
PRISMO METALS INC.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

THREE MONTHS ENDED MARCH 31, 2024

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of Prismo Metals Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Prismo Metals Inc.**Condensed Interim Consolidated Statements of Financial Position****(Expressed in Canadian Dollars)****(Unaudited)**

	As at March 31, 2024	As at December 31, 2023
ASSETS		
Current assets		
Cash	\$ 67,987	\$ 132,792
Marketable securities (Note 4)	945,000	1,267,500
Receivables	29,797	22,253
Prepaid expenses	27,148	51,053
	1,069,932	1,473,598
Non-current assets		
Exploration and evaluation assets (Note 15)	5,976,967	5,820,296
	\$ 7,046,899	\$ 7,293,894
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ 920,950	\$ 1,150,825
Short-term loans (Note 6)	166,090	177,090
Due to related parties (Note 14)	14,365	63,356
	1,101,405	1,391,271
Shareholders' equity		
Share capital (Note 8)	8,055,009	8,055,009
Contributed reserves (Notes 10, 11, 12 and 13)	1,603,365	1,537,300
Shares to be issued (Note 7)	162,250	128,250
Deficit	(3,875,130)	(3,817,936)
	5,945,494	5,902,623
	\$ 7,046,899	\$ 7,293,894

Nature of operations and going concern (Note 1)

Subsequent events (Note 17)

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

Prismo Metals Inc.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

	Three Months Ended March 31,	
	2024	2023
Operating expenses		
Office and administrative expenses (Note 16)	\$ 199,874	\$ 687,657
Realized gain on marketable securities (Note 4)	(60,180)	-
Fair value adjustment on marketable securities (Note 4)	(82,500)	(570,000)
Loss and comprehensive loss for the period	\$ 57,194	\$ 117,657
Basic and diluted loss per share	\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding - basic and diluted (Note 9)	40,443,843	40,007,563

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

Prismo Metals Inc.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Operating activities		
Loss for the period	\$ (57,194)	\$ (117,657)
Fair value adjustment on marketable securities	(82,500)	(570,000)
Share-based payments	66,065	317,958
Realized gain on marketable securities	(60,180)	-
Changes in non-cash working capital items:		
Receivables	(7,544)	11,659
Prepaid expenses	23,905	27,679
Accounts payable and accrued liabilities	(79,575)	(178,527)
Due to related parties	(48,991)	(19,654)
Net cash (used in) operating activities	(246,014)	(528,542)
Investing activities		
Investment in exploration and evaluation assets	(306,971)	(619,596)
Proceeds from sale of marketable securities	465,180	-
Net cash provided by (used in) investing activities	158,209	(619,596)
Financing activities		
Shares issued for cash	-	500,000
Share issue costs	-	(36,472)
Short-term loan repayment	(11,000)	-
Shares subscription received in advance	34,000	-
Net cash provided by financing activities	23,000	463,528
Net change in cash	(64,805)	(684,610)
Cash, beginning of period	132,792	2,581,225
Cash, end of period	\$ 67,987	\$ 1,896,615
Supplemental information		
Non-cash financing activities:		
Share issuance costs settled	\$ -	\$ 120,000
Non-cash investing activities:		
Marketable securities acquired through strategic investment	\$ -	\$ 1,500,000
Shares issued for exploration and evaluation assets	-	244,375
Exploration and evaluation assets included in accounts payable	767,478	-

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

Prismo Metals Inc.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Number of shares	Share capital	Contributed reserves	Shares to be issued	Deficit	Total
Balance, December 31, 2022	35,671,480	\$ 5,819,192	\$ 379,028	\$ -	\$ (1,653,224)	\$ 4,544,996
Strategic investment	4,000,000	1,900,000	100,000	-	-	2,000,000
Shares issued to agent	240,000	114,000	6,000	-	-	120,000
Share issue costs	-	(156,472)	-	-	-	(156,472)
RSUs converted to shares	12,500	5,938	(5,938)	-	-	-
Shares issued for exploration and evaluation assets	575,000	244,375	-	-	-	244,375
Share-based payments	-	-	317,958	-	-	317,958
Loss for the period	-	-	-	-	117,657	117,657
Balance, March 31, 2023	40,498,980	\$ 7,927,033	\$ 797,048	\$ -	\$ (1,535,567)	\$ 7,188,514
Balance, December 31, 2023	40,846,480	\$ 8,055,009	\$ 1,537,300	\$ 128,250	\$ (3,817,936)	\$ 5,902,623
Shares subscription received in advance	-	-	-	34,000	-	34,000
Share-based payments	-	-	66,065	-	-	66,065
Loss for the period	-	-	-	-	(57,194)	(57,194)
Balance, March 31, 2024	40,846,480	\$ 8,055,009	\$ 1,603,365	\$ 162,250	\$ (3,875,130)	\$ 5,945,494

