

**Gladiator Metals Corp.**  
**(formerly Cairo Resources Inc.)**

**Condensed Interim Financial Statements**

**For the Six Months Ended August 31, 2021 and 2020**

**Unaudited – Prepared by Management**

(Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements they must be accompanied by a notice indicating that these condensed interim financial statements have not been reviewed by an auditor.

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

**Gladiator Metals Corp. (formerly Cairo Resources Inc.)**  
**Condensed Interim Statements of Financial Position**  
**Unaudited – Prepared by Management**  
**(Expressed in Canadian Dollars)**

	August 31, 2021	February 28, 2021
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 141,846	\$ 313,674
GST receivable	1,170	483
Prepaid expenses	417	417
Loans receivable (note 8)	250,000	125,000
	<b>\$ 393,433</b>	<b>\$ 439,574</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 5)	\$ 147,955	\$ 18,799
<b>Shareholders' Equity</b>		
<b>Capital Stock</b> (note 4)	960,959	960,959
<b>Reserves</b> (note 4)	101,904	101,904
<b>Deficit</b>	(817,385)	(642,088)
	245,478	420,775
	<b>\$ 393,433</b>	<b>\$ 439,574</b>

**Qualifying Transaction** (note 8)

**Subsequent Event** (note 9)

Approved on behalf of the Board:

"Darren Devine" (signed)  
 Director

"Ian Harris" (signed)  
 Director

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

**Gladiator Metals Corp. (formerly Cairo Resources Inc.)**  
**Condensed Interim Statements of Loss and Comprehensive Loss**  
**Unaudited – Prepared by Management**  
**(Expressed in Canadian Dollars)**

	Three months ended August 31, 2021	Three months ended August 31, 2020	Six months ended August 31, 2021	Six months ended August 31, 2020
<b>Expenses</b>				
Filing fees	\$ 1,250	3,454	\$ 14,279	\$ 4,704
General and administrative	7,157	6,884	12,824	13,815
Professional fees	5,059	171	11,116	171
Transaction costs (note 8)	124,447	1,800	137,078	2,550
<b>Loss and Comprehensive for the Period</b>	<b>\$ (137,913)</b>	<b>\$ (12,309)</b>	<b>\$ (175,297)</b>	<b>\$ (21,240)</b>
<b>Basic and Diluted Loss Per Common Share</b>	<b>\$ (0.03)</b>	<b>\$ (0.00)</b>	<b>\$ (0.03)</b>	<b>\$ (0.01)</b>
<b>Weighted Average Number of Common Shares Outstanding</b>	<b>5,256,473</b>	<b>3,568,973</b>	<b>5,256,473</b>	<b>2,725,223</b>

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

**Gladiator Metals Corp. (formerly Cairo Resources Inc.)**  
**Condensed Interim Statements of Changes in Equity**  
**Unaudited – Prepared by Management**  
**(Expressed in Canadian Dollars)**

	Capital Stock		Reserves	Deficit	Equity
	Number	Amount			
<b>Balance, February 29, 2020</b>	<b>1,881,473</b>	<b>\$ 453,509</b>	<b>\$ 101,904</b>	<b>\$ (584,615)</b>	<b>\$ (29,202)</b>
Proceeds from issuance of common shares	3,375,000	540,000	-	-	540,000
Share issue costs	-	(30,300)	-	-	(30,300)
Net loss for the period	-	-	-	(21,240)	(21,240)
<b>Balance, August 31, 2020</b>	<b>5,265,473</b>	<b>\$ 963,209</b>	<b>\$ 101,904</b>	<b>\$ (605,855)</b>	<b>\$ 459,258</b>
Share issue costs	-	(2,250)	-	-	(2,250)
Net loss for the period	-	-	-	(36,233)	(36,233)
<b>Balance, February 28, 2021</b>	<b>5,265,473</b>	<b>\$ 960,959</b>	<b>\$ 101,904</b>	<b>\$ (642,088)</b>	<b>\$ 420,775</b>
Net loss for the period	-	-	-	(175,297)	(175,297)
<b>Balance, August 31, 2021</b>	<b>5,265,473</b>	<b>\$ 960,959</b>	<b>\$ 101,904</b>	<b>\$ (817,385)</b>	<b>\$ 245,478</b>

