SENTINEL EXPLORATION LTD

ACN 644 425 678

HALF-YEAR REPORT

FOR THE SIX MONTHS ENDED 31DECEMBER 2025

Directors
Mark Stowell
Simon Adams
Glenn Zamudio

Company Secretary
Keith Bowker

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Half-year report
for the half-year ended 31 December 2025

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The directors submit herewith the financial report of Sentinel Exploration Limited ("Sentinel Exploration" or "the Company") and its subsidiary ("the Group") for the half-year ended 31 December 2025. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Information about the directors

The names and particulars of the directors of the Group during or since the end of the half-year are:

Mark Stowell
B.Bus, CA

Chairman
Appointed 17 September 2020

Mr Stowell has over 20 years of corporate finance and resource business management experience. He served as manager in the corporate division of Arthur Anderson and subsequently in the establishment and management of a number of successful ventures as principal, including resource companies operating in Australia and internationally.

Mr Stowell was a founder director of Anvil Mining Ltd (Democratic Republic of Congo), a copper explorer and developer, for 7 years until 2000. He was a founder and Non-Executive Director of Incremental Petroleum Limited, an oil and gas producer with operations in Turkey and the USA, until its takeover by a USA operator. He was Chairman and founder of Mawson West Ltd, a copper producer and explorer which completed an IPO on the Toronto Stock Exchange in one of the largest base metal IPO's of 2011.

Simon Adams
B.Bus, ACIS

Managing Director
Appointed 17 September 2020

Mr Adams has a wide range of experience in the area of corporate and financial management, corporate compliance and business development. Mr Adams has worked in a range of industries across the resource and industrial sectors including oil and gas production, pearl production and distribution, power generation systems, hard-rock exploration and production and finance.

Glenn Zamudio
FAusIMM, BSC (Chem Eng), MBA, CFA

Director
Appointed 28 June 2021

Mr Zamudio is an executive with a strong track record of developing and operating businesses in challenging jurisdictions. Accomplished across a wide range of sectors and disciplines with exceptional project development, operational, commercial and valuation skills. He has held senior positions in various mining companies as General Manager Operations, Group Executive Commercial and Strategy and General Manager Projects. Mr Zamudio currently works as a Senior Principal Consultant with Mining Plus on the Corporate Consulting team providing technical due diligence, asset appraisal, independent technical expert and financial review advice.

The above-named directors held office during the half-year and since the end of the half-year.

Company Secretary

Mr Keith Bowker is a qualified Chartered Accountant and holds a Bachelor of Commerce degree from Curtin University, has experience in company secretarial, corporate compliance and financial accounting matters. Mr Bowker was appointed as Company Secretary on 5 July 2022.

Principal activities

The nature of operations and principal activities of the Group is the investment in mineral exploration, development and mining opportunities including the exploration and evaluation of projects primarily for gold and/or base metals.

There was no significant change in the nature of the Group's activity during the half-year.

Review of operations

The profit to owners of the Group for the half-year after providing for income tax amounted to $160,244 (30 June 2025 *Restated: $717,502).

Sentinel Exploration projects are in geographically diverse domains in Western Australia (Figure1).

Figure1. Location map, Sentinel Exploration Projects

Cubbine Hills Project

The Company has continued work on the Cubbine Hills Project with the aim to recommence exploration activities following the successful quotation of the Company on the NSX, expected end of March 2026.

Marda East Project

The Company completed 29 RC drill holes to an average depth of approximately 78m. This formed part of a 2,200m maiden drill program, representing the first ever drilling campaign undertaken on this prospect.

This target was generated by our technical team using soil geochemistry, which revealed a compelling gold-arsenic anomaly extending across two strike zones of 450m and 750m, coincident with magnetic features.

Results included:

- **3m @ 8.6g/t gold from surface;**
- **3m @ 4.75g/t gold from 48m;**
- **6m @ 1.65g/t gold from 12m.**

These were 3m composite samples. Management are encouraged and are now working on full analysis of multielement and 1m samples, when received, to design the next program to advance the understanding of this new gold system.

With these results, Marda East becomes our flagship project, and will be the main focus of our drilling in the year ahead, towards gold resource definition.

Follow up drilling is being planned, to commence following the successful quotation of the Company on the NSX, expected end of March 2026.

Kirup Project

The Company has reduced the Kirup Project to one tenement being E70-5452. This tenement is 30% owned in the JV with Kula Gold Limited (now 100% owned by Forrestania Resources Limited ASX: FRS).

