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**PRISMO METALS INC.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL  
STATEMENTS**

**THREE AND SIX MONTHS ENDED  
JUNE 30, 2024**

**(EXPRESSED IN CANADIAN DOLLARS)**

**(UNAUDITED)**

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**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.

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

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	As at June 30, 2024	As at December 31, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 394,590	\$ 132,792
Marketable securities (Note 4)	1,200,000	1,267,500
Receivables	47,103	22,253
Prepaid expenses	111,677	51,053
	<b>1,753,370</b>	<b>1,473,598</b>
<b>Non-current assets</b>		
Exploration and evaluation assets (Note 14)	6,626,534	5,820,296
	<b>8,379,904</b>	<b>7,293,894</b>
<b>Total assets</b>	<b>\$ 8,379,904</b>	<b>\$ 7,293,894</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 1,106,681	\$ 1,150,825
Short-term loans (Note 6)	166,090	177,090
Due to related parties (Note 15)	97,415	63,356
	<b>1,370,186</b>	<b>1,391,271</b>
<b>Shareholders' equity</b>		
Share capital (Note 7)	10,356,182	8,055,009
Contributed reserves (Notes 9, 10, 11 and 12)	1,534,650	1,537,300
Shares to be issued	-	128,250
Deficit	(4,881,114)	(3,817,936)
	<b>7,009,718</b>	<b>5,902,623</b>
<b>Total shareholders' equity</b>	<b>7,009,718</b>	<b>5,902,623</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 8,379,904</b>	<b>\$ 7,293,894</b>

Nature of operations and going concern (Note 1)  
Subsequent events (Note 16)

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

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

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Operating expenses</b>				
Office and administrative expenses (Note 13)	\$ 1,127,635	\$ 417,462	\$ 1,327,509	\$ 1,105,119
Realized gain on marketable securities (Note 4)	-	-	(60,180)	-
Fair value adjustment on marketable securities (Note 4)	(255,000)	460,000	(337,500)	(110,000)
Loss on settlement of debt	133,349	-	133,349	-
<b>Loss and comprehensive loss for the period</b>	<b>\$ (1,005,984)</b>	<b>\$ (877,462)</b>	<b>\$ (1,063,178)</b>	<b>\$ (995,119)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.02)</b>	<b>\$ (0.02)</b>	<b>\$ (0.02)</b>	<b>\$ (0.02)</b>
<b>Weighted average number of common shares outstanding - basic and diluted (Note 8)</b>	<b>45,946,245</b>	<b>40,014,124</b>	<b>43,396,363</b>	<b>40,261,190</b>

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

	Six Months Ended June 30,	
	2024	2023
<b>Operating activities</b>		
Loss for the period	\$ (1,063,178)	\$ (995,119)
Fair value adjustment on marketable securities	(337,500)	(110,000)
Share-based payments	195,875	522,681
Realized gain on marketable securities	(60,180)	-
Changes in non-cash working capital items:		
Receivables	(24,850)	(376)
Prepaid expenses	(60,624)	24,563
Accounts payable and accrued liabilities	406,130	(164,879)
Due to related parties	34,059	(29,603)
<b>Net cash used in operating activities</b>	<b>(910,268)</b>	<b>(752,733)</b>
<b>Investing activities</b>		
Investment in exploration and evaluation assets	(411,207)	(1,720,491)
Proceeds from sale of marketable securities	465,180	-
<b>Net cash provided by (used in) investing activities</b>	<b>53,973</b>	<b>(1,720,491)</b>
<b>Financing activities</b>		
Shares issued for cash	1,147,500	500,000
Proceeds from the exercise of stock options	34,000	-
Share issue costs	(52,407)	(36,472)
Short-term loan repayment	(11,000)	-
<b>Net cash provided by financing activities</b>	<b>1,118,093</b>	<b>463,528</b>
<b>Net change in cash</b>	<b>261,798</b>	<b>(2,009,696)</b>
<b>Cash, beginning of period</b>	<b>132,792</b>	<b>2,581,225</b>
<b>Cash, end of period</b>	<b>\$ 394,590</b>	<b>\$ 571,529</b>
<b>Supplemental information</b>		
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	395,031	244,375
Exploration and evaluation assets included in accounts payable	630,415	-

