

SORRENTO RESOURCES LTD.

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

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED 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 interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

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

	September 30, 2024	June 30, 2024
ASSETS		
Current		
Cash	\$ 6,140	\$ 19,261
Accounts receivable	37,840	23,309
Prepaid expenses and deposits (Note 5)	<u>61,691</u>	<u>44,132</u>
	105,671	86,702
Investment (Note 4)	95,000	100,000
Mineral properties (Note 5)	<u>1,794,499</u>	<u>693,499</u>
	<u>\$ 1,995,170</u>	<u>\$ 880,201</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 196,408	\$ 223,571
Loans payable (Note 3)	<u>175,000</u>	<u>-</u>
	<u>371,408</u>	<u>223,571</u>
Shareholders' equity		
Share capital (Note 6)	3,003,818	1,912,818
Reserves (Note 6)	59,057	59,057
Accumulated other comprehensive loss	(45,000)	(40,000)
Deficit	<u>(1,394,113)</u>	<u>(1,275,245)</u>
	<u>1,623,762</u>	<u>656,630</u>
	<u>\$ 1,995,170</u>	<u>\$ 880,201</u>

Approved and authorized by the Board of Directors on November 27, 2024.

"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
(Unaudited - Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED SEPTEMBER 30,

	2024	2023
Expenses		
Consulting fees (Note 7)	\$ 15,000	\$ 24,000
Directors' fees (Note 7)	7,500	7,500
Exploration expenses (Notes 5 and 7)	54,598	134,019
Investor relations	1,200	17,000
Listing fees	8,050	7,306
Management fees (Note 7)	15,000	22,500
Office and miscellaneous	1,732	6,624
Professional fees	13,145	6,765
Transfer agent and filing fees	<u>2,643</u>	<u>2,249</u>
Net loss	(118,868)	(227,963)
Other comprehensive loss		
Unrealized loss on investment (Note 4)	<u>(5,000)</u>	<u>-</u>
Comprehensive loss for the period	<u>\$ (123,868)</u>	<u>\$ (227,963)</u>
Basic and diluted loss per common share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding	<u>23,701,002</u>	<u>16,827,633</u>

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

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (118,868)	\$ (227,963)
Items not affecting cash:		
Shares issued for services	5,000	-
Changes in non-cash working capital items:		
Accounts receivable	(14,531)	4,382
Accounts payable and accrued liabilities	(27,163)	(4,784)
Prepaid expenses and deposits	<u>(17,559)</u>	<u>109,718</u>
Net cash used in operating activities	<u>(173,121)</u>	<u>(118,647)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Mineral property interests - paid	<u>(47,500)</u>	<u>-</u>
Net cash used in investing activities	<u>(47,500)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Warrants exercised	32,500	-
Loan funds	<u>175,000</u>	<u>-</u>
Net cash provided by financing activities	<u>207,500</u>	<u>-</u>
Change in cash for the period	(13,121)	(118,647)
Cash, beginning of period	<u>19,261</u>	<u>322,545</u>
Cash, end of period	\$ 6,140	\$ 203,898
Supplemental cash flow information		
Shares issued for mineral property	\$ 1,053,500	\$ -

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

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

	<u>Share Capital</u>		Obligation to issue shares	Reserves	Accumulated comprehensive other loss	Deficit	Total
	Number	Amounts					
Balance, June 30, 2023	16,783,611	\$ 1,590,068	\$ 42,750	\$ 59,057	\$ -	\$ (662,668)	\$ 1,029,207
Directors' fee paid in shares	225,000	42,750	(42,750)	-	-	-	-
Net loss and comprehensive loss for the period	-	-	-	-	-	(227,963)	(227,963)
Balance, September 30, 2023	17,008,611	1,632,818	-	59,057	-	(890,631)	801,244
Warrants exercised	400,000	20,000	-	-	-	-	20,000
Shares issued on mineral property	2,000,000	260,000	-	-	-	-	260,000
Net loss and comprehensive loss for the period	-	-	-	-	(40,000)	(384,614)	(424,614)
Balance, June 30, 2024	19,408,611	1,912,818	-	59,057	(40,000)	(1,275,245)	656,630
Warrants exercised	650,000	32,500	-	-	-	-	32,500
Shares issued on mineral property	4,300,000	1,053,500	-	-	-	-	1,053,500
Shares issued for services	25,000	5,000	-	-	-	-	5,000
Net loss and comprehensive loss for the period	-	-	-	-	(5,000)	(118,868)	(123,868)
Balance, September 30, 2024	24,383,611	\$ 3,003,818	\$ -	\$ 59,057	\$ (45,000)	\$ (1,394,113)	\$ 1,623,762

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

SORRENTO RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 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 830 – 999 West Broadway, Vancouver, British Columbia, Canada V5Z 1K5. The head office and principal address of the Company is 1500 – 409 Granville Street, Vancouver, British Columbia, Canada V6C 1T2. 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.

