-transferable options 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 of \$26,250 and reimbursements of \$22,941 for its legal and consulting expenses.

The fair value of the Agent’s options issued was determined to be \$24,070 and estimated on the date of issue using the Black-Scholes option valuation model with the following weighted average assumptions: dividend yield of \$nil, risk free interest rate of 1.78%, expected life of 2 years and expected volatility of 100%.

Legal fees of \$10,648 were paid in connection with the IPO.

**d) Escrowed Shares**

As at January 31, 2021, 750,000 common shares are held in escrow (April 30, 2020 – 900,000) 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 as to 150,000 common shares on each of February 27, 2021, August 27, 2021, February 27, 2022, August 27, 2022 and February 27, 2023. These escrow shares may not be transferred, assigned or otherwise dealt without the consent of the regulatory authorities. During the year ended April 30, 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.

**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2021 and 2020

(Unaudited – Expressed in Canadian Dollars)

During the year ended April 30, 2020, the Company granted 275,000 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 year ended April 30, 2020 was \$0.01.

On August 21, 2020, the Company granted 300,000 options to consultants of the Company. The stock options have an exercise price of \$0.28 per share and expire on August 21, 2025. The options vested immediately upon grant. The fair value of the options granted was \$0.21.

On October 1, 2020, the Company granted 250,000 options to a director and a consultant of the Company. The stock options have an exercise price of \$0.67 per share and expire on October 1, 2025. The options vested immediately upon grant. The fair value of the options granted was \$0.49.

The fair value of these options on the date of grant was determined using the Black-Scholes option pricing model and the following assumptions:

	<b>2021</b>	<b>2020</b>
Risk free interest rate	0.33%	1.55%
Expected life	5 years	5 years
Expected volatility	100%	100%
Expected forfeiture	Nil	Nil
Expected dividends	Nil	Nil

The expected volatility assumption was based on the estimated volatility of comparable companies trading on the Exchange.

During the three and nine months ended January 31, 2021 the Company has recorded \$nil and \$185,751 (2020 - \$nil and \$nil) of share-based payments expense.

The changes in the stock options for the year ended April 30, 2020 and nine months ended January 31, 2021 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	-
Balance, April 30, 2020	275,000	\$0.10	-
Granted	550,000	\$0.46	-
Exercised	(25,000)	\$0.10	-
Balance and exercisable, January 31, 2021	800,000	\$0.35	4.40

The balance of options outstanding as at January 31, 2021 was as follows:



**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2021 and 2020

(Unaudited – Expressed in Canadian Dollars)

Expiry date	Exercise price	Remaining Life (years)	Options Outstanding	Unvested	Vested
January 14, 2025	\$0.10	3.96	250,000	-	250,00
August 21, 2025	\$0.28	4.56	300,000	-	300,000
October 1, 2025	\$0.67	4.67	250,000	-	250,000
	\$0.34	4.39	800,000	-	800,000

**f) Warrants**

Details of warrants activity for the year ended April 30, 2020 and nine months ended January 31, 2021 are as follows:

	Number of Warrants #	Weighted Average Exercise Price \$
Balance, April 30, 2019	20,000,000	0.10
Warrants cancelled <sup>(1)(2)</sup>	(8,000,000)	0.10
Balance, April 30, 2020	12,000,000	0.10
Issued	4,000,000	0.70
Exercised	(2,710,000)	0.10
Balance, January 31, 2021	13,290,000	0.28

<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, 2021 is as follows:

Expiry Date	Exercise Price \$	Remaining Life (Years)	Warrants Outstanding #
September 18, 2021	0.40	0.66	2,000,000
October 22, 2021	1.00	0.92	2,000,000
September 30, 2021	0.10	0.63	2,950,000
December 31, 2021	0.10	0.72	6,340,000
		0.79	13,290,000

**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the three and nine months ended January 31, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

**g) Agent's Options**

During the year ended April 30, 2020, the Company granted 455,000 options to brokers in connection with the IPO offering. The Agent's options have an exercise price of \$0.10 per share and expire on February 28, 2022.

The changes in the Agent's options for the year ended April 30, 2020 and nine months ended January 31, 2021 are as follows:

	Number of Agent's options	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, April 30, 2019	-	-	-
Granted	455,000	\$0.10	-
Balance, April 30, 2020	455,000	\$0.10	-
Exercised	(84,737)	\$0.10	-
Balance, January 31, 2021	370,263	\$0.10	1.08

The balance of Agent's options outstanding as at January 31, 2021 was as follows:

Expiry date	Exercise price	Remaining life (years)	Options Outstanding	Unvested	Vested
February 28, 2022	\$0.10	1.08	370,263	-	370,263

**7. RELATED PARTY TRANSACTIONS**

The Company incurred charges from directors and officers, or to companies associated with these individuals during the three and nine months ended January 31, 2021 and 2020 as follows:

	Three months ended		Nine months ended	
	2021	January 31, 2020	2021	January 31, 2020
	\$	\$	\$	\$
Accounting fees	6,083	1,860	14,739	13,163
Consulting fees	43,692	-	63,692	-
Share-based payment	-	-	74,224	-
	49,775	1,860	152,655	13,163

**SENTINEL RESOURCES CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the three and nine months ended January 31, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

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Accounts payable and accrued liabilities at January 31, 2021 includes \$35,970 (April 30, 2020 – \$399) due to the CEO, a company in which the CFO is an owner, and a company controlled by a director of the Company. Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

Key management of the Company includes the CEO, the CFO and the Directors. During the three and nine months ended January 31, 2021, compensation paid to key management consisted of accounting fees of \$6,083 and \$14,739 (2020 – \$1,860 and \$13,163) paid to a company in which the CFO is an owner, consulting fees of \$22,500 and \$42,500 (2020 – \$nil and \$nil) paid to the CEO, and consulting fees of \$21,192 and \$21,192 (2020 – \$nil and \$nil) paid to a company controlled by a director of the Company.