

GLADIATOR METALS CORP.
BUSINESS ACQUISITION REPORT
FORM 51-102F4

Item 1. Identity of Company

1.1 Name and Address of Company

Gladiator Metals Corp. (formerly Cairo Resources Inc.) (the “**Company**”)
1430-800 West Pender Street
Vancouver, BC V6C 2V6

1.2 Executive Officer

The following executive officer of the Company is knowledgeable about the significant acquisition and this business acquisition report:

Executive Officer: Matthew Roma, Chief Financial Officer

Telephone: 604-638-8063

Item 2. Details of Acquisition

2.1 Nature of Business Acquired

Definitive Agreement

The Company completed the acquisition (the “**Acquisition**”) of 100% of the issued and outstanding common shares in the capital of Bangles Gold Pty. Ltd. (“**Bangles**”) pursuant to the terms and conditions of a definitive agreement (the “**Agreement**”) dated June 15, 2021, among the Company, Bangles, and the shareholders of Bangles (the “**Bangles Shareholders**”). Following the Acquisition, Bangles is a wholly-owned subsidiary of the Company and the Company will carry on the business of Bangles. The Acquisition constituted the Company’s “Qualifying Transaction” pursuant to Policy 2.4 – *Capital Pool Companies* of the TSX Venture Exchange (the “**Exchange**”).

In conjunction with the closing of the Acquisition, the Company’s board of directors and management was reconstituted as follows:

- Ian Harris (Chief Executive Officer and Director)
- Matthew Roma (Chief Financial Officer and Corporate Secretary)
- Jason Bontempo (Director)
- Darren Devine (Director)

- Shawn Khunkhun (Director)

Concurrent Financing

In connection with the Acquisition, the Company completed a non-brokered private placement of 8,499,994 units of the Company (each, a “Unit”) at a price of \$0.28 per Unit for gross proceeds of approximately \$2,380,000 (the “Concurrent Financing”). Each Unit consists of one (1) common share (each, a “Common Share”) and one-half of one Common Share purchase warrant (each whole warrant, a “Warrant”). Each whole Warrant is exercisable by the holder into one (1) Common Share at a price of \$0.40 per Common Share for a period of twenty-four (24) months from the date of issuance. In connection with the Concurrent Financing, the Company paid cash finder’s fees of \$76,952.38

2.2 Date of Acquisition

The Company completed the Acquisition on October 8, 2021.

2.3 Consideration

In consideration for acquiring 100% of the issued and outstanding common shares in the capital of Bangles (the “Bangles Shares”), the Company issued the Bangles Shareholders (or their nominees) an aggregate of 5,000,000 Common Shares (the “Payment Shares”) and made a cash payment of \$125,000. The Payment Shares, which were issued at a deemed price of \$0.28 per Payment Share, are subject to a Tier 2 Value Security Escrow Agreement pursuant to the policies of the Exchange. The Company also issued 386,160 Common Shares to a finder for introducing the Acquisition to the Company.

Further information regarding the Acquisition can be found in the Company’s material change report dated October 15, 2021, a copy of which has been filed under the Company’s profile on SEDAR at www.sedar.com.

2.4 Effect on Financial Position

Prior to completion of the Acquisition, the Company was a Capital Pool Company listed on the Exchange under its former name “Cairo Resources Inc.” and did not conduct any active business operations. In conjunction with the completion of the Acquisition and the Concurrent Financing, the Company changed its name to “Gladiator Metals Corp.” and changed its trading symbol to “GLAD”.

The completion of the Acquisition has resulted in a material change to the business affairs of the Company that may have a significant effect on the results of operations and financial position of the Company.

As a result of the Acquisition, the Company, through Bangles, is focused on the exploration and development of the Koonenberry North Project located in New South Wales, Australia and identifying and evaluating other precious mineral properties. The Company does not have any current plans for material changes in the Company’s

business affairs or the affairs of Bangles which may have a significant effect on the results of operations and financial position of the Company, although the Company continues to explore opportunities related to its core business.

The Company's filing statement dated August 30, 2021 describes the business of the Company following the completion of the Acquisition and is available under the Company's profile on SEDAR at www.sedar.com.

2.5 Prior Valuations

To the knowledge of the Company, there has not been any valuation opinion obtained within the last 12 months by either the Company or Bangles required by securities legislation or a Canadian exchange or market to the support the consideration paid by the Company in connection with the Acquisition.