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

**Gladiator Metals Corp. (formerly Cairo Resources Inc.)**  
**Condensed Interim Statements of Cash Flows**  
**Unaudited – Prepared by Management**  
**(Expressed in Canadian Dollars)**

	Six months ended August 31, 2021	Six months ended August 31, 2020
<b>Operating Activities</b>		
Loss for period	\$ (175,297)	\$ (21,240)
Changes in working capital balances:		
GST receivable	(687)	(730)
Prepaid expenses	-	546
Accounts payable and accrued liabilities	129,156	(44,374)
<b>Cash Used by Operating Activities</b>	<b>(46,828)</b>	<b>(65,798)</b>
<b>Investing Activity</b>		
Loans receivable	(125,000)	-
<b>Cash Used in Investing Activity</b>	<b>(125,000)</b>	<b>-</b>
<b>Financing Activities</b>		
Proceeds from issuance of common shares	-	540,000
Share issuance costs paid	-	(30,300)
<b>Cash Provided by Financing Activities</b>	<b>-</b>	<b>509,700</b>
<b>Inflow (Outflow) of Cash</b>	<b>(171,828)</b>	<b>443,902</b>
<b>Cash, Beginning of Period</b>	<b>313,674</b>	<b>19,090</b>
<b>Cash, End of Period</b>	<b>\$ 141,846</b>	<b>\$ 462,992</b>

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

**Gladiator Metals Corp. (formerly Cairo Resources Inc.)**  
**Notes to the Condense Interim Financial Statements**  
**For the Six Months Ended August 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

---

**1. NATURE AND CONTINUANCE OF OPERATIONS**

Gladiator Metals Corp (formerly Cairo Resources Inc.) (the “Company” or “Cairo”) was incorporated under the *Business Corporations Act* of British Columbia on February 8, 2010. The Company is listed on the TSX Venture Exchange (the “TSX-V”) under the symbol “GLAD”. The Company is engaged in acquisition, development and operation of mineral property, with its principal focus on Koonenberry North Project located in New South Wales, Australia.

The head office and records office of the Company are located at 1430 – 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6.

These consolidated condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. Several conditions discussed below cast substantial doubt regarding this assumption. As at August 31, 2021, the Company has no operating revenue and has an accumulated deficit of \$817,385 (February 28, 2021 - \$642,088). The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate operating profitability and positive cash flow. There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate financing, the Company will be required to curtail operations, exploration, and development activities and there would be significant uncertainty whether the Company would continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

**Qualifying Transaction**

On October 14, 2021, the Company completed its business combination with Bangles Gold Pty Ltd. (“Bangles”) (the “Transaction”) (note 8) by acquiring 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. In connection with the Transaction, the Company changed its name to “Gladiator Metals Corp.”. The Transaction constituted the Company’s “Qualifying Transaction” pursuant to Policy 2.4 of the TSX-V.

Concurrently with the Transaction, the Company completed a non-brokered private placement of units of the Company (“Units”) for gross proceeds of \$2,380,000 at a price of \$0.28 per Unit. Each Unit consists of one Gladiator common share and one-half of a share purchase warrant of Gladiator (“Warrants”), with each whole Warrant exercisable for a period of eighteen months at a price of \$0.40 per Gladiator common share. The Company also issued 1,200,000 stock options, each of which is exercisable into one common share at a price of \$0.28 for a period of five years

**Gladiator Metals Corp. (formerly Cairo Resources Inc.)**  
**Notes to the Condense Interim Financial Statements**  
**For the Six Months Ended August 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

---

**2. BASIS OF PRESENTATION**

**(a) Statement of Compliance**

These unaudited condensed interim financial statements were prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. Accordingly, they do not include all of the information and disclosures required by IFRS for annual financial statements. These unaudited condensed financial statements should be read in conjunction with the Company’s annual financial statements for the year ended February 28, 2021 which were prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”). These unaudited condensed interim financial statements have been prepared using the same accounting policies and methods of application as the latest annual financial statements. In the opinion of management, all adjustments (consisting of normal and recurring accruals) considered necessary for fair presentation have been included. The results for interim periods are not necessarily indicative of results for the entire year. The preparation of these unaudited condensed interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of these unaudited condensed interim financial statements and the reported amounts of expenses during the period. As a result, actual amounts may differ from those estimates.