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

Prismo Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024

(Expressed in Canadian Dollars, except where indicated)

(Unaudited)

1. Nature of operations and going concern

Prismo Metals Inc. (the "Company" or "Prismo") was incorporated under the provisions of the Canada Business Corporations Act on October 17, 2018, and registered as an extra-provincial corporation under the laws of British Columbia on November 6, 2018. The addresses of the Company's offices are:

- Administration: Suite 1100 – 1111 Melville St., Vancouver, BC V6E 3V6, Canada.
- Registry and Records: 800 Victoria Square, Suite 3700, Montreal, Quebec, H4Z 1E9.

The Company is in the business of acquisition and exploration of mineral properties, and is in one operating segment, namely mineral exploration in Mexico.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

On October 1, 2020, the Company's shares started trading on the Canadian Securities Exchange (the "CSE") under the trading symbol PRIZ. On July 27, 2022, the Company commenced trading on the OTCQB ® under the symbol PMOMF. The Company's common shares continue to trade on the CSE under the symbol PRIZ.

The Company has incurred losses since inception, and had a working capital deficit of \$31,473 as at March 31, 2024 (December 31, 2023 - working capital of \$82,327). Continued operations of the Company are dependent on the Company's ability to obtain private and/or public equity financing or to receive continued financial support from its controlling shareholders and other investors. There can be no assurance the Company will be successful in achieving these goals and, accordingly, there are material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

These unaudited condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and these adjustments could be material.

2. Basis of preparation

(a) *Statement of compliance*

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). These unaudited condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2023.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors ("Board") for issue on May 27, 2024.

Prismo Metals Inc.**Notes to Condensed Interim Consolidated Financial Statements****Three Months Ended March 31, 2024****(Expressed in Canadian Dollars, except where indicated)****(Unaudited)**

3. Material accounting policy information

The accounting policies followed for the preparation of these unaudited condensed interim consolidated financial statements are consistent with those described in the December 31, 2023, annual consolidated financial statements.

4. Marketable securities

As at March 31, 2024, the Company's publicly traded investment consisted of the following:

Public issuer	Security description	Cost	Unrealized gain	Fair market value
Vizsla Silver Corp. ("Vizsla")	500,000 common shares	\$ 810,000	\$ 135,000	\$ 945,000

As at December 31, 2023, the Company's publicly traded investment consisted of the following:

Public issuer	Security description	Cost	Unrealized gain	Fair market value
Vizsla	750,000 common shares	\$ 1,215,000	\$ 52,500	\$ 1,267,500

The Company received these marketable securities pursuant to a strategic investment with Vizsla. Refer to Note 8(b)(i).

During the three months ended March 31, 2024, 250,000 common shares of Vizsla were sold for a gross proceeds of \$465,180, a realized gain of \$60,180 and unrealized gain of \$82,500 (March 31, 2023, no shares were sold) was recorded in the unaudited condensed interim consolidated statements of loss.

5. Accounts payable and accrued liabilities

The Company's accounts payable and accrued liabilities are as follows:

	As at March 31, 2024	As at December 31, 2023
Trade payables	\$ 909,192	\$ 946,436
Accrued liabilities and provisions	11,758	204,389
	\$ 920,950	\$ 1,150,825

Prismo Metals Inc.**Notes to Condensed Interim Consolidated Financial Statements****Three Months Ended March 31, 2024****(Expressed in Canadian Dollars, except where indicated)****(Unaudited)**

6. Short-term loans

During the year ended December 31, 2021, the Company entered into two short-term promissory notes for an aggregate amount of \$30,000 which \$10,000 was due to a company controlled by a director of the Company. The loans bore a 6% annual interest rate, repayable at the time the principal amount is repaid. During the year ended December 31, 2023, the Company entered into two short-term promissory notes for an aggregate amount of \$176,000. The loans bore no interest rate. As at March 31, 2024, \$11,000 of the promissory notes was repaid.