Material business risks

The Company's financial prospects are influenced by several key uncertainties, including the inherent risk of exploration and development of its projects in Western Australia, exposure to volatile commodity prices, reliance on external funding, regulatory and permitting requirements in Western Australia, operational and logistical challenges in remote project areas, ESG and climate-related considerations affecting approvals and stakeholder support, and broader macroeconomic conditions that may impact project costs and capital availability.

Related party

An amount of $103,400 (excluding GST) was outstanding and payable to Merchant Holdings Pty Ltd, a company that Mark Stowell is a current director, for consulting fees relating to the financial year ended 30 June 2025.

An amount of $70,000 (excluding GST) was outstanding and payable to Simon Adams for director fees relating to the financial year ended 30 June 2025.

Kula Gold Limited was paid a total of $13,942 (30 June 2025: $33,040) for geological services rendered by employees and consultants of Kula Gold Limited.

Mark Stowell is a current director of both Sentinel Exploration Limited and Kula Gold Limited.

Project tenements Kirup, Cubbine Hills and Marda East have a 1% Net Smelter Royalty (NSR) on minerals produced. 50% of the NSR is held by Mark Stowell and 10% by Simon Adams. The projects were all acquired at cost.

Changes in state of affairs

There was no significant change in the state of affairs of the Group during the half-year.

Subsequent events

Subsequent to the half-year under review, the Group undertook the following activities:

- On 27 January 2026, the Company received 2,142,858 fully paid ordinary shares in Forrestania Resources Limited (ASX: FRS), valued at the date of this report of approximately $1.48m following the off-market takeover of Kula Gold Limited.
- On 2 February 2026, the Company sold the Barlee Project (tenements E77/3016, E77,3017, E77/3018 & E77/3035) for $20,000 (excluding GST).

Future developments

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental regulations

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

No dividends have been paid by the Company during the half-year ended 31 December 2025 or the financial year ended 30 June 2025, nor have the directors recommended any dividend to be paid.

Options

Details of unissued shares or interests under option as at the date of this report are:

Issuing entity	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
Sentinel Exploration Ltd	4,625,000	Ordinary	$0.20	30 June 2026

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company or of any other body corporate or registered scheme.

No options were exercised during the half-year ended 31 December 2025 or the financial year ended 30 June 2025 or since the end of the reporting date of this report.

Directors interest in shares and options

Director	Number of shares	Number of options	Exercise price	Expiry date
Mark Stowell	7,125,000	2,125,000	$0.20	30 June 2026
Simon Adams	900,000	400,000	$0.20	30 June 2026
Glenn Zamudio	500,000	250,000	$0.20	30 June 2026

Indemnification of officers and auditors

During or since the end of the half-year, the Company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the Group has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

Directors' meetings

The following table sets out the number of directors' meetings held during the half-year and the number of meetings attended by each director. The directors communicate regularly and pass most resolutions via circular resolution.

	Directors' Meetings		Audit Committee		Nomination Committee		Remuneration Committee		Finance and Operations Committee	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Mark Stowell	3	3	*At the date of this report, the Remuneration, Audit, Nomination, and Finance and Operations Committees comprise the full Board of Directors. The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.*							
Simon Adams	3	3								
Glenn Zamudio	3	3								

Proceedings on behalf of the Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the half-year.

Auditor's independence declaration

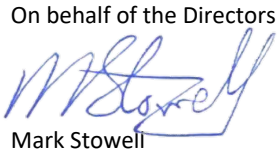
The auditor's independence declaration as required under s.307C of the *Corporations Act 2001* is included on page 6 of the half-year report.

Rounding off of amounts

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016 and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest dollar, unless otherwise indicated.

This directors' report is signed in accordance with a resolution of the directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors



Mark Stowell
Chairman
Perth, 27 February 2026

DRY KIRKNESS

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Sentinel Exploration Limited for the half year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Sentinel Exploration Limited and the entities it controlled during the half-year period.

DRY KIRKNESS (AUDIT) PTY LTD

ROBERT HALL CA
Director

Perth
Date: 27 February 2026

DRY KIRKNESS

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF SENTINEL EXPLORATION LIMITED

Conclusion

We have reviewed the accompanying half year financial report of Sentinel Exploration Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2025 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a summary of material accounting policy information and other explanatory information, the consolidated entity disclosure statement and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Correction of prior period error

We draw attention to Note 5 in the half year financial report which describes that an accounting error was identified involving invoices for directors' fees, consulting fees and company secretarial services relating to the year ended 30 June 2025 that had not been recorded in that period. The error has been corrected in the half year financial report by restating each of the affected financial statement line items and relevant comparative information.