As at September 30, 2024, the Company has an accumulated deficit of \$1,394,113 (June 30, 2024 - \$1,275,245). The Company reported a net loss of \$118,868 (2023 - \$227,963) and negative cashflows from operations of \$173,121 (2023 - \$118,647) for the three months ended September 30, 2024. 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 IFRS Accounting Standards (“IFRS”) on a going concern basis as issued by the International Accounting Standards Board (“IASB”), which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes. These condensed interim financial statements should be read together with the audited financial statements for the year ended June 30, 2024.

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

Basis of presentation

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

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

SORRENTO RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

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.

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 LOANS PAYABLE

During the three months ended September 30, 2024, the Company received \$175,000 in loans from third parties. The loans are non-interest bearing and are unsecured.

Subsequent to the period ended September 30, 2024, the Company entered into a loan agreement with the third parties. The maturity date of the loans will be the date that the Company completes an equity financing generating gross proceeds of not less than \$350,000. Each loan bonus warrant will entitle the holder to purchase one common share of the company at an exercise price equivalent to the price of the future financing for a term equivalent to any warrants issued in such future financing.

SORRENTO RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

4. INVESTMENT

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

The shares of Gold Hunter had a market value of \$140,000 upon acquisition and are classified as financial assets measured at FVOCI. At September 30, 2024, the shares of Gold Hunter had a fair value of \$95,000, resulting in a change in fair value of \$5,000 (2023 - \$nil) for the three months ended September 30, 2024 recognized through other comprehensive loss.

5. MINERAL PROPERTIES

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

Wing Pond Project, Newfoundland, Canada

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

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

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

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

During the period ended September 30, 2024, the Company had advanced a deposit of \$22,232 on the Wing Pond 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 THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

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

Central and Northern Peninsula Projects, Newfoundland, Canada

On June 13, 2023, the Company entered into a PPA with Gold Hunter, a public company under the laws of British Columbia. The Company completed its acquisition with Gold Hunter of a 100% interest in a portion of the claims comprising PEG Lithium, Harmsworth and Tom Joe properties ("Central Peninsula Projects"), as well as three properties along the Doucers Valley Fault, Jackson Arm, Silver Mountain and Taylor's Pond ("Northern Peninsula Projects").

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

The properties are also subject to a 2% net smelter returns royalty held by Fair Haven Resources Inc. (the "Fair Haven NSR"). The Fair Haven NSR is subject to the right to buy back 50% of the 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 June 10, 2024, the Company entered into a PPA with Gold Hunter for the sale of its Northern Peninsula Projects.

The Company received \$60,000 in cash and was issued 1,000,000 common shares in the capital of Gold Hunter (Note 4). In connection with the sale, the Company recognized a gain on sale of property of \$92,597 and the Gold Hunter NSR was terminated.

During the year ended June 30, 2024, the Company had advanced a deposit of \$20,020 on the PEG Lithium property and \$4,701 on the Harmsworth property, which remains in prepaid expenses and deposits. The Company determined indicators of impairment existed with respect to the Tom Joe property leading to a test of a recoverable amount, which resulted in an impairment expense of \$69,098 in accordance with Level 3 of the fair value hierarchy.

During the period ended September 30, 2024, the Company had advanced a deposit of \$621 on the Harmsworth property, which remains in prepaid expenses and deposits.

Lord Baron Project, Newfoundland, Canada

On July 10, 2024, the Company completed the acquisition of a 100% undivided interest in the minerals licenses collectively representing the Lord Baron copper project (the "Lord Baron Project") located in the province of Newfoundland and Labrador (the "Lord Baron Transaction"). The Lord Baron Transaction was completed pursuant to three separate purchase agreements with arm's length parties for aggregate consideration of \$47,500 in cash and the issuance of an aggregate of 4,300,000 common shares of the Company valued at \$1,053,500, as well as the grant of 2% net smelter returns royalties to the underlying vendors of the various mineral licenses representing the Project. No finder's fees were paid in connection with the Lord Baron Transaction.

SORRENTO RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

5. 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	Lord Baron	Total
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	260,000	-	-	-	-	-	-	-	260,000
Impairment	-	-	-	(69,098)	-	-	-	-	(69,098)
Sale of property	-	-	-	-	(32,296)	(12,768)	(62,339)	-	(107,403)
Balance, June 30, 2024	520,000	135,945	37,554	-	-	-	-	-	693,499
Option payments – cash	-	-	-	-	-	-	-	47,500	47,500
Options payments - shares	-	-	-	-	-	-	-	1,053,500	1,053,500
Balance, September 30, 2024	\$ 520,000	\$ 135,945	\$ 37,554	\$ -	\$ -	\$ -	\$ -	\$ 1,101,000	\$ 1,794,499

Exploration Expenditures

The Company expended the following exploration and evaluation expenditures:

Three months ended September 30, 2024 and 2023

	Wing Pond		PEG		Harmsworth		Lord Baron		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Assays	\$ 5,203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,203	\$ -
Field office	645	9,750	-	-	-	-	-	-	645	9,750
Geological and geophysical	17,250	117,178	1,500	-	1,500	-	28,500	-	48,750	117,178
Staking	-	2,405	-	-	-	-	-	-	-	2,405
Travel, logistics & camp costs	-	4,686	-	-	-	-	-	-	-	4,686
Total exploration expenditures	\$ 23,098	\$ 134,019	\$ 1,500	\$ -	\$ 1,500	\$ -	\$ 28,500	\$ -	\$ 54,598	\$ 134,019

SORRENTO RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

6. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

Three months ended September 30, 2024

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

On July 26, 2024, 500,000 warrants were exercised for gross proceeds of \$25,000.