The Company’s functional and presentation currency is the Canadian dollar.

**(b) Approval of the financial statements**

These unaudited condensed interim financial statements of the Company were approved by the Board of Directors and authorized for issue on October 28, 2021.

**(c) Critical accounting judgments and estimates**

The preparation of condensed interim financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed interim financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include accrued liabilities, the recoverability of deferred tax assets and the collectability of loans receivable.

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

Information about critical judgments in applying accounting policies that have the most significant effect of amounts recognized in the condensed interim financial statements is included in the going concern assessment (see Note 1).

**Gladiator Metals Corp. (formerly Cairo Resources Inc.)**  
**Notes to the Condense Interim Financial Statements**  
**For the Six Months Ended August 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

---

**2. BASIS OF PRESENTATION (continued)**

**(d) Future accounting standards**

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its condensed interim financial statements would not be significant.

**3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

**(a) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk consists primarily of cash and loans receivable. To mitigate credit risk, the loans receivable are secured by the common shares of the borrower and due on demand in the event that the Definitive Agreement is terminated (Note 8). The credit risk is also minimized by placing cash with major Canadian financial institutions.

**(b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. At August 31, 2021, the Company had cash of \$141,846 (February 28, 2021 - \$313,674) available to meet short-term business requirements and current liabilities of \$147,955 (February 28, 2021 - \$18,799). The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

**(c) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. The Company is not exposed to significant market risk.

**Gladiator Metals Corp. (formerly Cairo Resources Inc.)**  
**Notes to the Condense Interim Financial Statements**  
**For the Six Months Ended August 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

---

**4. CAPITAL STOCK**

(a) Authorized

The Company has authorized an unlimited number of common shares without par value. As at August 31, 2021, the Company had 5,256,473 shares outstanding (February 28, 2021 - 5,256,473).

(b) Issued and outstanding

There were no capital stock transactions during the six months ended August 31, 2021.

On July 16, 2020, the Company completed a non-brokered private placement of 3,375,000 common shares at a price of \$0.16 per share for gross proceeds of \$540,000. The Company incurred \$32,550 of share issue costs related to the private placement, which was offset against capital stock.

(c) Escrow shares

As at August 31, 2021 and February 28, 2021, there are 299,999 common shares being held in escrow and are subject to a TSX-V mandated CPC Escrow Agreement. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities or in accordance with the CPC Escrow Agreement following the Company's completion of a Qualifying Transaction.

(d) Stock option plan

The Company adopted a stock option plan (the "Plan") that allows the Company to issue options to certain directors, officers, employees and consultants of the Company. The Board shall specify the number of shares that will be placed under option, the option price and the period during which options may be exercised. The number of options granted to one person shall not exceed 5% of the outstanding shares at the time of granting the options. If employment with the Company is terminated, other than through death, options not exercised will expire within the later of 12 months after completion of the Qualifying Transaction and 90 days after the termination date. Until a Qualifying Transaction is completed, the maximum number of shares to be reserved under the Plan shall not exceed 158,147 which is 10% of the issued common shares of the Company at the closing of the Company's initial public offerings. Following the completion of a Qualifying Transaction the maximum number of shares reserved for issuance under the Plan shall not exceed 10% of the shares issued and outstanding as at the date of the grant of options.

(e) Stock options and warrants

During the six months ended August 31, 2021 and 2020, the Company did not issue any warrants or grant any stock options. There were no warrants or stock options outstanding as at August 31, 2021 and February 28, 2021.