7. Subscription received in advance for private placement

As at March 31, 2024, the Company has received a total proceeds of \$162,250 for a non-brokered private placement completed subsequent to period end. Refer to Note 17.

8. Share capital**a) Authorized share capital**

The Company is authorized to issue an unlimited number of common shares without par value. There are no restrictions on transfers.

b) Common shares issued

As at March 31, 2024, the issued share capital amounted to \$8,055,009. The change in issued share capital for the periods presented were as follows:

	Number of Shares	Amount
Balance, December 31, 2022	35,671,480	\$ 5,819,192
Strategic Investment (i)	4,000,000	1,900,000
Shares issued to agent (i)	240,000	114,000
Shares issued for exploration and evaluation assets (Note 15(d))	575,000	244,375
RSUs converted to shares (Note 13)	12,500	5,938
Share issues costs	-	(156,472)
Balance, March 31, 2023	40,498,980	\$ 7,927,033
Balance, December 31, 2023 and March 31, 2024	40,846,480	\$ 8,055,009

(i) On January 6, 2023, the Company completed a strategic investment with Vizsla for 4,000,000 units of the Company for aggregate consideration of \$2,120,000 with Vizsla acquiring a right of first refusal to purchase the Palos Verdes project from the Company. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to acquire one common share of the Company at a price of \$0.75 for a period of two years. The 2,000,000 warrants were valued at \$220,000 using the residual value method. The consideration for the strategic investment consisted of a cash payment of \$500,000 at closing and 1,000,000 common shares of Vizsla valued at \$1,620,000. Refer to Note 4.

In addition, the Company issued 240,000 units to the agent valued at \$120,000. These units have the same terms as the units issued to Vizsla. The 120,000 warrants were value at \$6,000 using the residual value method.

Prismo Metals Inc.**Notes to Condensed Interim Consolidated Financial Statements****Three Months Ended March 31, 2024****(Expressed in Canadian Dollars, except where indicated)****(Unaudited)**

9. Loss per common share

The calculation of basic loss per share for the three months ended March 31, 2024 was based on the loss attributable to common shareholders of \$(57,194) (three months ended March 31, 2023 - loss of \$(117,657)) and the weighted average number of common shares outstanding for the three months ended March 31, 2024 of 40,443,843 (three months ended March 31, 2023 - 40,007,563). Diluted loss per share for the three months ended March 31, 2024 and 2023 did not include the effect of stock options, SARs, warrants and RSU as they are anti-dilutive.

10. Stock options

The following summarizes the stock option activity for the periods ended March 31, 2024 and 2023:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2022	2,435,000	0.145
Granted (i)	150,000	0.460
Balance, March 31, 2023	2,585,000	0.165
Balance, December 31, 2023 and March 31, 2024	3,400,000	0.198

The following table reflects the Company's stock options outstanding and exercisable as at March 31, 2024:

Options outstanding	Exercise price (\$)	Options exercisable	Weighted average remaining contractual life (years)	Expiry date
200,000	0.170	200,000	0.27	July 7, 2024
150,000	0.460	150,000	0.84	January 31, 2025
975,000	0.125	975,000	1.50	September 30, 2025
500,000	0.150	500,000	3.13	May 19, 2027
760,000	0.165	760,000	3.24	June 26, 2027
815,000	0.305	611,250	4.33	July 27, 2028
3,400,000	0.198	3,196,250	2.71	

(i) On January 31, 2023, the Company granted an aggregate of 150,000 stock options to a consultant. Each option is exercisable into one common share of the Company at a price of \$0.460 per share for a period of two years. Vesting of the options are as follows: 25% as of the date of grant; 25% every three-months thereafter. The grant date fair value of \$43,830 or \$0.29 per option was valued using the Black-Scholes valuation model with the following assumptions: share price \$0.42; expected dividend yield of 0%; risk-free interest rate of 3.76%; volatility of 146% and an expected life of 2 years.