2.6 Parties to the Transaction

The Acquisition was not made with any person who, at the time of the Acquisition, was an informed person, associate or affiliate of the Company as defined in Section 1.1 of National Instrument 51-102 - *Continuous Disclosure Obligations* ("NI 51-102").

2.7 Date of Report

December 17, 2021.

Item 3. Financial Statements

As required by Part 8 of NI 51-102, the following financial statements are attached to this business acquisition report:

- the audited financial statements of Bangles for period from incorporation on September 4, 2020 to February 28, 2021 together with the reports of the auditors thereon, a copy of which is attached hereto as Schedule "A"; and
- the unaudited interim financial statements of Bangles for the six month period ended August 31, 2021, a copy of which is attached hereto as Schedule "B".

The Company has obtained the consent of the auditor of Bangles to incorporate the auditor's report for the audited financial statements into this report.

SCHEDULE "A"

**Audited Financial Statements for Bangles for the Period from Incorporation on
September 4, 2020 to February 28, 2021**

[SEE ATTACHED]

Bangles Gold Pty Limited

ABN 19 644 078 295

Annual Report

For the period 4 September 2020 to 28 February 2021

Bangles Gold Pty Limited
Directors' report
For the period 4 September 2020 to 28 February 2021

The director presents their report, together with the financial statements, on the company for the period from incorporation 4 September 2020 to 28 February 2021.

Directors

The following persons were directors of the company during the period 4 September 2020 to 28 February 2021 and up to the date of this report, unless otherwise stated:

Jason Anthony Bontempo

Principal activities

During the period ended 28 February 2021 the principal continuing activities of the company consisted of Gold exploration within the state of New South Wales.

Review of operations

The loss for the company after providing for income tax amounted to \$56,554.

Significant changes in the state of affairs

Bangles Gold Pty Limited (Bangles) entered into a Letter Agreement with Cairo Resources Inc (Cairo) in which Cairo and Bangles will negotiate and enter into a definitive agreement in respect of the proposed transaction, pursuant to which it is anticipated that Cairo will acquire all of the issued and outstanding Bangles Shares, and the shareholders of Bangles will receive Cairo Shares in exchange for their Bangles Shares. As at the date of this report the proposed transaction has not occurred.

There were no other significant changes in the state of affairs of the company during the period 4 September 2020 to 28 February 2021.

Matters subsequent to the end of the period

Bangles Gold Pty Ltd completed a drawdown of the Cairo Resources Inc Promissory Note of CAD\$100,000 on 27 March 2021.

No other matters or circumstance have arisen since 28 February 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 28 February 2021 and up to the date of this report.

Indemnity and insurance of officers

The company has not indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Bangles Gold Pty Limited
Directors' report
For the period 4 September 2020 to 28 February 2021

Indemnity and insurance of auditor

The company has not, during or since the end of the period ended 28 February 2021, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the period ended 28 February 2021, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

"Jason Anthony Bontempo"

Jason Anthony Bontempo
Director

29th April 2021

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF BANGLES GOLD PTY LTD**

In relation to our audit of the financial report of Bangles Gold Pty Ltd for the period ended 28 February 2021, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF PERTH (ABN: 64 591 268 274)



SIMON FERMANIS
PARTNER

29 APRIL 2021
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WESTERN AUSTRALIA

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Bangles Gold Pty Limited
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General information

The financial statements cover Bangles Gold Pty Limited as an individual entity. The financial statements are presented in Australian dollars, which is Bangles Gold Pty Limited's functional and presentation currency.

Bangles Gold Pty Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

61 Evandale Street
FLOREAT WA 6014

Principal place of business

61 Evandale Street
FLOREAT WA 6014

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 April 2021. The directors have the power to amend and reissue the financial statements.