*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
<b>Balance, December 31, 2022</b>	<b>35,671,480</b>	<b>\$ 5,819,192</b>	<b>\$ 379,028</b>	<b>\$ -</b>	<b>\$ (1,653,224)</b>	<b>\$ 4,544,996</b>
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	47,500	19,976	(19,976)	-	-	-
Shares issued for exploration and evaluation assets	575,000	244,375	-	-	-	244,375
Share-based payments	-	-	522,681	-	-	522,681
Loss for the period	-	-	-	-	(995,119)	(995,119)
<b>Balance, June 30, 2023</b>	<b>40,533,980</b>	<b>\$ 7,941,071</b>	<b>\$ 987,733</b>	<b>\$ -</b>	<b>\$ (2,648,343)</b>	<b>\$ 6,280,461</b>
<b>Balance, December 31, 2023</b>	<b>40,846,480</b>	<b>\$ 8,055,009</b>	<b>\$ 1,537,300</b>	<b>\$ 128,250</b>	<b>\$ (3,817,936)</b>	<b>\$ 5,902,623</b>
Private placement	7,504,411	1,275,750	-	(128,250)	-	1,147,500
Share issue costs	-	(74,236)	21,829	-	-	(52,407)
RSUs converted to shares	500,000	207,125	(207,125)	-	-	-
Exercise of stock options	200,000	47,229	(13,229)	-	-	34,000
Shares issued to settle debt	4,334,896	845,305	-	-	-	845,305
Share-based payments	-	-	195,875	-	-	195,875
Loss for the period	-	-	-	-	(1,063,178)	(1,063,178)
<b>Balance, June 30, 2024</b>	<b>53,385,787</b>	<b>\$ 10,356,182</b>	<b>\$ 1,534,650</b>	<b>\$ -</b>	<b>\$ (4,881,114)</b>	<b>\$ 7,009,718</b>

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

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# Prismo Metals Inc.

## Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars, except where indicated) (Unaudited)

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### 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 of \$383,184 as at June 30, 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 August 28, 2024.

### 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.

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**Prismo Metals Inc.****Notes to Condensed Interim Consolidated Financial Statements****Three and Six Months Ended June 30, 2024****(Expressed in Canadian Dollars, except where indicated) (Unaudited)**

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**4. Marketable securities**

As at June 30, 2024, the Company's publicly traded investment consisted of the following:

<b>Public issuer</b>	<b>Security description</b>	<b>Cost</b>	<b>Unrealized gain</b>	<b>Fair market value</b>
Vizsla Silver Corp. ("Vizsla")	500,000 common shares	\$ 810,000	\$ 390,000	\$ 1,200,000

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

<b>Public issuer</b>	<b>Security description</b>	<b>Cost</b>	<b>Unrealized gain</b>	<b>Fair market value</b>
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 7(b)(i).

During the six months ended June 30, 2024, 250,000 common shares of Vizsla were sold for gross proceeds of \$465,180, a realized gain of \$60,180 and unrealized gain of \$82,500 (June 30, 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:

	<b>As at June 30, 2024</b>	<b>As at December 31, 2023</b>
Trade payables	\$ 1,040,292	\$ 946,436
Accrued liabilities and provisions	66,389	204,389
	<b>\$ 1,106,681</b>	<b>\$ 1,150,825</b>

**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 June 30, 2024, \$11,000 of the promissory notes was repaid.

## Prismo Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars, except where indicated) (Unaudited)

#### 7. 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 June 30, 2024, the issued share capital amounted to \$10,356,182. The change in issued share capital for the periods presented were as follows:

