



**SENDERO RESOURCES CORP.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**For the six months ended January 31, 2024**

**(Unaudited)**

# **SENDERO RESOURCES CORP.**

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**SENDERO RESOURCES CORP.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Presented in Canadian Dollars)

	<b>Note</b>	<b>January 31, 2024</b>	<b>July 31, 2023</b>
		(Unaudited)	(Audited)
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 2,842,397	\$ 4,827,519
GST receivable		35,662	9,988
Prepaid expenses		118,271	9,017
		<u>2,996,330</u>	<u>4,846,524</u>
<b>Non-current</b>			
Exploration and evaluation assets	7	2,208,333	2,208,333
VAT receivable		140,493	-
		<u>2,348,826</u>	<u>2,208,333</u>
		<u>\$ 5,345,156</u>	<u>\$ 7,054,857</u>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables	11	\$ 322,532	\$ 75,353
Subscription receipts financing	9	-	2,202,900
		<u>322,532</u>	<u>2,278,253</u>
<b>SHAREHOLDERS' EQUITY</b>			
Common shares	8	10,224,739	6,243,169
Reserves	8	244,765	105,747
Deficit		(5,446,880)	(1,572,312)
		<u>5,022,624</u>	<u>4,776,604</u>
		<u>\$ 5,345,156</u>	<u>\$ 7,054,857</u>

Nature of operations and continuance of operations (Note 1)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on March 28, 2024.

Approved by the Board of Directors:

*Michael Wood*

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Michael Wood*Hernan Vera*

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Hernan Vera

See notes to the condensed consolidated interim financial statements

**SENDERO RESOURCES CORP.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS**

(Presented in Canadian Dollars; Unaudited)

	Note	Three months ended January 31		Six months ended January 31	
		2024	2023	2024	2023
Exploration expenses	7	\$ 787,602	\$ 18,582	\$ 1,051,396	\$ 89,796
Administrative expenses					
Accounting and audit		76,615	11,408	100,374	19,129
Bank charges		22,686	1,145	33,763	2,617
Bonus	11	-	-	684,071	-
Consulting fee		33,598	(74)	52,583	6,461
Foreign exchange (gain) loss		16,459	-	(9,268)	1,302
Legal		17,921	7,091	25,980	28,347
Listing and filing fees		18,294	-	86,299	-
Management fee	11	104,230	37,215	194,230	92,363
Marketing		84,728	-	164,501	1,500
Office expense		3,701	2,101	14,080	6,411
Reverse takeover listing expense	6	-	-	1,200,000	-
Share-based compensation		-	-	267,551	-
Travel		2,034	-	45,934	-
		<u>380,266</u>	<u>58,886</u>	<u>2,860,098</u>	<u>158,130</u>
Other items					
Interest income		(6,241)	-	(36,926)	-
Net loss before income taxes		<u>1,161,627</u>	<u>77,468</u>	<u>3,874,568</u>	<u>247,926</u>
Other comprehensive loss					
Cumulative translation adjustment		<u>159,739</u>	<u>(29,198)</u>	<u>117,944</u>	<u>(1,145)</u>
Total comprehensive loss for the period		<u>\$ 1,321,366</u>	<u>\$ 48,270</u>	<u>\$ 3,992,512</u>	<u>\$ 246,781</u>
Basic and diluted loss per share		<u>\$ 0.02</u>	<u>\$ 0.00</u>	<u>\$ 0.07</u>	<u>\$ 0.01</u>
Weighted average number of common shares outstanding		<u>65,571,874</u>	<u>25,666,666</u>	<u>59,356,138</u>	<u>25,666,666</u>