Our review conclusion is not modified in respect of these matters.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by 'the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of financial report* sections of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including Independence Standards*) (*the Code*) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' responsibilities for the half year financial report

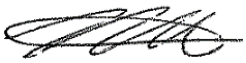
The directors of the Company are responsible for the preparation and fair presentation of the half year financial report in accordance with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the half year financial report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether in order to state whether anything has come to our attention that causes us to believe that the half year financial report is not in accordance with the *Corporations Act 2001* including; giving a true and fair view of the Group's financial position as at 31 December 2022 and its financial performance and its cash flows for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

DRY KIRKNESS (AUDIT) PTY LTD



ROBERT HALL CA
Director

Perth
Date: 27 February 2026

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001,* including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group; and

(c) in the directors' opinion, the attached consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors

Mark Stowell
Chairman
Perth, 27 February 2026

For the half-year ended 31 December 2025	Note	6-mths to 31 Dec 2025	12-mths to 30 June 2025 * Restated	12-mths to 30 June 2025
		$	$	$
Continuing operations				
Other gains and losses	7	578,533	1,179,538	1,179,538
Administration expenses		(37,252)	(207,767)	(52,767)
Exploration and evaluation expenditure		(381,037)	(253,429)	(253,429)
Finance costs		-	(840)	(840)
Profit before income tax		160,244	717,502	872,502
Income tax	8	-	-	(38,546)
Profit after income tax expense for the period		**160,244**	**717,502**	**833,956**
Other comprehensive income for the period				
Items that will not be reclassified subsequently to profit or loss		-	-	-
Items that may be reclassified subsequently to profit or loss		-	-	-
Total other comprehensive profit for the period, net of income		**-**	**-**	**-**
Total comprehensive profit for the period		**160,244**	**717,502**	**833,956**
Profit for the period attributable to:				
Owners of Sentinel Exploration Ltd		**160,244**	**717,502**	**833,956**
Total comprehensive profit for the period attributable to:				
Owners of Sentinel Exploration Ltd		**160,244**	**717,502**	**833,956**

* The comparative information has been restated as a result of a prior period error detailed in note 5.

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

As at 31 December 2025	Note	31 Dec 2025	30 June 2025 * Restated	30 June 2025
		$	$	$
Assets				
Current assets				
Cash and cash equivalents	9	548,016	1,012,522	1,012,522
Receivables and other assets	10	104,164	82,226	66,726
Total current assets		652,180	1,094,748	1,079,248
Non-current assets				
Other financial assets	11	648,000	84,000	84,000
Total non-current assets		648,000	84,000	84,000
Total assets		1,300,180	1,178,748	1,163,248
Liabilities				
Current liabilities				
Trade and other payables	12	359,132	397,944	227,444
Current tax liabilities	8	-	-	38,546
Total current liabilities		359,132	397,944	265,990
Total liabilities		359,132	397,944	265,990
Net assets		**941,048**	**780,804**	**897,258**
Equity				
Share capital	13	1,055,545	1,055,545	1,055,545
Accumulated losses		(114,497)	(274,741)	(158,287)
Total equity		**941,048**	**780,804**	**897,258**

* The comparative information has been restated as a result of a prior period error detailed in note 5.

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

For the half-year ended 31 December 2025

	Share capital $	Accumulated losses $	Total $
Previously reported			
Balance at 1 July 2024	1,055,545	(992,243)	63,302
Profit for the year	-	833,956	833,956
Total other comprehensive profit for the year, net of income tax	-	-	-
Total comprehensive profit for the year	-	833,956	833,956
Balance as at 30 June 2025	**1,055,545**	**(158,287)**	**897,258**
*** Restated**			
Balance at 1 July 2024	1,055,545	(992,243)	63,302
Profit for the year * Restated	-	717,502	717,502
Total other comprehensive profit for the year, net of income tax	-	-	-
Total comprehensive profit for the year	-	717,502	717,502
Balance as at 30 June 2025 * Restated	**1,055,545**	**(274,741)**	**780,804**
Balance at 1 July 2025	1,055,545	(274,741)	780,804
Profit for the half-year	-	160,244	160,244
Total other comprehensive profit for the half-year, net of income tax	-	-	-
Total comprehensive profit for the half-year	-	160,244	160,244
Balance as at 31 December 2025	**1,055,545**	**(114,497)**	**941,048**

* The comparative information has been restated as a result of a prior period error detailed in note 5.