(ii) The portion of the estimated fair value of options granted in the current and prior periods and vested during the three months ended March 31, 2024, amounted to \$27,442 (three months ended March 31, 2023 - \$26,411).

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Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024

(Expressed in Canadian Dollars, except where indicated)

(Unaudited)

11. SARs

The following summarizes the SARs activity for the periods ended March 31, 2024 and 2023:

	Number of SARs	Weighted average exercise price (\$)
Balance, December 31, 2022	-	-
Granted (i)	475,000	0.475
Balance, March 31, 2023	475,000	0.475
Balance, December 31, 2023 and March 31, 2024	1,000,000	0.380

(i) On January 8, 2023, the Company granted an aggregate of 475,000 SARs to directors, officers and consultants. Each SAR is exercisable for a period of five years at a price \$0.475. Vesting of the SARs are as follows: 25% as of the date of grant and 25% every three-months thereafter. The grant date fair value of \$192,190 or \$0.405 per SAR was valued using the Black-Scholes valuation model with the following assumptions: share price \$0.475; expected dividend yield of 0%; risk-free interest rate of 3.24%; volatility of 125% and an expected life of 5 years.

(ii) The portion of the estimated fair value of SARs granted in the current and prior periods and vested during the three months ended March 31, 2024, amounted to \$17,200 (three months ended March 31, 2023 - \$128,515).

The following table reflects the Company's SARs outstanding and exercisable as at March 31, 2024:

SARs outstanding	Exercise price (\$)	SARs exercisable	Weighted average remaining contractual life (years)	Expiry date
475,000	0.475	475,000	3.78	January 8, 2028
525,000	0.305	393,750	4.33	July 27, 2028
1,000,000	0.386	868,750	4.06	

12. Warrants

The following summarizes the warrant activity for the periods ended March 31, 2024 and 2023:

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2022	5,042,886	0.57
Granted (Note 8(b)(i))	2,120,000	0.75
Balance, March 31, 2023	7,162,886	0.62
Balance, December 31, 2023 and March 31, 2024	5,720,000	0.67

Prismo Metals Inc.**Notes to Condensed Interim Consolidated Financial Statements****Three Months Ended March 31, 2024****(Expressed in Canadian Dollars, except where indicated)****(Unaudited)**

12. Warrants (continued)

The following table reflects the Company's warrants outstanding and exercisable as at March 31, 2024:

Number of warrants	Exercise price (\$)	Expiry Date
350,000	0.10	August 12, 2024
350,000	0.10	October 11, 2024
2,900,000	0.75	December 12, 2025
2,120,000	0.75	January 6, 2025
5,720,000	0.67	

13. RSU plan

On January 8, 2023, the Company granted 475,000 RSUs to officers, directors and consultants of the Company under the terms of the RSU Plan. Vesting of the RSUs are as follows: 25% as of the date of grant and 25% every three-months thereafter.

On March 17, 2023, the Company granted 310,000 RSUs to consultants of the Company under the terms of the RSU Plan. Vesting of the RSUs are as follows: 50% on June 17, 2023 and 50% on September 17, 2023.

During the three months ended March 31, 2024, 131,250 RSUs vested and nil RSUs converted to common shares (three months ended March 31, 2023 - 118,750 RSUs vested and 12,500 of these RSUs converted to common shares with a value \$5,938).

Compensation for the three months ended March 31, 2024 related to the vesting of RSUs was \$21,423 (March 31, 2023 - \$163,032), and was recorded as a share-based payments in the unaudited condensed interim consolidated financial statement of loss and comprehensive loss.

	RSUs outstanding
Balance, December 31, 2022	-
Granted	785,000
Vested	(12,500)
Balance, March 31, 2023	772,500
Balance, December 31, 2023 and March 31, 2024	950,000

Prismo Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024

(Expressed in Canadian Dollars, except where indicated)

(Unaudited)

14. Related party transactions

Key management personnel comprise the Chief Executive Officer, the Chief Financial Officer and Corporate Secretary and the Directors of the Company.

The below noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board.