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

On August 9, 2024, 150,000 warrants were exercised for gross proceeds of \$7,500.

Year ended June 30, 2024

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 fair valued at \$260,000 in accordance with the Wing Pond Agreement (Note 5).

On January 23, 2024, 250,000 warrants were exercised for gross proceeds of \$12,500.

On January 30, 2024, 150,000 warrants were exercised for gross proceeds of \$7,500.

At September 30, 2024, there were 4,325,000 (June 30, 2024 – 2,572,500) common shares held in escrow.

c) Omnibus Share Incentive Option Plan

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

At September 30, 2024 and 2023, 505,525 agent options were outstanding under this Option Plan.

SORRENTO RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

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

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, 2023	2,650,000	\$ 0.05
Exercised	(400,000)	0.05
Balance, June 30, 2024	2,250,000	0.05
Exercised	(650,000)	0.05
Balance, September 30, 2024	1,600,000	\$ 0.05

Summary of warrants outstanding as at September 30 and June 30, 2024:

September 30, 2024	June 30, 2024	Exercise Price	Expiry Date
		\$	
500,000 ⁽¹⁾	1,000,000	0.05	November 19, 2024
300,000	300,000	0.05	December 3, 2024
800,000 ⁽²⁾	950,000	0.05	December 14, 2024
1,600,000	2,250,000		

(1) 500,000 exercised subsequent to the period ended September 30, 2024 (Note 11).

(2) 150,000 exercised subsequent to the period ended September 30, 2024 (Note 11).

The weighted average remaining contractual life of the warrants is 0.18 (June 30, 2024 – 0.42) years.

e) Agent Options

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

	Number of Agent Options	Weighted Average Exercise Price
Balance, June 30, 2023 and 2024 and September 30, 2024	505,525	\$ 0.175

Summary of agent options outstanding as at September 30 and June 30, 2024:

September 30, 2024	June 30, 2024	Exercise Price	Expiry Date
		\$	
439,587	439,587	0.175	February 23, 2025
65,938	65,938	0.175	March 21, 2025
505,525	505,525		

The weighted average remaining contractual life of the agent options is 0.41 (June 30, 2024 - 0.66) years.

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7. RELATED PARTY TRANSACTIONS

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

	For the three months ended September 30, 2024		For the three months ended September 30, 2023	
Payments to key management personnel				
Consulting fees	\$	15,000	\$	15,000
Directors' fees	\$	7,500	\$	7,500
Exploration expenses – geologist	\$	38,500	\$	-
Management fees	\$	15,000	\$	22,500

As at September 30, 2024, \$64,609 (June 30, 2024 - \$48,250) was included in accounts payable and accrued liabilities owing to key management personnel. These amounts are non-interest bearing and due on demand.

In the year ended June 30, 2024, the Company issued 225,000 common shares at a value of \$42,750 to settle non-executive directors' fees accrued in the year ended June 30, 2023 (Note 6).

8. FINANCIAL INSTRUMENTS AND RISK MANAGERMENTS

Financial instruments

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

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

Credit risk

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. As at September 30, 2024, the Company had working capital deficiency of \$265,737 (June 30, 2024 - \$136,869). The Company's financial obligations are limited to accounts payable and accrued liabilities, which have contractual maturities of less than a year.

SORRENTO RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has no-interest bearing debt. The Company is not exposed to interest rate risk as at September 30, 2024.

Commodity price risk

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

Foreign currency risk

As at September 30, 2024, the Company did not have any accounts in foreign currencies and considers foreign currency risk to be insignificant. The Company may be exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in a foreign currency in the future.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk). The Company has an investment in Gold Hunter. As at September 30, 2024, the Company had an investment with a fair value of \$95,000. A 10% movement would have impacted other comprehensive loss by approximately \$9,500. As such, price risk will have an impact to the Company's comprehensive net loss.

9. CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Company's capital structure includes shareholders' equity of \$1,623,762 (June 30, 2024 - \$656,630) as at September 30, 2024. 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 September 30, 2024. The Company is not subject to externally imposed capital requirements.

10. SEGMENTED INFORMATION

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

11. SUBSEQUENT EVENTS

Subsequent to the period ended September 30, 2024, the Company:

- Issued 650,000 common shares from warrant exercises for gross proceeds of \$32,500.