See notes to the condensed consolidated interim financial statements

**SENDERO RESOURCES CORP.**
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Presented in Canadian Dollars)

	Note	Common Shares		Reserves					Total	Deficit	Total shareholders' equity
		Number of shares	Amount	Shares subscribed	Finder's warrants	Share-based compensation	Foreign exchange reserve	Total			
<b>Balance as at July 31, 2022</b>	<b>(Audited)</b>	25,666,666	\$ 2,880,000	\$ 270,750	\$ -	\$ -	\$ (45,402)	\$ (45,402)	\$ (1,062,920)	\$ 2,042,428	
Net loss and comprehensive loss		-	-	-	-	-	1,145	1,145	(247,926)	(246,781)	
<b>Balance as at January 31, 2023</b>	<b>(Unaudited)</b>	25,666,666	2,880,000	270,750	-	-	(44,257)	(44,257)	(1,310,846)	1,795,647	
Shares issued:											
Private placements	8(b)	18,265,250	3,653,050	(270,750)	-	-	-	-	-	3,382,300	
Property acquisition	8(b)	1,666,667	333,333	-	-	-	-	-	-	333,333	
Share issue costs	8(b), 9	125,000	(623,214)	-	152,670	-	-	152,670	-	(470,544)	
Net loss and comprehensive loss		-	-	-	-	-	(2,666)	(2,666)	(261,466)	(264,132)	
<b>Balance as at July 31, 2023</b>	<b>(Audited)</b>	45,723,583	6,243,169	-	152,670	-	(46,923)	105,747	(1,572,312)	4,776,604	
Shares issued:											
Reverse takeover ("RTO")	6, 8(b)	6,000,000	1,200,000	-	-	-	-	-	-	1,200,000	
Conversion of subscription receipts	8(b)	11,014,500	2,202,900	-	-	-	-	-	-	2,202,900	
Bonus shares to management	8(b)	2,670,355	534,071	-	-	-	-	-	-	534,071	
Exercise of finder's warrants	8(e)	111,318	32,852	-	(10,589)	-	-	(10,589)	-	22,263	
Exercise of warrants	8(d)	385,000	115,500	-	-	-	-	-	-	115,500	
Share issue costs	8(b)	-	(103,753)	-	-	-	-	-	-	(103,753)	
Share-based compensation		-	-	-	-	267,551	-	267,551	-	267,551	
Net loss and comprehensive loss		-	-	-	-	-	(117,944)	(117,944)	(3,874,568)	(3,992,512)	
<b>Balance as at January 31, 2024</b>	<b>(Unaudited)</b>	<b>65,904,756</b>	<b>\$ 10,224,739</b>	<b>\$ -</b>	<b>\$ 142,081</b>	<b>\$ 267,551</b>	<b>\$ (164,867)</b>	<b>\$ 244,765</b>	<b>\$ (5,446,880)</b>	<b>\$ 5,022,624</b>	

See notes to the condensed consolidated interim financial statements

**SENDERO RESOURCES CORP.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

(Presented in Canadian Dollars; Unaudited)

	<b>Six months ended January 31</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash provided by (used for):</b>		
<b>Operating activities</b>		
Net loss	\$ (3,874,568)	\$ (247,926)
Items not involving cash:		
Management fee paid in common shares	534,071	-
Shares issued pursuant to listing expense	1,200,000	-
Share-based compensation	267,551	-
Foreign exchange	(117,944)	1,145
Changes in non-cash working capital items:		
GST receivable	(25,674)	(1,966)
Prepaid expenses	(109,254)	-
Trade and other payables	247,179	(276,082)
Cash used in operating activities	<u>(1,878,639)</u>	<u>(524,829)</u>
<b>Investing activities</b>		
VAT receivable	(140,493)	-
Cash used in investing activities	<u>(140,493)</u>	<u>-</u>
<b>Financing activities</b>		
Share issue costs	(103,753)	-
Shares subscribed	-	55,250
Proceeds from exercise of finder's warrants	22,263	-
Proceeds from exercise of warrants	115,500	-
Cash provided by financing activities	<u>34,010</u>	<u>55,250</u>
<b>Net change in cash</b>	(1,985,122)	(469,579)
<b>Cash - beginning of the period</b>	<u>4,827,519</u>	<u>534,345</u>
<b>Cash - end of the period</b>	<u>\$ 2,842,397</u>	<u>\$ 64,766</u>
<b><i>Supplemental disclosure with respect to cash flows:</i></b>		
Common shares issuance pursuant to RTO listing expense	<u>\$ 1,200,000</u>	<u>\$ -</u>
Common shares issuance pursuant to bonus payments	<u>\$ 534,071</u>	<u>\$ -</u>