Bangles Gold Pty Limited
Statement of profit or loss and other comprehensive income
For the period 4 September 2020 to 28 February 2021

	Note	2021 \$
Revenue		-
Expenses		
Audit fees		(6,000)
Exploration expenditure		(43,185)
Formation costs		(869)
Professional fees		<u>(6,500)</u>
Loss before income tax expense		(56,554)
Income tax expense/(benefit)	14	-
Loss after income tax expense for the period attributable to the owners of Bangles Gold Pty Limited		(56,554)
Other comprehensive income		
Other comprehensive income for the period, net of tax		<u>-</u>
Total comprehensive loss for the period attributable to the owners of Bangles Gold Pty Limited		<u><u>(56,554)</u></u>

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

Bangles Gold Pty Limited
Statement of financial position
As at 28 February 2021

	Note	2021 \$
Assets		
Current assets		
Cash on hand		2,400
Financial assets	3	30,000
Other current assets	4	436
Total current assets		<u>32,836</u>
Non-current assets		
Exploration asset	5	53,659
Total non-current assets		<u>53,659</u>
Total assets		<u>86,495</u>
Liabilities		
Current liabilities		
Trade and other payables	6	4,682
Accruals	7	12,500
Total current liabilities		<u>17,182</u>
Non-current liabilities		
Borrowings	8	123,467
Total non-current liabilities		<u>123,467</u>
Total liabilities		<u>140,649</u>
Net assets		<u><u>(54,154)</u></u>
Equity		
Issued capital	9	2,400
Accumulated losses	10	(56,554)
Total equity		<u><u>(54,154)</u></u>

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

Bangles Gold Pty Limited
Statement of changes in equity
For the period 4 September 2020 to 28 February 2021

	Issued capital	Accumulated losses	Total equity
Balance at incorporation	-	-	-
Loss after income tax expense for the period	-	(56,554)	(56,554)
Other comprehensive income for the period, net of tax	-	-	-
Contributions of equity	2,400	-	2,400
	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	-	(56,554)	(56,554)
	<hr/>	<hr/>	<hr/>
Balance at 28 February 2021	<u>2,400</u>	<u>(56,554)</u>	<u>(54,154)</u>

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

Bangles Gold Pty Limited
Statement of cash flows
For the period 4 September 2020 to 28 February 2021

	Note	2021 \$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)		<u>(93,031)</u>
Net cash from operating activities	13	<u>(93,031)</u>
Cash flows from investing activities		
Payments for security deposits		<u>(30,000)</u>
Net cash used in investing activities		<u>(30,000)</u>
Cash flows from financing activities		
Proceeds from borrowings		123,031
Share capital raised		<u>2,400</u>
Net cash used in financing activities		<u>125,431</u>
Net increase in cash and cash equivalents		2,400
Cash and cash equivalents at incorporation		<u>-</u>
Cash and cash equivalents at the end of the period		<u><u>2,400</u></u>

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

Bangles Gold Pty Limited
Notes to the financial statements
For the period 4 September 2020 to 28 February 2021

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Going concern basis

The company has net liabilities of \$54,154 as at 28 February 2021 and incurred a loss of \$56,554 and net operating cash outflows of \$93,031 for the period ended 28 February 2021.

The Director considers there are reasonable grounds to believe that the company will be able to continue as a going concern after consideration of the following factors:

- The company has the ability to adjust its exploration expenditure subject to results of its exploration activities and the company's funding position.
- The Director is confident that the company will be able to draw on the promissory note with Cairo Resources Inc and this is not required to be repaid within the next 12 months to the detriment of the company.
- The Director is confident that the company will be able to receive funding from BR Corporation and this is not required to be repaid within the next 12 months to the detriment of the company.

The Director believes that the above indicators demonstrate that the company will be able to pay their debts as and when they fall due and to continue as a going concern. Accordingly, the Director also believe that it is appropriate to adopt the going concern basis in the preparation of the 2021 financial report.

In the event that the company does not achieve the above actions, there exists significant uncertainty as to whether the company will be able to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Bangles Gold Pty Limited's functional and presentation currency.

Bangles Gold Pty Limited
Notes to the financial statements
For the period 4 September 2020 to 28 February 2021

Note 1. Significant accounting policies (continued)

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Exploration assets

Exploration expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Bangles Gold Pty Limited
Notes to the financial statements
For the period 4 September 2020 to 28 February 2021

Note 1. Significant accounting policies (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the reporting period ended 28 February 2021. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the company has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the company may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the company's financial statements.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Exploration costs

Exploration expenditure results in certain items of expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploration or sale, or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. These estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the income statement.