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

For the half-year ended 31 December 2025	Note	6-mths to 31 Dec 2025 $	12-mths to 30 June 2025 $
Cash flows from operating activities			
Payments to suppliers and employees		(55,677)	(43,997)
Payments for exploration and evaluation expenditure		(423,362)	(182,331)
Net cash used in operating activities	9(a)	(479,039)	(226,328)
Cash flows from investing activities			
Proceeds from sale of equity investments	7	-	1,138,050
Proceeds from government grants	7	-	77,488
Net cash provided by investing activities		-	1,215,538
Cash flows from financing activities			
Interest received	7	14,533	-
Interest paid		-	(840)
Net cash provided by/(used in) financing activities		14,533	(840)
Net (decrease)/increase in cash and cash equivalents		(464,506)	988,370
Cash and cash equivalents at the beginning of the period		1,012,522	24,152
Cash and cash equivalents at the end of the period	9	**548,016**	**1,012,522**

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

For the half-year ended 31 December 2025

1. General information

Sentinel Exploration Ltd ("Sentinel Exploration" or "the Company") and its subsidiary ("the Group") is a special purpose acquisition company. The nature of operations and principal activities of the Group is the investment in mineral exploration, development and mining opportunities including the exploration and evaluation of projects primarily for gold and base metals.

Sentinel Exploration is a company limited by shares incorporated and registered in Australia. The address of the registered office and principal place of business is Suite 2, 20 Howard Street, Perth, Western Australia 6000. The financial report of the Group for the half-year ended 31 December 2025 was authorised for issue in accordance with a resolution of the directors on 27 February 2026.

2. Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and comply with other requirements of the law.

The financial statements comprise the condensed consolidated financial statements of Sentinel Exploration Ltd ("the Company") and the entities it controls ("the Group"). For the purposes of preparing the condensed consolidated financial statements, the Company is a for-profit entity.

The presentation currency used in these financial statements is Australian dollars ($). Amounts in these financial statements are stated in Australian dollars unless otherwise noted.

3. Statement of compliance

The Company does not have 'public accountability' as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-For-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

4. Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5. Application of new and revised Accounting Standards

i. New, revised or amending Accounting Standards and Interpretations

In the half-year ended 31 December 2025, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company.

ii. New Accounting Standards and Interpretations not yet mandatory or early adopted

Any new or amended Accounting Standards or Interpretations that are not yet effective have not been early adopted.

The Company has assessed the impact of these new or amended Accounting Standards or Interpretations most relevant to the Company as having no significant impact.

Prior period error

During the financial period, the Group identified that invoices for directors' fees, consulting fees and company secretarial services totalling $155,000 (excluding GST) relating to the year ended 30 June 2025 had not been recorded in that period. This resulted in the overstatement of profit before tax and the recognition of an income tax payable of $38,546 as at 30 June 2025.

In accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors,* the Group has retrospectively restated the comparative information. The correction results in an increase in administrative expenses of $155,000 and the derecognition of the previously recorded income tax payable. After recognising the tax effect of the adjustment, the Group no longer has a tax liability for the 2025 financial year.

6. Material accounting policy information

Financial instruments

Financial assets

All recognised financial assets are substantially measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification:

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss – FVTPL

Amortised cost:

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Fair value through profit or loss:

The Company's financial assets measured at FVTPL comprise investment in shares held in listed entities in the statement of financial position.

Impairment of financial assets:

Where the simplified approach to expected credit loss (ECL) is not applied, the Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligation to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Financial liabilities

The financial liabilities of the Company comprise trade payables, bank and other liabilities.

6. Material accounting policy information (continued)

Income tax expense

Accounting treatment

Deferred tax assets and liabilities

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Exploration and evaluation expenditure

Exploration and evaluation costs related to an area of interest are expensed as incurred except where they may be carried forward as an item in the statement of financial position where the rights of tenure of an area are current and one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- exploration and/or evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest is continuing.

Exploration and evaluation expenditure is written-off when it fails to meet at least one of the conditions outlined above or an area of interest is abandoned. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, an impairment loss is recognised.