	Number of Shares	Amount
<b>Balance, December 31, 2022</b>	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 14(d))	575,000	244,375
RSUs converted to shares (Note 12)	47,500	19,976
Share issues costs	-	(156,472)
<b>Balance, June 30, 2023</b>	<b>40,533,980</b>	<b>\$ 7,941,071</b>
<b>Balance, December 31, 2023</b>	<b>40,846,480</b>	<b>\$ 8,055,009</b>
Private placements (ii)(iii)	7,504,411	1,275,750
RSUs converted to shares (Note 12)	500,000	207,125
Exercise of options (iv)	200,000	47,229
Shares issued to settle debt (v)(vi)	4,334,896	845,305
Share issue costs	-	(74,236)
<b>Balance, June 30, 2024</b>	<b>53,385,787</b>	<b>\$ 10,356,182</b>

(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.

(ii) On April 5, 2024, the Company issued 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. 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 from the date of issue.



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## **Prismo Metals Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**Three and Six Months Ended June 30, 2024**

**(Expressed in Canadian Dollars, except where indicated) (Unaudited)**

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#### **7. Share capital (continued)**

(iii) On June 18, 2024, the Company closed a non-brokered private placement, issuing 6,750,000 common units at a price of \$0.17 per share for gross proceeds of \$1,147,500. Each unit comprises of one common share in the capital of the Company and one-half of one of a common share purchase warrant of the Company. Each warrant is exercisable for one additional common share at an exercise price of \$0.25 for a period of 2 years from the closing date of the offering. The warrants were valued at \$nil using the residual value method.

In connection with the private placement, the Company issued an aggregate of 198,449 finder's warrants and paid finder's commissions in the aggregate of \$52,407. Each finder's warrant is exercisable for a period of 24 months from the date of issuance into one share of the Company at a price of \$0.25. The finder's warrants were valued at \$21,829 valued using the Black-Scholes valuation model with the following assumptions: share price \$0.195; expected dividend yield of 0%; risk-free interest rate of 3.82%; volatility of 119% and an expected life of 2 years.

(iv) During the six months ended June 30, 2024, the Company issued an aggregate of 200,000 common shares on exercise of stock options for cash proceeds to the Company of \$34,000.

(v) On April 5, 2024, the Company completed a debt settlement agreement with certain creditors of the Company and issued an aggregate of 2,883,690 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.

(vi) On June 18, 2024, the Company completed a debt settlement with certain creditors of the Company and issued an aggregate of 628,206 units of the Company and 873,000 common shares of the Company, in each case at a price of \$0.17 per unit or common share, as applicable in full and final settlement of accrued and outstanding indebtedness in the aggregate amount of \$292,735. Each unit was comprised of one common share in the capital of the Company and one-half of one of a common share purchase warrant of the Company. Each warrant is exercisable for one additional common share at an exercise price of \$0.25 for a period of 2 years from the date of the settlement.

#### **8. Loss per common share**

The calculation of basic loss per share for the three and six months ended June 30, 2024 was based on the loss attributable to common shareholders of \$1,005,984 and \$1,063,178, respectively (three and six months ended June 30, 2023 - loss of \$877,462 and \$995,119) and the weighted average number of common shares outstanding for the three and six months ended June 30, 2024, of 45,946,245 and 43,396,363 (three and six months ended June 30, 2023 - 40,014,124 and 40,261,190). Diluted loss per share for the three and six months ended June 30, 2024 and 2023 did not include the effect of stock options, SARs, warrants and RSU as they are anti-dilutive.

## Prismo Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars, except where indicated) (Unaudited)

#### 9. Stock options

The following summarizes the stock option activity for the periods ended June 30, 2024 and 2023:

	Number of stock options	Weighted average exercise price (\$)
<b>Balance, December 31, 2022</b>	<b>2,435,000</b>	<b>0.145</b>
Granted (i)	150,000	0.460
<b>Balance, June 30, 2023</b>	<b>2,585,000</b>	<b>0.165</b>
<b>Balance, December 31, 2023</b>	<b>3,400,000</b>	<b>0.198</b>
Granted (ii)(iii)	775,000	0.203
Exercised	(200,000)	0.170
<b>Balance, June 30, 2024</b>	<b>3,975,000</b>	<b>0.201</b>