See notes to the condensed consolidated interim financial statements

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

AS AT JANUARY 31, 2024

(Unaudited)

(Presented in Canadian Dollars)

**1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS**

Sendero Resources Corp. (the “Company” or “Sendero”) was incorporated on August 4, 2020 under the name of Reyna Gold Corp., changed its name to 1260005 B.C. Ltd. on January 21, 2021, and changed its name to Sendero Resources Corp. on June 1, 2021. The Company is domiciled in Canada under the Business Corporations Act (British Columbia). Its registered office is located at 10<sup>th</sup> Floor, 595 Howe Street, Vancouver, BC V6C 2T5. Between the date of incorporation and December 31, 2020, the Company was inactive and had no operation.

On March 3, 2023, the Company entered into a binder letter agreement (the “Agreement”) with 1319732 B.C. Ltd. (“131”). Pursuant to the Agreement, the Company and 131 will complete a three-cornered amalgamation (the “Transaction”), resulting in a reverse takeover of 131 by the Company (the “Resulting Issuer”). For accounting purposes, the Company will be treated as the accounting parent, and 131 will be treated as the accounting subsidiary. Concurrently with the completion of the Transaction, the Resulting Issuer will seek to list its common shares for trading on the TSX Venture Exchange (the “Exchange”). As part of the Transaction, the Company completed certain financings (Notes 7(b), 8 and 12(a)).

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing to develop its exploration and evaluation assets, and to commence profitable operations in the future. To date, the Company has not generated any significant revenues and is considered to be in the exploration stage. There are material uncertainties that cast significant doubt about the appropriateness of the going concern assumption.

Management’s plan includes continuing to pursue additional sources of financing through equity offerings, seeking joint venture partners to fund exploration, monitoring exploration activity and reducing overhead costs. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statements of financial position. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that may be necessary should the Company be unable to continue in existence.

	January 31,	July 31,
	2024	2023
Deficit	\$ (5,446,880)	\$ (1,572,312)
Working capital	\$ 2,673,798	\$ 2,568,271

**2. BASIS OF PREPARATION****(a) Statement of compliance**

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with IFRS issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

**SENDERO RESOURCES CORP.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

AS AT JANUARY 31, 2024

(Unaudited)

(Presented in Canadian Dollars)

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**2. BASIS OF PREPARATION (Continued)**

**(b) Basis of preparation**

These condensed consolidated interim financial statements have been prepared on a historical cost basis. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed consolidated interim financial statements have been prepared on the basis of IFRS standards that are published at the time of preparation.

**3. SIGNIFICANT ACCOUNTING POLICIES**

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the year ended July 31, 2023.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended July 31, 2023. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the six-month period ended January 31, 2024 are not necessarily indicative of the results that may be expected for the current fiscal year ending July 31, 2024.

**New accounting standards and interpretations**

There were no new accounting standards and interpretations which has material impact on adoption during the six months ended January 31, 2024.

Pronouncements that are not applicable or that do not have a significant impact on the Company have not been included in these condensed consolidated interim financial statements.

## **SENDERO RESOURCES CORP.**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

AS AT JANUARY 31, 2024

(Unaudited)

(Presented in Canadian Dollars)

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#### **4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk and liquidity risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank account. The Company's bank account is held with a major bank in Canada and the Company also has cash held in trust with its lawyer and transfer agent. Accordingly, the Company believes it is not exposed to significant credit risk.

b) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to significant interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. As at January 31, 2024, the Company had a cash balance of \$2,842,397 to settle current liabilities of \$322,532.

d) Currency risk

The Company's property interest in Argentina make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian dollar and the Argentine pesos. The Company does not invest in foreign currency contracts to mitigate the risks. The Company does not have net monetary liabilities in Argentine pesos.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company does not have any financial assets measured at fair value.