Bangles Gold Pty Limited
Notes to the financial statements
For the period 4 September 2020 to 28 February 2021

	2021
Note 3. Current Asset – Financial Assets	\$
Security deposits	<u>30,000</u>
Security deposits are funds held by the NSW Government for the granting of various Exploration Licences.	
Note 4. Current Asset – Other Current Assets	
Loan – Related Party	<u>436</u>
Ongoing working capital requirements are facilitated through the abovementioned related party loan. No interest is charged on the loan and the balance is regularly cleared to nil.	
Note 5. Non-current Asset - Exploration Asset	
Exploration assets	<u>53,659</u>
Note 6. Current liabilities - Trade and other payables	
Trade Creditors	<u>4,682</u>
Note 7. Current liabilities - Accruals	
Accruals	<u>12,500</u>
Note 8. Non-current liabilities - Borrowings	
Cairo Resources Inc	<u>123,467</u>

During the period ended 28 February 2021, Cairo Resources Inc. and Bangles Gold Pty Ltd established a Promissory Note with a principal amount of CAD\$250,000. As at 28 February 2021 Cairo Resources Inc. has advanced AUD\$123,467 (CAD\$125,000) to Bangles Gold Pty Ltd.

No interest will be payable on the outstanding portion of the principal amount, except that after termination or any event of default, judgement or maturity, the Borrower shall pay interest to the Lender on the outstanding portion of the principal amount from the date of such termination, event of default, judgement or maturity to and including the date of repayment of the indebtedness at the rate of 10% per annum, calculated on a calendar year basis. For the purposes of calculating interest, unpaid interest in arrears, if any, shall be compounded monthly.

Bangles Gold Pty Limited
Notes to the financial statements
For the period 4 September 2020 to 28 February 2021

Note 9. Equity - issued capital

	2021	2021
	Shares	\$
Ordinary shares - fully paid	<u>1,500,000</u>	<u>2,400</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Note 10. Equity – Accumulated losses

	2021
	\$
Accumulated losses at the beginning of the period	-
Losses after income tax expense for the period	<u>(56,554)</u>
Accumulated losses at the end of the period	<u><u>(56,554)</u></u>

Note 11. Remuneration of auditors

During the period the following fees were paid or payable for services provided by PKF Perth, the auditor of the company:

<i>Audit services – PKF Perth</i>	
Audit of the financial statements	6,000
<i>Other services – PKF Perth</i>	
Preparation of the financial statements	<u>6,500</u>
	<u><u>12,500</u></u>

Bangles Gold Pty Limited
Notes to the financial statements
For the period 4 September 2020 to 28 February 2021

Note 12. Matters subsequent to the end of the period

Bangles Gold Pty Ltd completed a drawdown of the Cairo Resources Inc Promissory Note of CAD\$100,000 on 27 March 2021.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the company up to 28 February 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 28 February 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 13. Reconciliation of loss after income tax to net cash from operating activities

	2021
	\$
Loss after income tax expense for the period ended 28 February 2021	(56,554)
Change in operating assets and liabilities:	
Increase in exploration assets	(53,659)
Increase/(decrease) in trade and other payables	4,682
Increase in other provisions	<u>12,500</u>
Net cash from operating activities	<u><u>(93,031)</u></u>

Note 14. Income Tax benefit

Recognised in the income statement:

<i>Current tax (expense) / benefit</i>	-
<i>Deferred tax (expense) / benefit</i>	<u>-</u>
Total income tax (expense) / benefit	<u>-</u>

Reconciliation between tax expense and pre-tax net loss

Loss before income tax	<u>(56,554)</u>
Income tax calculated at 26%	<u>14,704</u>
Deferred tax asset not brought to account	<u>(14,704)</u>
Income tax expense on pre-tax net loss	<u>-</u>
Weighted average rate of tax	<u>26%</u>

Bangles Gold Pty Limited
Notes to the financial statements
For the period 4 September 2020 to 28 February 2021

Note 15. Related party transactions

Receivables from related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties

	2021
	\$
Loan – Related Party	436

Ongoing working capital requirements are facilitated through the abovementioned related party loan. No interest is charged on the loan and the balance is regularly cleared to nil.

Note 16. Commitments & Contingencies

2021

Minimum expenditure commitments but not recognised in the financial statements:

1 year or less	100,000
Between 1 and 5 years	423,500
Over 5 years	-
	<hr/>
	523,500

Contingent liabilities

The entity had no contingent liabilities as at 28 February 2021.

Note 17. Financial Instruments

Financial risk management objectives

The Company's activities do not expose it to many financial risks, with only liquidity risk being needed to be actively managed.

Market risk

Foreign currency risk

The Company is not exposed to any significant foreign currency risk.