The following table reflects the Company's stock options outstanding and exercisable as at June 30, 2024:

Options outstanding	Exercise price (\$)	Options exercisable	Weighted average remaining contractual life (years)	Expiry date
150,000	0.460	150,000	0.59	January 31, 2025
975,000	0.125	975,000	1.25	September 30, 2025
500,000	0.150	500,000	2.88	May 19, 2027
760,000	0.165	760,000	2.99	June 26, 2027
815,000	0.305	611,250	4.08	July 27, 2028
550,000	0.200	-	4.78	April 9, 2029
225,000	0.210	56,250	4.97	June 18, 2029
<b>3,975,000</b>	<b>0.201</b>	<b>3,052,500</b>	<b>3.04</b>	

(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) On April 9, 2024, the Company has granted 550,000 incentive stock options, to consultants of the Company. Each option is exercisable into one common share of the Company at a price of \$0.20 per share for a period of five years. Vesting of the options are as follows: 25% three months from the date of grant; 25% every three-months thereafter. The grant date fair value of \$93,366 or \$0.17 per option was valued using the Black-Scholes valuation model with the following assumptions: share price \$0.20; expected dividend yield of 0%; risk-free interest rate of 3.59%; volatility of 124% and an expected life of 5 years.

(iii) On June 18, 2024, the Company has granted 225,000 incentive stock options, to an officer and a consultant of the Company. Each option is exercisable into one common share of the Company at a price of \$0.21 per share for a period of five years. Vesting of the options are as follows: 25% on the date of grant; 25% every three-months thereafter. The grant date fair value of \$36,785 or \$0.16 per option was valued using the Black-Scholes valuation model with the following assumptions: share price \$0.195; expected dividend yield of 0%; risk-free interest rate of 3.28%; volatility of 123% and an expected life of 5 years.

## Prismo Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars, except where indicated) (Unaudited)

#### 10. SARs

The following summarizes the SARs activity for the periods ended June 30, 2024 and 2023:

	Number of SARs	Weighted average exercise price (\$)
<b>Balance, December 31, 2022</b>	-	-
Granted (i)	475,000	0.475
<b>Balance, June 30, 2023</b>	<b>475,000</b>	<b>0.475</b>
<b>Balance, December 31, 2023</b>	<b>1,000,000</b>	<b>0.380</b>
Granted (ii)	550,000	0.200
<b>Balance, June 30, 2024</b>	<b>1,550,000</b>	<b>0.320</b>

(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) On April 9, 2024, the Company granted an aggregate of 550,000 SARs to consultants. Each SAR is exercisable for a period of five years at a price \$0.20. Vesting of the SARs are as follows: 25% three months from the date of grant and 25% every three-months thereafter. The grant date fair value of \$93,366 or \$0.17 per SAR was valued using the Black-Scholes valuation model with the following assumptions: share price \$0.20; expected dividend yield of 0%; risk-free interest rate of 3.59%; volatility of 124% and an expected life of 5 years.

The following table reflects the Company's SARs outstanding and exercisable as at June 30, 2024:

SARs outstanding	Exercise price (\$)	SARs exercisable	Weighted average remaining contractual life (years)	Expiry date
475,000	0.475	475,000	3.53	January 8, 2028
525,000	0.305	525,000	4.08	July 27, 2028
550,000	0.200	-	4.78	April 9, 2029
<b>1,550,000</b>	<b>0.320</b>	<b>1,000,000</b>	<b>4.16</b>	

## Prismo Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars, except where indicated) (Unaudited)

#### 11. Warrants

The following summarizes the warrant activity for the periods ended June 30, 2024 and 2023:

	Number of warrants	Weighted average exercise price (\$)
<b>Balance, December 31, 2022</b>	<b>5,042,886</b>	<b>0.57</b>
Granted (Note 7(b)(i))	2,120,000	0.75
<b>Balance, June 30, 2023</b>	<b>7,162,886</b>	<b>0.62</b>
<b>Balance, December 31, 2023</b>	<b>5,720,000</b>	<b>0.67</b>
Granted (Note 7(b)(ii)(iii))	4,264,757	0.25
<b>Balance, June 30, 2024</b>	<b>9,984,757</b>	<b>0.49</b>