Transactions with key management personnel and other related parties of the Company was as follows:

Three Months Ended March 31,	2024	2023
Consulting fees paid to the Chief Executive Officer of the Company for supervision of exploration programs:	\$ -	\$ 22,976
Accounting fees paid to Marrelli Support Services Inc., a company controlled by the Chief Financial Officer of the Company:	6,355	6,586
Share-based payments:	57,336	190,765

In addition to the above transactions, both the ProDeMin Option (Note 15(a)) and the Cascabel Option (Note 15(c)) are related party transactions, as ProDeMin is controlled by a director of the Company, and two directors of the Company have an interest in the project related to the Cascabel option.

The following amounts were due to related parties:

	March 31, 2024	December 31, 2023
Amounts owed to the President of the Company in consulting fees and reimbursable expenses:	\$ -	\$ 26,823
Amounts owed to Marrelli Support Services Inc., a company controlled by the Chief Financial Officer of the Company:	14,365	25,634
Amount owed to a company controlled by the directors of the Company:	-	10,899
	\$ 14,365	\$ 63,356

15. Exploration and evaluation assets

a) ProDeMin Option

On May 7, 2019, the Company entered into an Option Agreement with ProDeMin, a company incorporated under the laws of Mexico and carrying mineral exploration contracting activities and controlled by a director of the Company (the "ProDeMin Option"). Pursuant to the terms of the ProDeMin Option, ProDeMin granted the Company an option to earn up to 75% interest in the Palos Verdes property, located in the state of Sinaloa, Mexico, over a period of five years, as follows:

- on May 10, 2019, the Company paid ProDeMin US \$25,000 in cash (paid);
- on August 12, 2019, the Company issued ProDeMin 2,000,000 units with a fair value of \$0.05 per unit; each unit consisted of one common share and one share purchase warrant of the Company; each warrant being exercisable at a price of \$0.10 per share, expiring of the fifth anniversary of the date of issuance of these units;

Prismo Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024

(Expressed in Canadian Dollars, except where indicated)

(Unaudited)

15. Exploration and evaluation assets (continued)

a) ProDeMin Option (continued)

- on August 12, 2019, the Company reimbursed ProDeMin for expenditures already incurred in the amount of \$25,000 by the issuance of 500,000 common shares with a fair value of \$0.05 per share (issued); and
- the Company is required to incur US \$1,500,000 in exploration expenses over the five-year period of the ProDeMin Option, pay an additional US \$46,823 and issue ProDeMin an additional 2,000,000 common shares, as follows:
 - on December 31, 2021, the Company paid ProDeMin an amount of US \$21,823 upon the Company's closing of its first financing following the listing of its common shares on a recognized CSE;
 - incurred a minimum of \$100,000 in exploration expenditures within the first two years of the date of the ProDeMin Option, and by paying all fees and duties required to maintain the mineral concessions in good standing;
 - pay US \$25,000 to ProDeMin and incurred a minimum of US \$100,000 in exploration expenditures on the property for each of the third and fourth year following the date of the ProDeMin Option, and also paying during such period all fees and duties required to maintain the mineral concession in good standing;
 - Issue to ProDeMin, or as directed by ProDeMin, 2,000,000 common shares, and incurring a minimum of US \$500,000 in expenditures on the Property in the fifth year following the date of the ProDeMin Option, and also paying during such period all fees and duties required to maintain the mineral concession in good standing; and
 - the following payments have been or are to be made:

	USD \$
On or before May 20, 2019 (paid)	15,000
6 months from the above date (paid)	25,000
12 months from the above date (paid)	25,000
18 months from the above date (paid)	25,000
24 months from the above date (paid)	25,000
30 months from the above date (paid)	25,000
36 months from the above date (paid)	50,000
48 months from the above date (paid)	50,000
Total payments	240,000

b) Option for remaining 25% stake in Palos Verdes

On November 30, 2020, the Company entered into an option agreement with the underlying owner of the remaining 25% of the Palos Verdes property (the "Palos Verdes 25% Agreement"), thus securing the possibility of earning up to 100% interest in the property. Under the terms of the Palos Verdes 25% Agreement, the Company will make aggregate payments of US \$250,000 over a period of four years (US \$90,000 paid) and issued 100,000 share purchase warrants (issued) with an exercise price of \$0.35 and valid for two years. The schedule of cash payments is as follows:

Prismo Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024

(Expressed in Canadian Dollars, except where indicated)

(Unaudited)

15. Exploration and evaluation assets (continued)

b) Option for remaining 25% stake in Palos Verdes (continued)