Going concern basis

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements for the half-year ended 31 December 2025, the Company incurred a profit after tax of $160,244 (12-mths to 30 June 2025 * Restated: $717,502), had net cash outflows from operating activities of $479,039 (12-mths to 30 June 2025: $226,328), no cash inflows from investing activities (12-mths to 30 June 2025: $1,215,538), cash inflows from financing activities of $14,533 (12-mths to 30 June 2025: cash outflows of $840) and net current assets of $293,048 (30 June 2025 *Restated: $696,804).

As such, the directors believe that there are reasonable grounds to believe that the Company will be able to continue as a going concern, after consideration of the following factors:

1. Liquid investments held in ASX: FRS.
2. The Company is seeking quotation on the NSX.
3. The fact that future exploration and evaluation expenditure is generally discretionary in nature.
4. The directors are confident the Company has the ability to raise further funds through capital raisings as and when required to satisfy its operational expenditure commitments.

Accordingly, the directors believe that the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

7. Other gains and losses

	31 Dec 2025 $	30 June 2025 $
Unrealised gain/(loss) on fair value of other financial assets (refer note 11)	564,000	(36,000)
Interest received	14,533	-
Net proceeds from sale of equity investments (refer note 11)	-	1,138,050
EIS government grant	-	77,488
	578,533	**1,179,538**

8. Income taxes

Income tax comprises:	**31 Dec 2025**	**30 June 2025 * Restated**	**30 June 2025**
	$	**$**	**$**
Current tax	-	-	38,546
Deferred tax	-	-	-
Total income tax	**-**	**-**	**38,546**

Income tax for the half-year can be reconciled to the accounting profit as follows:

Profit before income tax	160,244	717,502	872,502
Tax at the rate of 25%	40,061	179,376	218,126
Expenses not deductible in determining taxable profit	-	9,550	9,550
Income not assessable in determining taxable profit	(141,000)	-	-
Tax benefit of deductible equity raising costs	(455)	(455)	(455)
Utilisation of tax losses not previously recognised	-	(188,471)	(188,675)
Tax losses not recognised	101,394	-	-
Income tax	**-**	**-**	**38,356**

The standard rate of corporation tax applied to taxable profit is 25%.

Unrecognised deferred tax assets	**31 Dec 2025**	**30 June 2025 * Restated**	**30 June 2025**
	$	**$**	**$**
Temporary differences	58,925	82,075	85,925
	58,925	**82,075**	**85,925**

9. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	31 Dec 2025	**30 June 2025 * Restated**	**30 June 2025**
	$	**$**	**$**
Cash and bank balances	**548,016**	**1,012,522**	**1,012,522**

(a) Reconciliation of profit for the half-year to net cash flows from operating activities

Profit after income tax for the year	160,244	717,502	833,956
Other gains and losses	(578,533)	(1,179,538)	(1,179,538)
Finance costs	-	840	840
Income tax expense recognised in profit or loss	-	-	38,546
Movement in receivables and other assets	(21,938)	172,423	17,423
Movement in trade and other payables	(38,812)	62,445	62,445
	(479,039)	**(226,328)**	**(226,328)**

10. Receivables and other assets

	31 Dec 2025	**30 June 2025 * Restated**	**30 June 2025**
	$	**$**	**$**
Prepayments	50,000	50,000	50,000
GST and fuel credits recoverable	54,164	32,226	16,726
	104,164	**82,226**	**66,726**

11. Other financial assets

	31 Dec 2025 $	30 June 2025 $
Financial assets measured at fair value through profit or loss		
Shares in Kula Gold Limited[1]	648,000	84,000
	648,000	**84,000**

[1] On 4 April 2023, the Company received 12,000,000 fully paid ordinary shares in Kula Gold Limited (ASX: KGD) at a deemed value of $0.035 per share as part consideration for the disposal of a 70% interest in Kirup tenement E70/5452.

As at 31 December 2025, the shares were revalued at $0.054 (30 June 2025: $0.007) per share.

[2] During the previous financial year, JV partner, Critica Limited ("Critica") (ASX: CRI), formerly Venture Minerals Limited, successfully continued exploration activities on the Iron Duke Project earning 70% under the Joint Venture Agreement ("JV Agreement").

Under the JV Agreement, Critica earnt a 51% interest in the Iron Duke Project by spending $250,000 within two years, including a minimum of $75,000 in the first year.

Upon Critica earning 51%, the Company had the option to contribute 49% or dilute to 30% by Critica spending a further $500,000 within the next 24 months to earn 70%.

Critica secured institutional funding to deliver a maiden resource followed by a resource upgrade. The Iron Duke/Jupiter Project has all the hallmarks of being Australia's biggest clay-hosted, rare earth discoveries.