Price risk

The Company is not exposed to any significant price risk.

Interest rate risk

The Company is not exposed to any significant interest rate risk.

Credit risk

The Company is not exposed to any significant credit risk.

Liquidity risk

Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Bangles Gold Pty Limited
Notes to the financial statements
For the period 4 September 2020 to 28 February 2021

Note 17. Financial Instruments (Continued)

Remaining contractual maturities

The following tables detail the incorporated association's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position

2021	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	4,682	-	-	-	4,682
Borrowings	-	123,467	-	-	-	123,467
Total non-derivatives		<u>128,149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,149</u>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 18. Earnings per share

	2021
	\$
<i>Earnings per share for profit from continuing operations</i>	
Loss after income tax	<u>(56,554)</u>
	Cents
Basic earnings per share	(3.77)
	Shares
Weighted Average Ordinary Shares	1,500,000

Bangles Gold Pty Limited
Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 28 February 2021 and of its performance for the period ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

"Jason Anthony Bontempo"

Jason Anthony Bontempo
Director

29th April 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

BANGLES GOLD PTY LTD

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Bangles Gold Pty Ltd (the "Company"), which comprises the statement of financial position as at 28 February 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Company.

In our opinion, the accompanying financial report of Bangles Gold Pty Ltd, is in accordance with the Corporations Act 2001, including:

- i) Giving a true and fair view of the Company's financial position as at 28 February 2021 and its performance for the period ended on that date; and
- ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.
- iii) These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

In complying with Australian Auditing Standards we are complying with the International Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty

Without modifying our opinion, we draw attention to the financial report which indicates the Company has incurred a loss of \$54,504 and operating cash outflows of \$93,031 for the period ended 28 February 2021. These conditions along with other matters in note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report of the Company does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Independence

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 requirements) (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.

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PO Box 609, West Perth, WA 6872
T: +61 8 9426 8999 F: +61 8 9426 8900 www.pkfperth.com.au

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's financial report for the period ended 28 February 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



PKF PERTH (ABN: 64 591 268 274)



SIMON FERMANIS
PARTNER

29 APRIL 2021
WEST PERTH,
WESTERN AUSTRALIA

SCHEDULE "B"

**Unaudited Interim Financial Statements for Bangles for the Six Month Period
ended August 31, 2021**

[SEE ATTACHED]

Bangles Gold Pty Limited

ABN 19 644 078 295

Interim Financial Report

For the period 1 March 2021 to 31 August 2021

Bangles Gold Pty Limited
Directors' report
For the period 1 March 2021 to 31 August 2021

The director presents their report, together with the financial statements, on the company for the period from 1 March 2021 to 31 August 2021.

Directors

The following persons were directors of the company during the period 1 March 2021 to 31 August 2021 and up to the date of this report, unless otherwise stated:

Jason Anthony Bontempo

Principal activities

During the period ended 31 August 2021 the principal continuing activities of the company consisted of Gold exploration within the state of New South Wales.

Review of operations

The loss for the company for the period from 1 March 2021 to 31 August 2021 after providing for income tax amounted to \$39,870. (2021: \$56,554).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the period 1 March 2021 to 31 August 2021.

Matters subsequent to the end of the period

No matters or circumstances have arisen since 31 August 2021 that have significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the period ended 31 August 2021 and up to the date of this report.

Indemnity and insurance of officers

The company has not indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Bangles Gold Pty Limited
Directors' report
For the period 1 March 2021 to 31 August 2021

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the director:

"Jason Anthony Bontempo"

Jason Anthony Bontempo
Director

16 December 2021

Bangles Gold Pty Limited

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For the period 1 March 2021 to 31 August 2021

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General information

The financial statements cover Bangles Gold Pty Limited as an individual entity. The financial statements are presented in Australian dollars, which is Bangles Gold Pty Limited's functional and presentation currency.

Bangles Gold Pty Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

61 Evandale Street
FLOREAT WA 6014

Principal place of business

61 Evandale Street
FLOREAT WA 6014

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of director, on ____ December 2021. The directors have the power to amend and reissue the financial statements.