	USD \$
On or before November 30, 2020 (paid)	30,000
6 months from the above date (paid)	15,000
12 months from the above date (paid)	15,000
18 months from the above date (paid)	15,000
24 months from the above date (paid)	15,000
30 months from the above date (paid)	25,000
36 months from the above date (paid)	25,000
42 months from the above date (paid)	50,000
48 months from the above date	60,000
Total payments	250,000

During the year ended December 31, 2023, the Company sold a right of first refusal on sale of the project. Refer to Note 8(b)(i).

c) Cascabel Option

On October 11, 2019, the Company entered into an Option Agreement with Cascabel (the "Cascabel Option"). Pursuant to the terms of the Cascabel Option, Cascabel grants the Company an option to earn up to 100% in the Los Pavitos concession, located in the state of Sonora, Mexico, over a period of five years, as follows:

- on October 11, 2019, the Company issued Cascabel 2,000,000 units with a fair value of \$0.05 per unit; each unit consisting of one common share and one share purchase warrant of the Company; each warrant being exercisable at a price of \$0.10 per share, expiring on the fifth anniversary of the date of issuance of these units (issued); and
- the Company is required to maintain the Los Pavitos concession in good standing. During the year ended December 31, 2020, the Company reimbursed Cascabel for \$137,796 for concession dues that were due for 2019 and 2020. The Company is temporarily delinquent for payment of mineral concession dues corresponding to the first semester of 2021 of approximately US \$35,000 and a similar amount for the second semester of 2021 as well as approximately US \$65,000 corresponding to the first semester of 2022 for working capital preservation.

For the exercise of the option, the Company will be required to incur US \$1,500,000 in exploration expenses over the five-year period of the Cascabel Option, pay an additional US \$500,000 and issue Cascabel an additional 2,000,000 common shares. The yearly minimum expenditures, payments and issuance of shares to Cascabel are as follows:

Period	Work commitment	Cash payment (USD)	Shares issued	Other requirements
First two years, cumulative	\$ 75,000	nil	nil	Technical report to NI 43-101 standards
Each of the third and fourth years	\$ 100,000	\$100,000	nil	nil
Fifth year	\$ 500,000	\$300,000	2,000,000	Drilling program of at least 2,500 metres

The Company will perform sufficient assessment work to satisfy the applicable government work commitment costs on the property; and

The Company will maintain the mineral concessions in good standing.

Prismo Metals Inc.**Notes to Condensed Interim Consolidated Financial Statements****Three Months Ended March 31, 2024****(Expressed in Canadian Dollars, except where indicated)****(Unaudited)**

15. Exploration and evaluation assets (continued)

d) Hot Breccia Option

On February 1, 2023, the Company signed a definitive agreement (the "Agreement") with Infinitum Copper Corp. ("Infinitum") to acquire a 75% interest in the Hot Breccia porphyry copper-skarn project (the "Hot Breccia Option") located in Arizona copper belt. Under the terms of the Agreement, the Company paid \$350,000 in cash and issued 500,000 common shares at a price of \$0.425 per share for a value of \$212,500, in addition to assuming certain earn-in obligations of Infinitum under the option agreement with Walnut Mines LLC, in order to acquire a 75% ownership interest in Hot Breccia Option.

In connection with the transaction, the Company also issued to an arm's-length party 75,000 common shares valued at \$31,875 as an advisory fee.

Earn-in obligations to Walnut:

As at Jan 31,	Work commitments <i>To be satisfied by Prismo</i>	Property Payments <i>To be made by Prismo</i>	Share payments <i>To be made by Infinitum</i>
2024	\$500,000	\$165,000	250,000 shares (i)
2025	1,000,000	100,000	500,000 shares
2026	1,750,000	275,000	875,000 shares
2027	2,000,000	-	750,000 shares
Total	5,250,000	540,000	2,375,000 shares

(i) Subsequent to the three months ended March 31, 2024, the Company issued shares to cover the property payment. Refer to Note 17(i).

