SORRENTO RESOURCES LTD.

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

FOR THE SIX MONTHS ENDED DECEMBER 31, 2022

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 FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

AS AT	December 31, 2022	June 30, 2022
ASSETS		
Current		
Cash	$ 139,275	$ 261,990
Accounts receivable	9,027	8,566
Prepaid expenses	2,000	2,000
	150,302	272,556
Mineral property (Note 3)	35,000	35,000
Deferred financing costs (Note 9)	149,810	33,375
	$ 335,112	$ 340,931
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 5)	$ 171,433	$ 62,369
	171,433	62,369
Shareholders' equity		
Share capital (Note 4)	503,941	503,941
Deficit	(340,262)	(225,379)
	163,679	278,562
	$ 335,112	$ 340,931

Subsequent event (Note 9)

Approved and authorized by the Board of Directors on February 28, 2023.

"Brayden Sutton" Director *"Samantha Shorter"* Director

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

SORRENTO RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	For the three months ended December 31, 2022	For the six months ended December 31, 2022	For the period from incorporation on October 4, 2021 to December 31, 2021
EXPENSES			
Consulting fees (Note 5)	$ 13,500	$ 27,000	$ 6,000
Exploration expenses (Note 3)	23,810	37,343	7,500
Management fees (Note 5)	15,000	30,000	-
Office and miscellaneous	8,953	12,694	1,875
Professional fees	1,541	7,846	3,734
Loss and comprehensive loss for the period	$ (62,804)	$ (114,883)	$ (19,109)
Basic and diluted loss per common share	$ (0.01)	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding	9,166,666	9,166,666	2,867,045

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

SORRENTO RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

	For the six months ended December 31, 2022	For the period from incorporation on October 4, 2021 to December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (114,883)	$ (19,109)
Changes in non-cash working capital items:		
Accounts receivable	(461)	(6,976)
Accounts payable and accrued liabilities	31,611	10,875
Net cash used in operating activities	(83,733)	(15,210)
CASH FLOWS FROM INVESTING ACTIVITY		
Mineral property interests	-	(35,000)
Net cash used in investing activity	-	(35,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Private placements	-	112,000
Share issuance costs	-	(4,564)
Deferred financing costs	(38,982)	-
Net cash provided (used) by financing activities	(38,982)	107,436
Change in cash for the period	(122,715)	57,226
Cash, beginning of period	261,990	-
Cash, end of period	$ 139,275	$ 57,226
Supplemental cash flow information:		
Deferred financing costs in accounts payable and accrued liabilities	$ 77,453	$ -

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

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

	Common Shares			
	Number	**Amounts**	**Deficit**	**Total**
Balance, October 4, 2021 (incorporation)	1,200,000	$ 6,000	$ -	$ 6,000
Private placement – flow through	5,300,000	106,000	-	106,000
Share issuance costs	-	(4,564)	-	(4,564)
Net loss for the period	-	-	(19,109)	(19,109)
Balance, December 31, 2021	6,500,000	107,436	(19,109)	88,327
Private placement	2,666,666	400,000	-	400,000
Share issuance costs	-	(3,495)	-	(3,495)
Net loss for the period	-	-	(206,270)	(206,270)
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

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

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 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.

The Company has a working capital deficiency of $21,131 (June 30, 2022 – working capital of $210,187) and accumulated deficit of $340,262 (June 30, 2022 - $225,379) as at December 31, 2022. The Company reported a net loss of $114,883 and negative cashflows from operations of $83,733 for the six-month period ended December 31, 2022. 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.

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

In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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

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.

(Expressed in Canadian Dollars)

3. MINERAL PROPERTY

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 subsequent to period end); 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 on the claims on or before the earlier of (i) the first anniversary of the listing date, and (ii) November 30, 2023.

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.

Mineral Property Interests

Details of mineral property balance is as follows:

		Wing Pond Project
Balance, October 4, 2021 (incorporation)	$	-
Option payments – cash		35,000
Balance, June 30 and December 31, 2022	$	35,000

(Expressed in Canadian Dollars)

3. MINERAL PROPERTY (cont'd…)

Exploration Expenditures

The Company expended the following exploration and evaluation expenditures:

	For the six months ended December 31, 2022	For the period from incorporation on October 4, 2021 to December 31, 2021
Field office	$ 989	$ -
Geological and geophysical	19,975	-
Technical report	1,950	7,500
Travel, logistics & camp costs	14,429	-
Total expenditures for the period	$ 37,343	$ 7,500

4. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

Period ended December 31, 2022

There were no shares issued during the six-month period ended December 31 2022.

Period ended from October 4, 2021 (incorporation) to June 30, 2022

On October 4, 2021, the Company issued 1,200,000 common shares on incorporation at a price of $0.005 per common share for gross proceeds of $6,000.

On December 14, 2021, the Company completed a private placement of 5,300,000 flow-through units at a price of $0.02 per unit, each consisting of one flow-through share and one-half common share purchase warrant at a price of $0.05, for gross proceeds of $106,000 and incurred share issuance costs of $2,282. There was no flow-through premium allocated to the private placement.

On May 9, 2022, the Company completed a private placement of 2,666,666 common shares at $0.15 per share for gross proceeds of $400,000 and incurred share issuance costs of $5,777.

(Expressed in Canadian Dollars)

4. SHARE CAPITAL (cont'd…)

c) Warrants

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

	Number of Warrants	Weighted Average Exercise Price
Balance, October 4, 2021	-	$ -
Granted	2,650,000	0.05
Balance, June 30 and December 31, 2022	2,650,000	$ 0.05

Summary of warrants outstanding as at December 31, 2022:

Number Outstanding	Exercise Price	Expiry Date
	$	
1,000,000	0.05	November 19, 2024
300,000	0.05	December 3, 2024
1,350,000	0.05	December 14, 2024
2,650,000		

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:

Payments to key management personnel	**For the six months ended December 31, 2022**	**For the period from incorporation on October 4, 2021 to December 31, 2021**
Consulting fees	$ 9,000	$ 3,000(1)
Management fees	$ 30,000	$ -

(1) Fees to the former CFO.

As at December 31, 2022, $81,000 (June 30, 2022 - $42,000) was included in accrued liabilities owing to key management personnel. These amounts are non-interest bearing and due on demand.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENTS

Financial instruments

Cash 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, 2022, the Company had working capital deficiency of $21,131 (June 30, 2022 – working capital of $210,187). 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, 2022.

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, 2022, 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 $163,679 (June 30, 2022 - $278,562) as at December 31, 2022. 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 six-month period ended December 31, 2022. 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

Initial Public Offering

On February 23, 2023, the Company completed its initial public offering ("Offering") 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 connecting with the Offering of the Company.

The Offering 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 agents in connection with the Offering, 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.

As at December 31, 2022, the Company had incurred costs of $149,810 (June 30, 2022 - $33,375) related to the Offering, which are capitalized as deferred financing costs.

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