Bangles Gold Pty Limited
Statement of profit or loss and other comprehensive income
For the period 1 March 2021 to 31 August 2021

	Note	1 March 2021 to 31 Aug 2021	4 Sept 2020 to 28 Feb 2021
Revenue		-	-
Expenses			
Audit fees		(20,318)	(6,000)
Exploration expenditure		-	(43,185)
Formation costs		-	(869)
Professional fees		(19,558)	(6,500)
		<hr/>	<hr/>
Loss before income tax expense		(39,875)	(56,554)
Income tax expense/(benefit)	14	-	-
Loss after income tax expense for the period attributable to the owners of Bangles Gold Pty Limited		(39,875)	(56,554)
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
		<hr/>	<hr/>
Total comprehensive loss for the period attributable to the owners of Bangles Gold Pty Limited		<u>(39,875)</u>	<u>(56,554)</u>

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

Bangles Gold Pty Limited
Statement of financial position
As at 31 August 2021

	Note	31 August 2021	28 Feb 2021
Assets			
Current Assets			
Cash on hand		2,400	2,400
Financial assets	3	30,000	30,000
Other current assets	4	17,190	436
Total Current Assets		<u>49,590</u>	<u>32,836</u>
Non-current assets			
Exploration assets	5	136,587	53,659
Total non-current assets		<u>136,587</u>	<u>53,659</u>
Total Assets		<u>186,177</u>	<u>86,495</u>
Liabilities			
Current Liabilities			
Trade and other payables	6	15,937	4,682
Accruals	7	12,500	12,500
Borrowings	8	251,769	-
Total current liabilities		<u>28,437</u>	<u>17,182</u>
Non-current liabilities			
Borrowings		-	123,467
Total non-current liabilities		<u>-</u>	<u>123,467</u>
Total Liabilities		<u>280,206</u>	<u>140,649</u>
Net assets		<u>(94,029)</u>	<u>(54,154)</u>
Equity			
Issued capital	9	2,400	2,400
Accumulated losses	10	(96,429)	(56,554)
Total equity		<u>(94,029)</u>	<u>(54,154)</u>

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

Bangles Gold Pty Limited
Statement of changes in equity
For the period 1 March 2021 to 31 August 2021

**Statement of Changes in Equity for the period
1 March 2021 to 31 August 2021**

	Issued Capital	Accumulated Losses	Total Equity
Balance at 1 March 2021	2,400	(56,554)	(54,154)
Loss after income tax expense for the period	-	(39,870)	(39,870)
Other comprehensive income for the period, net of tax	-	-	-
Contributions of equity	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	-	(39,870)	(13,760)
	<hr/>	<hr/>	<hr/>
Balance at 31 August 2021	<u>2,400</u>	<u>(96,429)</u>	<u>(94,029)</u>

**Statement of Changes in Equity for the period
4 September 2020 to 28 February 2021**

	Issued Capital	Accumulated Losses	Total Equity
Balance at incorporation	-	-	-
Loss after income tax expense for the period	-	(56,554)	(56,554)
Other comprehensive income for the period, net of tax	-	-	-
Contributions of equity	2,400	-	2,400
	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	-	(56,554)	(56,554)
	<hr/>	<hr/>	<hr/>
Balance at 28 February 2021	<u>2,400</u>	<u>(56,554)</u>	<u>(54,154)</u>

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

Bangles Gold Pty Limited
Statement of cash flows
For the period 1 March 2021 to 31 August 2021

	Note	1 March 2021 to 31 Aug 2021	4 Sept 2020 to 28 Feb 2021
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(111,548)	(93,031)
Net cash used in operating activities	13	<u>(115,548)</u>	<u>(93,031)</u>
Cash flows from investing activities			
Payments for security deposits		-	(30,000)
Net cash from investing activities		<u>-</u>	<u>(30,000)</u>
Cash flows from financing activities			
Proceeds from borrowings		111,548	123,031
Share capital raised		-	2,400
Net cash from financing activities		<u>115,548</u>	<u>125,431</u>
Net increase in cash and cash equivalents		-	2,400
Cash and cash equivalents at beginning of period		<u>2,400</u>	<u>-</u>
Cash and cash equivalents at 31 August 2021		<u><u>2,400</u></u>	<u><u>2,400</u></u>

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

Bangles Gold Pty Limited
Notes to the financial statements
For the period 1 March 2021 to 31 August 2021

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standard Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Going concern basis

The company has net liabilities of \$94,029 as at 31 August 2021 (28 February 2021: \$54,154) and incurred a loss of \$39,870 (28 February 2021: \$56,554) and net operating cash outflows of \$111,548 (28 February 2021: \$93,031) for the period ended 31 August 2021.