The following table reflects the Company's warrants outstanding and exercisable as at June 30, 2024:

Number of warrants	Exercise price (\$)	Expiry Date
350,000	0.10	August 12, 2024
350,000	0.10	October 11, 2024
2,120,000	0.75	January 6, 2025
2,900,000	0.75	December 12, 2025
377,205	0.25	April 5, 2026
3,887,552	0.25	June 18, 2026
<b>9,984,757</b>	<b>0.49</b>	

#### 12. RSU plan

In 2022, the Company's Board approved a LTIP, which included RSUs. Key employees and directors (as such terms are defined in the LTIP), are eligible to receive grants of RSUs, entitling the holder to receive one common share for each RSU, subject to restrictions as the Board may, in its sole discretion, establish in the applicable award agreement.

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.

On April 9, 2024, the Company granted 200,000 RSUs to consultants of the Company under the terms of the RSU Plan. Vesting of the RSUs are as follows: 25% three months from the date of grant and 25% every three-months thereafter.

During the six months ended June 30, 2024, 262,500 RSUs vested and 500,000 RSUs converted to common shares (six months ended June 30, 2023 - 392,500 RSUs vested and 47,500 of these RSUs converted to common shares).

Compensation for the three and six months ended June 30, 2024 related to the vesting of RSUs was \$22,807 and \$44,230, respectively (three and six months ended June 30, 2023 - \$127,080 and \$290,112, respectively), and was recorded as a share-based payments in the unaudited condensed interim consolidated financial statement of loss and comprehensive loss.

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**Prismo Metals Inc.****Notes to Condensed Interim Consolidated Financial Statements****Three and Six Months Ended June 30, 2024****(Expressed in Canadian Dollars, except where indicated) (Unaudited)**

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**12. RSU plan (continued)**

	<b>RSUs outstanding</b>
<b>Balance, December 31, 2022</b>	-
Granted	785,000
Converted to common shares	(47,500)
<b>Balance, June 30, 2023</b>	<b>737,500</b>
<hr/>	
<b>Balance, December 31, 2023</b>	<b>950,000</b>
Granted	200,000
Converted to common shares	(500,000)
<b>Balance, June 30, 2024</b>	<b>650,000</b>

**13. Office and administrative expenses**

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Conference and investor relations	\$ 78,110	\$ 50,137	\$ 84,830	\$ 77,202
Consulting fees	405,939	11,720	420,114	96,848
Foreign exchange (gain) loss	41,869	(5,302)	36,668	(4,627)
Marketing expense	264,399	27,948	301,259	152,727
Office and administration	4,001	7,161	6,248	8,492
Professional fees (Note 15)	92,456	55,466	105,174	72,139
Regulatory and transfer agent fees	44,939	45,031	53,106	71,381
Stock exchange, authorities and communication	1,128	-	11,594	9,742
Share-based payments (Notes 9, 10, 12 and 15)	129,810	204,723	195,875	522,681
Travel, meals and conventions	64,984	20,578	112,641	98,534
	<b>\$ 1,127,635</b>	<b>\$ 417,462</b>	<b>\$ 1,327,509</b>	<b>\$ 1,105,119</b>

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## Prismo Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars, except where indicated) (Unaudited)

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#### 14. 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 on the fifth anniversary of the date of issuance of these units;
- 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
<b>Total payments</b>	<b>240,000</b>

On April 5, 2024, the Company issued 588,235 common shares (valued at \$114,706) to ProDeMin in settlement of property payments.

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## Prismo Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars, except where indicated) (Unaudited)

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#### 14. Exploration and evaluation assets (continued)

##### 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:

	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 (paid)	60,000
<b>Total payments</b>	<b>250,000</b>

During the year ended December 31, 2023, the Company sold a right of first refusal on sale of the project.