The Company has incurred the following exploration and evaluation investments:

	CAD
Balance, December 31, 2022	\$ 2,038,015
<u>ProDeMin Project</u>	
Concession payments under the ProDeMin Option - paid	111,795
Palos Verdes remaining 25% option-cash	162,173
Drilling and related	1,606,457
Other	20,183
Additions to ProDeMin Project	1,900,608
<u>Hot Breccia Project</u>	
Option payment	616,316
Drilling	89,642
Other	234,163
Additions to Hot Breccia Project	940,121
<u>Los Pavitos Project</u>	
Option payment	229,964
Drilling	640,889
Other	70,699
Additions to Los Pavitos Project	941,552
Balance, December 31, 2023	\$ 5,820,296

Prismo Metals Inc.**Notes to Condensed Interim Consolidated Financial Statements****Three Months Ended March 31, 2024****(Expressed in Canadian Dollars, except where indicated)****(Unaudited)**

15. Exploration and evaluation assets (continued)

The Company has incurred the following exploration and evaluation investments (continued):

	CAD
Balance, December 31, 2023	\$ 5,820,296
<u>ProDeMin Project</u>	
Drilling	28,395
Other	2,322
Additions to ProDeMin Project	30,717
<u>Hot Breccia Project</u>	
Drilling	25,000
Other	52,123
Additions to Hot Breccia Project	77,123
<u>Los Pavitos Project</u>	
Option payment	19,453
Drilling	27,875
Other	1,503
Additions to Los Pavitos Project	48,831
Balance, March 31, 2024	\$ 5,976,967

16. Office and administrative expenses

	Three Months Ended March 31,	
	2024	2023
Conference and investor relations	\$ 6,720	\$ 27,065
Consulting fees	14,175	85,128
Foreign exchange (gain) loss	(5,201)	675
Marketing expense	36,860	124,779
Office and administration	2,247	1,331
Professional fees (Note 14)	12,718	16,673
Regulatory and transfer agent fees	8,167	26,350
Stock exchange, authorities and communication	10,466	9,742
Share-based payments (Notes 10, 11, 13 and 14)	66,065	317,958
Travel, meals and conventions	47,657	77,956
	\$ 199,874	\$ 687,657

Prismo Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024

(Expressed in Canadian Dollars, except where indicated)

(Unaudited)

17. Subsequent events

i) On April 5, 2024, the Company completed a debt settlement agreement with certain creditors of the Company and issued an aggregate of i) 2,883,692 common shares of the Company at a price of \$0.17 per common share in full and final settlement of accrued and outstanding indebtedness in the aggregate amount of \$552,570. The settlement included shares issued to ProDeMin, (a total of 588,235 common shares) an exploration services company located in Mexico and controlled by our President & CEO Dr. Gibson; to Walnut Mines LLC, an Arizona based company which owns the Hot Breccia project (a total of 832,571 common shares), and as consideration of an option payment on the Palos Verdes property (a total of 200,000 common shares).

The Company completed a non-brokered private placement for one subscription of 754,411 units of the Company at a price of \$0.17 per unit for total gross proceeds of \$128,250 (refer to Note 7). Each unit consist of one common share and one-half common share purchase warrant. Each warrant is exercisable for one additional common share at an exercise price of \$0.25 for a period of 24 months.

The Company issued 200,000 common shares pursuant to the exercise of stock options for proceeds of \$34,000 (refer to Note 7).

ii) On April 9, 2024, the Company granted 550,000 incentive stock options, to certain consultants of the Company subject to certain vesting requirements. Each stock option is exercisable upon vesting into one common share of the Company at a price of \$0.20 per option Share, for a period of five years. Vesting of the options is as follows: 1/4 on the date which is 3 months after the date of grant and 1/4 every 3 months thereafter.

The Company also granted 200,000 RSUs to consultants of the Company under the terms of the RSU Plan. Vesting of the RSUs are as follows: 1/4 on the date which is the 3 months after the date of grant, and 1/4 every 3 months thereafter.

The Company granted 550,000 SARs to consultants of the Company. Each SAR is exercisable for a period of five years at a price of \$0.20. Vesting of the SARs are as follows: 1/4 on the date which is the 3 months after the date of grant, and 1/4 every 3 months thereafter.

iii) On April 11, 2024, 462,500 RSUs were converted to common shares.

iv) On May 1, 2024, the Company announced the appointments of Steve Robertson as President of the Company, Alain Lambert as the Chief Executive officer (CEO) and Craig Gibson as the Chief Exploration officer (CXO).