
PRISMO METALS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2022

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice to Reader

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

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

	As at March 31, 2022	As at December 31, 2021
ASSETS		
Current assets		
Cash	\$ 430,273	\$ 975,300
Receivables	12,207	3,511
Prepaid expenses and deposits	220,167	-
	662,647	978,811
Non-current assets		
Exploration and evaluation assets (Note 11)	1,269,789	927,300
Total assets	\$ 1,932,436	\$ 1,906,111
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 248,134	\$ 182,474
Short-term loans (Note 5)	-	21,593
Due to related parties (Note 10)	144,933	75,147
Total liabilities	393,067	279,214
Shareholders' equity		
Share capital (Note 6)	1,976,962	1,976,962
Contributed surplus (Notes 8 and 9)	302,570	302,570
Deficit	(740,163)	(652,635)
Total shareholders' equity	1,539,369	1,626,897
Total liabilities and shareholders' equity	\$ 1,932,436	\$ 1,906,111

Nature of operations and going concern (Note 1)

Approved on behalf of the Board:

(Signed) "Peter Craig Gibson ", Director

(Signed) "Jean François Meilleur", Director

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

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

	Three Months Ended	
	March 31,	
	2022	2021
Operating expenses		
Administration and accounting (Note 10)	\$ 9,794	\$ 5,004
Audit and legal	4,000	2,500
Filing and transfer agent fees	5,254	3,823
Office and sundry	1,022	761
Travel	1,871	-
Investor relations	63,782	34,971
Foreign exchange loss	1,805	591
Loss and comprehensive loss for the period	\$ (87,528)	\$ (47,650)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	21,228,723	17,801,830

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

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

	Three Months Ended	
	March 31,	
	2022	2021
Operating activities		
Loss for the period	\$ (87,528)	\$ (47,650)
Changes in non-cash working capital items:		
Receivables	(8,696)	6,884
Prepaid expenses and deposits	(220,167)	53
Accounts payable and accrued liabilities	44,067	14,679
Due to related parties (Note 10)	69,786	(22,703)
Net cash used in operating activities	(202,538)	(48,737)
Investing activities		
Investment in exploration and evaluation assets (Note 11)	(342,489)	(1,706)
Net cash used in investing activities	(342,489)	(1,706)
Financing activities		
Shares issued for cash (Note 6)	-	17,336
Net cash provided by financing activities	-	17,336
Net change in cash	(545,027)	(33,107)
Cash, beginning of period	975,300	101,643
Cash, end of period	\$ 430,273	\$ 68,536
Supplemental information		
Non-cash financing activities:		
Fair value of agent's options exercised (Note 8)	-	9,044
Non-cash investing activities:		
Exploration and evaluation assets acquired through accounts payable and accrued liabilities	-	(35,000)

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

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

	Amount	Share capital	Contributed surplus	Deficit	Total
Balance, December 31, 2020	17,723,367	\$ 1,020,745	\$ 280,994	\$ (470,820)	\$ 830,919
Exercise of agent's options (Note 8)	138,690	26,380	(9,044)	-	17,336
Net loss for the period	-	-	-	(47,650)	(47,650)
Balance, March 31, 2021	17,862,057	\$ 1,047,125	\$ 271,950	\$ (518,470)	\$ 800,605
Balance, December 31, 2021	21,228,723	\$ 1,976,962	\$ 302,570	\$ (652,635)	\$ 1,626,897
Net loss for the period	-	-	-	(87,528)	(87,528)
Balance, March 31, 2022	21,228,723	\$ 1,976,962	\$ 302,570	\$ (740,163)	\$ 1,539,369

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

Prismo Metals Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars, except where indicated)

(Unaudited)

1. Nature of operations and going concern

Prismo Metals Inc. (the “Company”) was incorporated under the provisions of the Canada Business Corporations Act (“CBCA”) on October 17, 2018, as 11047612 Canada Inc., renamed as Prismo Metals Inc. on November 1, 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 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.

In March 2020, the World Health Organization declared the coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, as well as financial markets globally, potentially leading to an economic downturn. Efforts to contain the virus has severely limited the mobility of people and businesses, which in turn impacted the Company’s abilities to continue with any exploration program or raise the necessary funds. However, it is not possible for the Company at this time to predict the duration or magnitude of the impact towards the Company’s business or results from its operations.

The Company has incurred losses since inception, and had a working capital of \$269,580 as at March 31, 2022 (December 31, 2021 - \$699,597). 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 is a material uncertainty casting significant doubt about the Company’s ability to continue as a going concern.

These 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 condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). These condensed interim 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 financial statements of the Company for the year ended December 31, 2021.

These financial statements were approved by the Board of Directors for issue on May 24, 2022.

Prismo Metals Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars, except where indicated)

(Unaudited)

3. Significant accounting policies

The accounting policies followed for the preparation of these condensed interim financial statements are consistent with those described in the December 31, 2021, annual financial statements.

4. Amounts payable and other liabilities

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

	As at March 31, 2022	As at December 31, 2021
Trade payables	\$ 238,634	\$ 160,532
Accrued liabilities and provisions	9,500	21,942
	\$ 248,134	\$ 182,474

5. Short-term loans

During the year ended December 31, 2021, the Company entered into two short-term promissory notes for an aggregate amount of amount of \$30,000 which \$10,000 was due to a company controlled by a director of the Company. The loans bear a 6% annual interest rate, repayable at the time the principal amount is repaid. The objective of these promissory notes is to assist the Company in meeting its most pressing obligations. During the three months ended March 31, 2022, \$10,000 plus its accrued interest was paid to the non-related party, and \$10,000 plus accrued interest to the company controlled by a director of the Company.