**Gladiator Metals Corp. (formerly Cairo Resources Inc.)**  
**Notes to the Condense Interim Financial Statements**  
**For the Six Months Ended August 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

---

**5. RELATED PARTY TRANSACTIONS**

The Company's related party and key management personnel consist of a company owned by the executive officer and directors as follows:

	Relationship	Nature of Transactions
CDM Capital Partners Inc.	Partially owned by the President, CEO, CFO and a director of the Company	Rent

---

During the six months ended August 31, 2021, the Company incurred \$4,500 (2020 - \$4,500) for rent to CDM Capital Partners Inc.

**6. CAPITAL MANAGEMENT**

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements as at August 31, 2021.

**7. COVID-19**

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness which may impact the Company's ability to obtain external financing as required for the Qualifying Transaction described in Note 8. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

**Gladiator Metals Corp. (formerly Cairo Resources Inc.)**  
**Notes to the Condense Interim Financial Statements**  
**For the Six Months Ended August 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

---

**8. QUALIFYING TRANSACTION**

On January 26, 2021, the Company entered into the Letter Agreement with Bangles in respect of the Transaction.

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

Bangles is the holder of a 100% legal and beneficial interest in three exploration licence applications ("ELA's") located in New South Wales ("NSW"), Australia. ELA 6056, ELA 6058 and ELA 6059 cover an area of ~680 km<sup>2</sup> over sections of the mineralised Koonenberry Fault and associated secondary faults and splays located in NSW, Australia. The Koonenberry region is an emerging gold district.

**Summary of the Transaction**

Pursuant to the Transaction, Gladiator issued 5,000,000 Gladiator common shares and made a \$125,000 of cash consideration paid pro rata to the shareholders of Bangles in exchange for 100% of the Bangles Shares. A finder's fee of 386,161 Gladiator common shares was issued by Gladiator to an arm's length third party in connection with the closing of the Transaction.

In connection with the Letter Agreement, Gladiator and Bangles entered a Promissory Note Agreement dated February 4, 2021. Under the terms of the Promissory Note Agreement, Gladiator will advance secured loans of up to \$250,000 to Bangles, which are non-interest bearing and have a term of one year. In the event that the Definitive Agreement is terminated, these loans will be due on demand and bear interest at 10%, compounded monthly. The loans are secured by the common shares of Bangles, of which there are currently 1,500,000 outstanding. The loans will be used by Bangles for working capital purposes. As at August 31, 2021, Gladiator has advanced \$250,000 (February 28, 2021 – \$125,000) to Bangles under the terms of the Promissory Note Agreement.

On October 14, 2021, the Company completed its business combination with Bangles and changed its name to "Gladiator Metals Corp.". Upon completion of the Transaction, the Company is listed as a Tier 2 Mining Issuer on the TSX-V, with Bangles as its primary operating subsidiary.

Concurrently with the Transaction, the Company completed a non-brokered private placement of units of the Company ("Units") for gross proceeds of \$2,380,000 at a price of \$0.28 per Unit. Each Unit consists of one Gladiator common share and one-half of a share purchase warrant of Gladiator ("Warrants"), with each whole Warrant exercisable for a period of eighteen months at a price of \$0.40 per Gladiator common share.

**9. SUBSEQUENT EVENTS**

- a) On October 14, 2021, in connection with the Transaction (see note 8), the Company completed a non-brokered private placement of units of the Company ("Units") for gross proceeds of \$2,380,000 at a price of \$0.28 per Unit. Each Unit consists of one Gladiator common share and one-half of a share purchase warrant of Gladiator ("Warrants"), with each whole Warrant exercisable for a period of eighteen months at a price of \$0.40 per Gladiator common share.

The Company also issued 1,200,000 stock options, each of which is exercisable into one common share at a price of \$0.28 for a period of five years.

**Gladiator Metals Corp. (formerly Cairo Resources Inc.)**  
**Notes to the Condense Interim Financial Statements**  
**For the Six Months Ended August 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

---

- b) On closing of the Transaction, the \$250,000 promissory (see note 8) will be considered an intercompany loan between Gladiator and Bangles.