The Director considers there are reasonable grounds to believe that the company will be able to continue as a going concern after consideration of the following factors:

- The company has the ability to adjust its exploration expenditure subject to results of its exploration activities and the company's funding position.
- The Director is confident that the company will be able to draw on the promissory note with Cairo Resources Inc and this is not required to be repaid within the next 12 months to the detriment of the company.
- The Director is confident that the company will be able to receive funding from BR Corporation and this is not required to be repaid within the next 12 months to the detriment of the company.

The Director believes that the above indicators demonstrate that the company will be able to pay their debts as and when they fall due and to continue as a going concern. Accordingly, the Director also believe that it is appropriate to adopt the going concern basis in the preparation of this interim financial report.

In the event that the company does not achieve the above actions, there exists significant uncertainty as to whether the company will be able to continue as a going concern and realize its assets and extinguish its liabilities in the normal course of business.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Bangles Gold Pty Limited's functional and presentation currency.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Bangles Gold Pty Limited
Notes to the financial statements
For the period 1 March 2021 to 31 August 2021

Note 1. Significant accounting policies (continued)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Exploration assets

Exploration expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Bangles Gold Pty Limited
Notes to the financial statements
For the period 1 March 2021 to 31 August 2021

Note 1. Significant accounting policies (continued)

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the reporting period ended 31 August 2021. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the company has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the company may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the company's financial statements.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Exploration costs

Exploration expenditure results in certain items of expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploration or sale, or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. These estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recover of the expenditure is unlikely, the relevant capitalised amount will be written off to the income statement.

Bangles Gold Pty Limited
Notes to the financial statements
For the period 1 March 2021 to 31 August 2021

Note 3. Current Asset – Financial Assets

	31 August 2021	28 February 2021
Security deposits	<u>30,000</u>	<u>30,000</u>

Security deposits are funds held by the NSW Government for the granting of various Exploration Licences

Note 4. Current Asset – Other Current Assets

Loan – Related Party	<u>17,190</u>	<u>436</u>
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Ongoing working capital requirements are facilitated through the abovementioned related party loan. No interest is charged on the loan and the balance is regularly cleared to nil.

Note 5. Non-current Asset - Exploration Asset

Exploration Assets	<u>136,587</u>	<u>53,659</u>
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Note 6. Current liabilities - Trade and other payables

Trade Creditors	<u>15,937</u>	<u>4,682</u>
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Note 7. Current liabilities - Accruals

Accruals	<u>12,500</u>	<u>12,500</u>
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Note 8. Non-current liabilities - Borrowings

Cairo Resources Inc	<u>251,768</u>	<u>123,467</u>
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During the period ended 28 February 2021, Cairo Resources Inc. and Bangles Gold Pty Ltd established a Promissory Note with a principal amount of CAD\$250,000. As at 31 August 2021 Cairo Resources Inc. has advanced a total AUD\$251,768 (CAD\$250,000) to Bangles Gold Pty Ltd.

No interest will be payable on the outstanding portion of the principal amount, except that after termination or any event of default, judgement or maturity, the Borrower shall pay interest to the Lender on the outstanding portion of the principal amount from the date of such termination, event of default, judgement or maturity to and including the date of repayment of the indebtedness at the rate of 10% per annum, calculated on a calendar year basis. For the purposes of calculating interest, unpaid interest in arrears, if any, shall be compounded monthly.

Bangles Gold Pty Limited
Notes to the financial statements
For the period 1 March 2021 to 31 August 2021

Note 9. Equity - Issued Capital

	31 Aug 2021 Shares	31 Aug 2021 \$	28 February 2021 Shares	28 February 2021 \$
Ordinary shares - fully paid	1,500,000	2,400	1,500,000	2,400

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Note 10. Equity – Accumulated losses

	31 Aug 2021	28 February 2021
Accumulated losses at the beginning of the period	(56,554)	-
Losses after income tax expense for the period	(39,875)	(56,554)
Accumulated losses at the end of the period	<u>(96,429)</u>	<u>(56,554)</u>

Note 11. Remuneration of auditors

During the period the following fees were paid or payable for services provided by PKF Perth, the auditor of the company:

<i>Audit services – PKF Perth</i>		
Audit of the financial statements	6,000	6,000
<i>Other services – PKF Perth</i>		
Preparation of the financial statements	6,500	6,500
	<u>12,500</u>	<u>12,500</u>