#### **5. CAPITAL MANAGEMENT**

The Company's capital consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing and incurring debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

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

AS AT JANUARY 31, 2024

(Unaudited)

(Presented in Canadian Dollars)

**6. REVERSE TAKEOVER TRANSACTION**

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Effective September 27, 2023, 131 completed its acquisition of Sendero and issued 6,000,000 common shares to acquire all of the issued and outstanding common shares of Sendero.

For accounting purposes, the Transaction constitutes a reverse takeover, as the shareholders of Sendero acquired control of the consolidated entity upon the completion of the Transaction. The reverse takeover does not constitute a business combination under IFRS 3 and is being accounted for as a capital transaction in accordance with IFRS 2, Share-based payments. Sendero is treated as the accounting parent (legal subsidiary), and 131 is treated as the accounting subsidiary (legal parent) on closing of the Transaction, subject to a deemed issuance of shares and re-capitalization of the Company's equity.

As Sendero was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these condensed interim consolidated financial statements at their historical carrying values. 131's results of operations have been included from September 27, 2023, the date of completion of the Transaction.

Pursuant to the terms and conditions of the Transaction, 131 consolidated its common shares on the basis of 67,788:1 to have 6,000,000 common shares outstanding immediately prior to the closing of the Transaction.

The acquisition of 131 is accounted for as 6,000,000 common shares deemed issued at the fair value of \$0.20 per share to acquire the net identifiable assets and liabilities of 131. This \$1,200,000 equity consideration is allocated to 131's net identifiable assets and liabilities with the residual accounted for as a listing expense on the condensed interim consolidated statement of net loss and comprehensive loss.

The total purchase price has been allocated as follows:

Fair value of consideration – 6,000,000 common shares	<u>\$ 1,200,000</u>
Identifiable net liabilities of 131 acquired by Sendero:	
Cash	-
Accounts payable and accrued liabilities	-
Total fair value of identifiable net liabilities acquired by Sendero:	<u>-</u>
Listing expense	<u>\$ 1,200,000</u>

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

AS AT JANUARY 31, 2024

(Unaudited)

(Presented in Canadian Dollars)

**7. EXPLORATION AND EVALUATION ASSETS****ARGENTINA****(a) Peñas Negras Property**

On October 26, 2021, the Company entered into a Share Transfer Agreement (the “Agreement”) with the owner of Barton S.A.S. (“Barton”) whereby the Company acquired 100% of the issued and outstanding share capital of Barton in exchange for the issuance of 12,500,000 common shares to Hernan Vera, a director of the Company. These common shares were valued at \$1,875,000, based on the issue price of the non-brokered private placement that was completed on October 22, 2021. As the only asset or liability in Barton was the Peñas Negras property, the entire \$1,875,000 purchase price has been allocated to the property.

The Company holds a 100% interest in the Peñas Negras property via Barton. The Peñas Negras property is subject to a 1.5% net smelter returns royalty (“NSR”) payable to a director of the Company pursuant to the NSR agreement dated March 1, 2023.

On February 25, 2023, the Company issued 1,666,667 shares at a fair value of \$0.20 per share (\$333,333) to a director of the Company for the acquisition of an additional mineral claim where such claim is subject to a 1.5% NSR (Note 8). This additional mineral claim has been dormant and has no expenditures spent from the date that the director acquired it.

Subsequently on March 4, 2024, the Company entered into an arm’s length option agreement with Energía y Minerales - Sociedad del Estado (“EMSE”), the Energy and Minerals State Society of La Rioja, to significantly increase the Company’s land position in the Vicuña District (the “Option Agreement”). Pursuant to the terms of the Option Agreement, upon satisfying certain agreed to financial commitments, the Company and EMSE would form a joint venture (the “Joint Venture”), which would be 80% owned by the Company, to develop certain mineral concessions.