On 1 July 2024, Critica and the Company entered into a Tenement Sale and Purchase Agreement ("Sale Agreement").

Under the Sale Agreement, Critica acquired the remaining 30% of the Iron Duke/Jupiter Project for $1.5m. The consideration was paid by the issue of 78,947,370 fully paid ordinary shares in the capital of Critica.

The Company realised this asset during the prior period netting proceeds of $1,138,050.

12. Trade and other payables

	31 Dec 2025 $	30 June 2025 * Restated $	30 June 2025 $
Trade creditors	351,432	390,244	219,744
Accrued expenses	7,700	7,700	7,700
	359,132	**397,944**	**227,444**

13. Share capital

	31 Dec 2025 $	30 June 2025 $
21,905,000 (30 June 2025: 21,905,000) fully paid ordinary shares	**1,055,545**	**1,055,545**

The Company is incorporated under the *Corporations Act 2001* and accordingly, does not have a limited amount of authorised capital and issued shares do not have a par value.

	31 Dec 2025		30 June 2025	
	No.	$	No.	$
Fully paid ordinary shares				
Balance at beginning of the financial period	21,905,000	1,055,545	21,905,000	1,055,545
Balance at end of the financial period	**21,905,000**	**1,055,545**	**21,905,000**	**1,055,545**

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

14. Options

Details of the share options outstanding during the half-year are as follows.

	31 Dec 2025		30 June 2025	
	Number of share options	**Weighted average exercise price**	**Number of share options**	**Weighted average exercise price**
Outstanding at the beginning of the half-year (i)	4,625,000	$0.20	4,625,000	$0.20
Exercisable at the end of the half-year	**4,625,000**	**$0.20**	**4,625,000**	**$0.20**

(i) the options were free-attaching options issued pursuant to the prospectus on a 1 for 2 basis.

15. Related party transactions

An amount of $103,400 (excluding GST) was outstanding and payable to Merchant Holdings Pty Ltd, a company that Mark Stowell is a current director, for consulting fees relating to the financial year ended 30 June 2025.

An amount of $70,000 (excluding GST) was outstanding and payable to Simon Adams for director fees relating to the financial year ended 30 June 2025.

Kula Gold Limited was paid a total of $13,942 (30 June 2025: $33,040) for geological services rendered by employees and consultants of Kula Gold Limited.

Mark Stowell is a current director of both Sentinel Exploration Limited and Kula Gold Limited.

Project tenements Kirup, Cubbine Hills and Marda East have a 1% Net Smelter Royalty (NSR) on minerals produced. 50% of the NSR is held by Mark Stowell and 10% by Simon Adams. The projects were all acquired at cost.

16. Contingent liabilities and contingent assets

In the opinion of the directors, there are no contingent liabilities or contingent assets as at 31 December 2025 or 30 June 2025 and none were incurred in the interval between the year-end and the date of this financial report.

17. Remuneration of auditors

	31 Dec 2025	30 June 2025
	$	**$**
Audit of the financial statements	**7,192**	**7,759**

The auditor of Sentinel Exploration Ltd for the current and prior financial periods is Dry Kirkness (Audit) Pty Ltd. An amount of $7,700 (inc, GST) has been accrued for the review of these financial statements for the half-year ended 31 December 2025 (30 June 2025: $7,700).

18. Subsequent events

Subsequent to the half-year under review, the Group undertook the following activities:

- On 27 January 2026, the Company received 2,142,858 fully paid ordinary shares in Forrestania Resources Limited (ASX: FRS), valued at the date of this report of approximately $1.48m following the off-market takeover of Kula Gold Limited.
- On 2 February 2026, the Company sold the Barlee Project (tenements E77/3016, E77,3017, E77/3018 & E77/3035) for $20,000 (excluding GST).

19. Subsidiaries

Details of the subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Place of incorporation	Proportion of ownership interest held	
		31 Dec 2025	30 June 2025
Merchant Ventures Pty Ltd	Australia	100%	100%

As at 31 December 2025		Body Corporates		
Entity name	Entity type	Place incorporated	% of share capital	Tax residency
Sentinel Exploration Ltd	Body Corporate	Australia	N/A	Australia
Merchant Ventures Pty Ltd	Body Corporate	Australia	100%	Australia

1. Merchant Ventures Pty Ltd has a joint venture agreement with Kula Gold Limited (ASX: KGD). The Group holds 70% of tenement E70/5452, the Kirup Project.