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Notes to the financial statements
For the period 1 March 2021 to 31 August 2021

Note 12. Matters subsequent to the end of the period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the company up to 31 August 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 August 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 13. Reconciliation of loss after income tax to net cash from operating activities

	31 August 2021	28 February 2021
Loss after income tax expense for the period ended	(39,875)	(56,554)
Change in operating assets and liabilities:		
Increase in exploration assets	(82,928)	(53,659)
Increase/(decrease) in trade and other payables	11,255	4,682
Increase in other provisions	-	12,500
Net cash from operating activities	<u>(111,548)</u>	<u>(93,031)</u>

Note 14. Income Tax benefit

Recognised in the income statement:

<i>Current tax (expense) / benefit</i>	-	-
<i>Deferred tax (expense) / benefit</i>	-	-
Total income tax (expense) / benefit	<u>-</u>	<u>-</u>

Reconciliation between tax expense and pre-tax net loss

Loss before income tax	<u>(39,875)</u>	<u>(56,554)</u>
Income tax calculated at 26%	<u>10,367</u>	<u>14,704</u>
Deferred tax asset not brought to account	<u>(10,367)</u>	<u>(14,704)</u>
Income tax expense on pre-tax net loss	-	-
Weighted average rate of tax	<u>26%</u>	<u>26%</u>

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Notes to the financial statements
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**31 August
2021** **28 February
2021**

Note 15. Related party transactions

Receivables from related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties

Loan – Related Party	17,190	436
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Ongoing working capital requirements are facilitated through the abovementioned related party loan. No interest is charged on the loan and the balance is regularly cleared to nil.

Note 16. Commitments & Contingencies

Minimum expenditure commitments but not recognised in the financial statements:

1 year or less	157,500	100,000
Between 1 and 5 years	366,000	423,500
Over 5 years	-	-
	523,500	523,500

Contingent liabilities

The entity had no contingent liabilities as at 31 August 2021.

Note 17. Financial Instruments

Financial risk management objectives

The Company's activities do not expose it to many financial risks, with only liquidity risk being needed to be actively managed.

Market risk

Foreign currency risk

The Company is not exposed to any significant foreign currency risk.

Price risk

The Company is not exposed to any significant price risk.

Interest rate risk

The Company is not exposed to any significant interest rate risk.

Credit risk

The Company is not exposed to any significant credit risk.

Liquidity risk

Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Bangles Gold Pty Limited
Notes to the financial statements
For the period 1 March 2021 to 31 August 2021

Note 1. Commitments & Contingencies

Minimum expenditure commitments but not recognised in the financial statements:

1 year or less	157,500	100,000
Between 1 and 5 years	366,000	423,500
Over 5 years	-	-
	<u>523,500</u>	<u>523,500</u>

Contingent liabilities

The entity had no contingent liabilities as at 31 August 2021.

Bangles Gold Pty Limited
Notes to the financial statements
For the period 1 March 2021 to 31 August 2021

Note 17. Financial Instruments (Continued)

Remaining contractual maturities

The following tables detail the incorporated association's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

31 August 2021	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	15,937	-	-	-	15,937
Borrowings	-	251,768	-	-	-	251,768
Total non-derivatives		267,705	-	-	-	267,705

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

28 February 2021	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	4,682	-	-	-	4,682
Borrowings	-	123,467	-	-	-	123,467
Total non-derivatives		128,149	-	-	-	128,149

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 18. Subsequent events

On January 26, 2021, the Company entered into a non-binding letter agreement (the "Letter Agreement") in respect of a proposed business combination (the "Transaction") that would result in the reverse takeover of Gladiator Metals by Bangles.

On June 15, 2021, the Company entered into a binding definitive agreement in respect of the Transaction (the "Definitive Agreement"), pursuant to which Gladiator agreed to acquire all of the issued and outstanding common shares of Bangles from the Bangles shareholders, in exchange for the shareholders of Bangles receiving Gladiator common shares.

On October 14, 2021, the Company completed the Transaction by selling all of the issued and outstanding common shares of Bangles, in exchange for the shareholders of Bangles receiving Gladiator common shares and a cash payment of \$125,000.

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In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 August 2021 and of its performance for the period ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

"Jason Anthony Bontempo"

Jason Anthony Bontempo
Director

December 16, 2021