Pursuant to the terms of the Option Agreement, the formation of the Joint Venture is conditional on the following deliverables by the Company:

- The Company to make aggregate cash payments of US\$5,000,000, of which US\$1,000,000 will be payable in 2024, US\$1,260,000 in 2025 and US\$1,370,000 in each of 2026 and 2027.
- The Company shall complete work expenditures of US\$10,000,000 within four years on the combined land package of Peñas Negras Project and Joint Venture Claims.
- EMSE shall be granted a 1% NSR on the Peñas Negras Project.

	<b><u>Peñas Negras (Argentina)</u></b>
<b>Exploration and evaluation assets</b>	
<b>Acquisition costs</b>	
<b>As of July 31, 2022</b>	\$ 1,875,000
Addition during the year	333,333
<b>As of July 31, 2023 and January 31, 2024</b>	<b>\$ 2,208,333</b>

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

AS AT JANUARY 31, 2024

(Unaudited)

(Presented in Canadian Dollars)

**7. EXPLORATION AND EVALUATION ASSETS (Continued)****ARGENTINA****(a) Peñas Negras Property (Continued)**

	<b><u>Peñas Negras</u></b> <b><u>(Argentina)</u></b>
<b>Mineral exploration expenses for the year ended July 31, 2023</b>	
Camp costs	\$ 9,170
Consulting and reporting	35,328
Field equipment and supplies	9,159
Geology and exploration	66,051
Maintenance costs	3,887
Other property related expenses	969
Sampling and assaying	34,176
Transportation and travel	6,358
	<b><u>\$ 165,098</u></b>
<b>Mineral exploration expenses for the six months ended January 31, 2024</b>	
Camp costs	\$ 235,311
Consulting and reporting	9,907
Field equipment and supplies	606,972
Geology and exploration	106,887
Maintenance costs	14,606
Other property related expenses	64,688
Sampling and assaying	12,718
Transportation and travel	307
	<b><u>\$ 1,051,396</u></b>
<b>Cumulative mineral exploration expenses up to January 31, 2024</b>	
Camp costs	\$ 290,099
Consulting and reporting	78,379
Field equipment and supplies	645,491
Geology and exploration	644,885
Maintenance costs	22,437
Other property related expenses	87,838
Sampling and assaying	64,869
Transportation and travel	73,292
	<b><u>\$ 1,907,290</u></b>

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

AS AT JANUARY 31, 2024

(Unaudited)

(Presented in Canadian Dollars)

**8. SHARE CAPITAL**

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## (a) Authorized:

At January 31, 2024, the authorized share capital was comprised of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

## (b) Share issuances:

During the year ended July 31, 2023:

On February 25, 2023, the Company issued 1,666,667 shares at a value of \$333,333 to a director of the Company for the acquisition of a mineral claim (Notes 7 and 11).

On April 27, 2023, the Company completed the first tranche of a non-brokered financing, issuing 15,047,750 units for total proceeds of \$3,009,550. Each unit consists of one common share and a half warrant. Each full warrant is exercisable into one common share of the Company at \$0.30 expiring on September 27, 2025. The Company incurred \$126,122 cash finder's fees and issued 630,612 finder's warrants valued at \$60,539 using the Black-Scholes option pricing model, whereby each finder's warrant entitles the holder to purchase one common share at an exercise price of \$0.20 expiring on September 27, 2025.

On April 27, 2023, the Company also completed a brokered financing (Note 9). In conjunction with the brokered financing, the Company issued 125,000 common shares as corporate finance fee and 771,016 brokered warrants valued at \$74,018 using the Black-Scholes option pricing model, whereby each broker's warrant entitles the holder to purchase one common share at an exercise price of \$0.20 expiring on September 27, 2025.