During the six months ended June 30, 2024, the Company issued 605,000 common shares (valued at \$117,975) in settlement of property payments.

##### 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 of 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.

## Prismo Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars, except where indicated) (Unaudited)

#### 14. Exploration and evaluation assets (continued)

##### c) Cascabel Option (continued)

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.

##### 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-skam 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
<b>Total</b>	<b>5,250,000</b>	<b>540,000</b>	<b>2,375,000 shares</b>

On April 5, 2024, the Company issued 832,571 common shares (valued at \$162,351) to Walnut in partial settlement of property payments.



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**Prismo Metals Inc.****Notes to Condensed Interim Consolidated Financial Statements****Three and Six Months Ended June 30, 2024****(Expressed in Canadian Dollars, except where indicated) (Unaudited)**

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**14. Exploration and evaluation assets (continued)**

The Company has incurred the following exploration and evaluation investments:

	<b>CAD</b>
<b>Balance, December 31, 2022</b>	<b>\$ 2,038,015</b>
<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
<b>Additions to ProDeMin Project</b>	<b>1,900,608</b>
<u>Hot Breccia Project</u>	
Option payment	616,316
Drilling	89,642
Other	234,163
<b>Additions to Hot Breccia Project</b>	<b>940,121</b>
<u>Los Pavitos Project</u>	
Option payment	229,964
Drilling	640,889
Other	70,699
<b>Additions to Los Pavitos Project</b>	<b>941,552</b>
<b>Balance, December 31, 2023</b>	<b>\$ 5,820,296</b>
<u>ProDeMin Project</u>	
Option payments	334,204
Drilling	88,395
Other	44,222
<b>Additions to ProDeMin Project</b>	<b>466,821</b>
<u>Hot Breccia Project</u>	
Drilling	54,008
Other	225,794
<b>Additions to Hot Breccia Project</b>	<b>279,802</b>
<u>Los Pavitos Project</u>	
Option payment	19,453
Drilling	27,875
Other	12,287
<b>Additions to Los Pavitos Project</b>	<b>59,615</b>
<b>Balance, June 30, 2024</b>	<b>\$ 6,626,534</b>

## Prismo Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars, except where indicated) (Unaudited)

#### 15. 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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Consulting fees paid to a company controlled by the Chief Executive Officer of the Company:	\$ 42,500	\$ -	\$ 42,500	\$ -
Consulting fees paid to the former Chief Executive Officer of the Company for supervision of exploration programs:	\$ -	\$ 23,609	\$ -	\$ 46,585
Accounting fees paid to Marrelli Support Services Inc., a company controlled by the Chief Financial Officer of the Company:	\$ 12,574	\$ 9,323	\$ 18,929	\$ 15,909
Share-based payments:	\$ 16,918	\$ 65,771	\$ 74,254	\$ 256,536

In addition to the above transactions, both the ProDeMin Option (Note 14(a)) and the Cascabel Option (Note 14(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:

	June 30, 2024	December 31, 2023
Amounts owed to the former President of the Company now Chief Exploration Officer in consulting fees and reimbursable expenses:	\$ 84,802	\$ 26,823
Amounts owed to Marrelli Support Services Inc., a company controlled by the Chief Financial Officer of the Company:	12,613	25,634
Amount owed to a company controlled by the directors of the Company:	-	10,899
	\$ 97,415	\$ 63,356

#### 16. Subsequent events

(i) Subsequent to June 30, 2024, 412,500 vested RSUs were converted to common shares.

(ii) On August 12, 2024, 350,000 warrants with an exercise price of \$0.10 were exercised for gross proceeds of \$35,000.

(iii) On August 26, 2024, the Company completed a debt settlement with a creditor of the Company pursuant to which the Company issued 180,000 common shares of the Company at a deemed issue price of \$0.17 per share in full and final settlement of accrued and outstanding indebtedness in the amount of \$30,600.

(iv) On August 26, 2024, 400,000 stock options with an exercise price of \$0.165 were exercised for gross proceeds of \$66,000.