On May 12, 2023, the Company completed the second tranche of the financing, issuing 1,225,000 units for total proceeds of \$245,000. Each unit consists of one common share and a half warrant. Each full warrant is exercisable into one common share of the Company at \$0.30 expiring on September 27, 2025. The Company incurred \$11,358 in cash finder's fees and issued 56,787 finder's warrants valued at \$5,395 using the Black-Scholes option pricing model, whereby each finder's warrant entitles the holder to purchase one common share at an exercise price of \$0.20 expiring on September 27, 2025.

During the six months ended January 31, 2024:

On September 27, 2023, pursuant to the terms and conditions of the Transaction, 131 consolidated its common shares on a basis of 67,788:1, so as to have 6,000,000 common shares outstanding immediately prior to closing of the Transaction. Sendero was deemed to have issued these 6,000,000 common shares at \$0.20 per share to acquire net identifiable liabilities of 131.

On September 27, 2023, the 11,014,500 subscription receipts completed on April 27, 2023 were converted into 11,014,500 common shares and 5,507,250 warrants. Each warrant is exercisable into one common share of the Company at \$0.30 expiring on September 27, 2025. The Company incurred \$102,755 share issue costs during this period.

On September 27, 2023, the Company issued 2,670,355 common shares at a fair value of \$534,071 to its officers as bonuses for the completion of the Transaction.

During the six months ended January 31, 2024, 385,000 warrants and 111,318 finder's warrants were exercised at \$0.30 and \$0.20 respectively, resulting in gross proceeds of \$137,763.

Subsequently to January 31, 2024, 125,000 options, 295,000 warrants and 75,664 finder's warrants were exercised at \$0.20, \$0.30 and \$0.20 respectively, resulting in gross proceeds of \$128,633.

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

AS AT JANUARY 31, 2024

(Unaudited)

(Presented in Canadian Dollars)

**8. SHARE CAPITAL (Continued)**

## (c) Escrow shares:

Pursuant to the Transaction, 21,622,643 common shares were placed in escrow with the transfer agent in accordance with the escrow agreement dated September 27, 2023, whereby 10% of the escrowed common shares were released on October 4, 2023 and 15% every six months thereafter. As of January 31, 2024, there were 19,460,378 common shares held in escrow with the transfer agent.

Pursuant to the Transaction, the Exchange also required 7,897,712 common shares to be subject to seed share resale restrictions that imposed substantially the same release schedule as the escrowed shares described above: 10% of the common shares were released on October 4, 2023 and 15% every six months thereafter. As of January 31, 2024, there were 7,107,941 common shares that remained subject to the seed share resale restrictions.

Another 6,858,333 common shares were subject to a voluntary pooling arrangement pursuant to the Transaction, whereby 20% of these common shares were released on October 4, 2023 and 20% every three months thereafter. As of January 31, 2024, 4,115,001 common shares were subject to the pooling arrangement.

## (d) Stock options:

Stock option transactions and the number of stock options for the six months ended January 31, 2024 are summarized as follows:

Expiry date	Exercise price	July 31,		Expired / Cancelled	January 31, 2024
		2023	Granted		
September 27, 2028 (a)	\$ 0.20	-	5,300,000	-	5,300,000
Options outstanding		-	5,300,000	-	5,300,000
Options exercisable		-	1,633,333	-	1,633,333
Weighted average exercise price	\$	-	\$ 0.20	\$	\$ 0.20

(a) Subsequent to January 31, 2024, 125,000 options were exercised.

As at January 31, 2024, the weighted average contractual remaining life of options is 4.66 years (July 31, 2023 – Nil years). The weighted average fair value of stock options granted during the six months ended January 31, 2024 was \$0.20 (October 31, 2022 - \$Nil).

The weighted average assumptions used to estimate the fair value of options for the six months ended January 31, 2024 and 2023 were as follows:

	2024	2023
Expected dividend yield	0.00%	-
Expected stock price volatility	84.12%	-
Risk-free interest rate	4.40%	-
Forfeiture rate	0.00%	-
Expected life of options	5 years	-

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

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(Unaudited)

(Presented in Canadian Dollars)

**8. SHARE CAPITAL (Continued)**

(e) Warrants:

The continuity of warrants for the six months ended January 31, 2024 is as follows:

Expiry date	Exercise price	July 31, 2023	Issued	Exercised	Expired	January 31, 2024
September 27, 2025 (a)	\$ 0.30	9,132,625	5,507,250	(385,000)	-	14,254,875
Warrants outstanding		9,132,625	5,507,250	(385,000)	-	14,254,875
Weighted average exercise price	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ -	\$ 0.30

(a) Subsequent to January 31, 2024, 295,000 warrants were exercised.

The continuity of warrants for the year ended July 31, 2023 is as follows:

Expiry date	Exercise price	July 31, 2022	Issued	Exercised	Expired	July 31, 2023
September 27, 2025	\$ 0.30	-	9,132,625	-	-	9,132,625
Warrants outstanding		-	9,132,625	-	-	9,132,625
Weighted average exercise price	\$ -	\$ 0.30	\$ -	\$ -	\$ -	\$ 0.30

As at January 31, 2024, the weighted average contractual remaining life of warrants is 1.66 years (July 31, 2023 – 2.16 years).

(f) Finder's / Broker's Warrants:

The continuity of finder's and broker's warrants for the six months ended January 31, 2024 is as follows:

Expiry date	Exercise price	July 31, 2023	Issued	Exercised	Expired	January 31, 2024
September 27, 2025 (a)	\$ 0.20	1,596,665	-	(111,318)	-	1,485,347
Finder's warrants outstanding		1,596,665	-	(111,318)	-	1,485,347
Weighted average exercise price	\$ 0.20	\$ -	\$ 0.20	\$ -	\$ -	\$ 0.20

(a) Subsequent to January 31, 2024, 75,664 finder's warrants were exercised.

The continuity of finder's and broker's warrants for the year ended July 31, 2023 is as follows:

Expiry date	Exercise price	July 31, 2022	Issued	Exercised	Expired	July 31, 2023
September 27, 2025	\$ 0.20	-	1,596,665	-	-	1,596,665
Finder's warrants outstanding		-	1,596,665	-	-	1,596,665
Weighted average exercise price	\$ -	\$ 0.20	\$ -	\$ -	\$ -	\$ 0.20

As at January 31, 2024, the weighted average contractual remaining life of warrants is 1.66 years (July 31, 2023 – 2.16 years).

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**8. SHARE CAPITAL (Continued)**

(f) Finder's / Broker's warrants: (Continued)

The weighted average assumptions used to estimate the fair value of finder's warrants for the six months ended January 31, 2024 were as follows:

	2024	2023
Expected dividend yield	-	-
Expected stock price volatility	-	-
Risk-free interest rate	-	-
Forfeiture rate	-	-
Expected life of warrants	-	-

**9. SUBSCRIPTION RECEIPTS FINANCING**

On April 27, 2023, the Company completed a brokered financing, issuing 11,014,500 subscription receipts for gross proceeds of \$2,202,900. As part of the brokered financing, a total of \$154,203 broker's fee and \$99,811 other share issue costs were incurred. The net proceeds from this brokered financing of \$1,948,886 were released to the Company upon the completion of the Transaction on September 27, 2023.

Each subscription receipt, upon the completion of the Transaction, was converted into one common share of the resulting issuer and a half warrant. Each full warrant associated with these subscription receipts is exercisable into one common share of the resulting issuer at \$0.30 and expire on September 27, 2025.

**10. LOSS PER SHARE****Basic and diluted loss per share**

The calculation of basic and diluted loss per share for six months ended January 31, 2024 was based on the loss attributable to common shareholders of \$3,874,568 (six months ended January 31, 2023 – \$247,926) and a weighted average number of common shares outstanding of 59,356,138 (six months ended January 31, 2023 – 25,666,666).

Diluted loss per share did not include the effect of the 14,254,875 warrants, 1,485,347 finders' and broker's warrants and 5,300,000 options (January 31, 2023 – Nil warrants, Nil finders' and brokers' warrants and Nil options) since they were anti-dilutive.

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

AS AT JANUARY 31, 2024

(Unaudited)

(Presented in Canadian Dollars)

**11. RELATED PARTY TRANSACTIONS**

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the six months ended January 31, 2024:

	Cash payments and accrued cash bonus payments	Shares issued	Share-based compensation	TOTAL
Hernan Vera <sup>(1)</sup> Director and Chief Executive Officer	\$ 165,000	\$ 334,071	\$ 52,413	\$ 551,484
Michael Wood <sup>(2)</sup> Director and Chief Financial Officer	\$ 165,000	\$ 200,000	\$ 52,413	\$ 417,413
Other directors	\$ -	\$ -	\$ 39,309	\$ 39,309

For the six months ended January 31, 2023:

	Cash payments and accrued cash bonus payments	Shares issued	TOTAL
Hernan Vera <sup>(1)</sup> Director	\$ 17,363	\$ -	\$ 17,363
Matt Hudson <sup>(3)</sup> Chief Executive Officer	\$ 75,000	\$ -	\$ 75,000

Related party transactions and balances:

Services for:	Six months ended January 31		Amounts included in trade and other payables		
	2024	2023	As at January 31, 2024	As at July 31, 2023	
Hernan Vera <sup>(1)</sup>	Management fee and bonus payment in shares and accrued cash bonus payment	\$ 409,071	\$ 17,363	\$ 75,000	\$ 2,323
Independence Fortaleza, Sociedad Limitada <sup>(1)</sup>	Management fee	90,000	-	-	15,000
Michael Wood <sup>(2)</sup>	Bonus payment in shares and accrued cash bonus payment	275,000	-	75,000	-
Athena Jade Limited <sup>(2)</sup>	Management fee	90,000	-	-	15,000
Aerospace Industries Pty Ltd <sup>(3)</sup>	Management fee	-	75,000	-	-
<b>Total</b>		<b>\$ 864,071</b>	<b>\$ 92,363</b>	<b>\$ 150,000</b>	<b>\$ 32,323</b>

<sup>(1)</sup> Hernan Vera received 1,666,667 shares for the sale of a mineral claim in February 2023 (Note 8(b)). Mr. Vera received 1,670,355 shares as a bonus (Note 8(b)) and is entitled for a cash bonus of \$75,000 (not paid) (Note 12) for completing the Transaction. Starting July 2023, Mr. Vera receives \$15,000 per month payment paid to his company Independence Fortaleza, Sociedad Limitada.

<sup>(2)</sup> Michael Wood received 1,000,000 shares as a bonus (Note 8(b)) and is entitled for a cash bonus of \$75,000 (not paid) (Note 12) for completing the Transaction. Starting July 2023, Mr. Wood receives \$15,000 per month payment paid to his company Athena Jade Limited.

<sup>(3)</sup> Matt Hudson's cash payments paid to Aerospace Industries Pty Ltd., a private company owned by Mr. Hudson, during fiscal 2023. Mr. Hudson resigned from being the Chief Executive Officer effective December 31, 2022.

**SENDERO RESOURCES CORP.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**AS AT JANUARY 31, 2024**

(Unaudited)

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**11. RELATED PARTY TRANSACTIONS *(Continued)***

All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**12. COMMITMENTS**

(a) Executive compensation

On February 23, 2023, the Company signed two executive management agreements with Hernan Vera (Chief Executive Officer) and Michael Wood (Executive Chairman and Chief Financial Officer) where Mr. Vera and Mr. Wood will each receive \$75,000 cash bonuses upon the completion of the Transaction.

**13. SEGMENTED FINANCIAL INFORMATION**

The Company operates in one industry segment, being the acquisition and exploration of mineral properties and all its non-current assets and mineral exploration expenses are in one geographic location being Argentina.