6. 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, 2022, the issued share capital amounted to \$1,976,962. The change in issued share capital for the periods presented were as follows:

	Number of Shares	Amount
Balance, December 31, 2020	17,723,367	\$ 1,020,745
Exercise of agent's options (i)	138,690	26,280
Balance, March 31, 2021	17,862,057	\$ 1,047,025
	Number of Shares	Amount
Balance, December 31, 2021 and March 31, 2022	21,228,723	\$ 1,976,962

Prismo Metals Inc.**Notes to Condensed Interim Financial Statements****Three Months Ended March 31, 2022****(Expressed in Canadian Dollars, except where indicated)****(Unaudited)**

6. Share capital (continued)

(i) During the three months ended March 31, 2021, the Company issued Haywood Securities Inc. an aggregate of 138,690 common shares on exercise of part of their agent's options for cash proceeds to the Company of \$17,336.

As at March 31, 2022, an aggregate of 2,328,300 common shares and 2,002,500 shares purchase warrants remain in escrow.

7. Net loss per common share

The calculation of basic loss per share for the three months ended March 31, 2022 was based on the net loss attributable to common shareholders of \$87,528 (three months ended March 31, 2021 - net loss of \$47,650) and the weighted average number of common shares outstanding for the three months ended March 31, 2022 of 21,228,723 (three months ended March 31, 2021 - 17,801,830). Diluted loss per share for the three months ended March 31, 2022 did not include the effect of 1,483,810 stock options (March 31, 2021 - 1,483,810 stock options) as they are anti-dilutive.

8. Stock options

The following summarizes the stock option activity for the periods ended March 31, 2022 and 2021:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2020	1,622,500	0.125
Exercised	(138,690)	0.125
Balance, March 31, 2021	1,483,810	0.125
Balance, December 31, 2021	1,483,810	0.125
Balance, March 31, 2022	1,483,810	0.125

The following table reflects the Company's stock options outstanding and exercisable as at March 31, 2022:

Options outstanding	Grant date fair value (\$)	Exercise price (\$)	Options exercisable	Weighted average remaining contractual life (years)	Expiry date
33,810	2,205	0.125	33,810	0.50	September 30, 2022
1,450,000	133,910	0.125	1,450,000	3.50	September 30, 2025
1,483,810	136,115	0.125	1,483,810	3.44	

Prismo Metals Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars, except where indicated)

(Unaudited)

9. Warrants

The following summarizes the warrant activity for the periods ended March 31, 2022 and 2021:

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2020 and March 31, 2021	7,700,000	0.10
Balance, December 31, 2021 and March 31, 2022	9,526,833	0.17

The following table reflects the Company's warrants outstanding and exercisable as at March 31, 2022:

Black-Scholes Valuation	Number of Warrants	Exercise Price	Expiry Date
\$ -	3,600,000	\$0.10	October 17, 2023
61,249	2,000,000	\$0.10	August 12, 2024
61,483	2,000,000	\$0.10	October 11, 2024
13,103	100,000	\$0.35	December 3, 2022
-	1,683,333	\$0.45	December 22, 2023
30,620	143,500	\$0.30	December 22, 2023
\$ 166,455	9,526,833	\$0.17	

10. Related party transactions

Key management personnel comprise the Chief Executive Officer, the Chief Financial Officer & 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 of Directors.

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

Three Months Ended March 31,	2022	2021
Management fees paid or accrued to a company controlled by the former Chief Financial Officer of the Company:	\$ 2,934	\$ 5,004
Consulting fees paid to the Chief Executive Officer of the Company for supervision of exploration programs:	23,901	-
Accounting fees paid to Marrelli Support Services Inc., a company controlled by the Chief Financial Officer of the Company.	6,860	-

Prismo Metals Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars, except where indicated)

(Unaudited)

10. Related party transactions (continued)

In addition to the above transactions, both the ProDeMin Option (11(a)) and the Cascabel Option Note 11(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, 2022	December 31, 2021
Amounts owed to the President of the Company in consulting fees and reimbursable expenses:	\$ 9,933	\$ 16,756
Reimbursable expenses owed to a company controlled by the Chief Executive Officer of the Company	-	36,099
Consulting fees and reimbursable expenses owed to a company controlled by the former Chief Financial Officer of the Company	-	12,001
Promissory note owed to a company controlled by a director of the Company, including accrued interest	-	10,291
Concession payments owed to a company controlled by the directors of the Company	135,000	-
	\$ 144,933	\$ 75,147

11. 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, of which 900,000 remain in escrow as at March 31, 2022, 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;
- 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) of which 225,000 of these shares remained held in escrow as at March 31, 2022; and

Prismo Metals Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars, except where indicated)

(Unaudited)

11. Exploration, and evaluation assets (continued)

a) ProDeMin Option (continued)

- 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 Canadian stock exchange;
 - incur 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 incurring 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	50,000
48 months from the above date	50,000
Total payments	240,000

Prismo Metals Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars, except where indicated)

(Unaudited)

11. 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 \$45,000 paid) and issued 100,000 share purchase warrants 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	15,000
24 months from the above date	15,000
30 months from the above date	25,000
36 months from the above date	25,000
42 months from the above date	50,000
48 months from the above date	60,000
Total payments	250,000

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). 900,000 of these units remain held in escrow as at March 31, 2022;
- 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 \$35,000 and a similar amount for the second semester of 2021 as well as approximately \$65,000 corresponding to the first semester of 2022 for working capital preservation. The amount is included in amounts due to related parties;

Prismo Metals Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars, except where indicated)

(Unaudited)

11. 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

Prismo will perform sufficient assessment work to satisfy the applicable government work commitment costs on the Property through the end of each tax period; and

Prismo will maintain the mineral concessions in good standing.

The Company has incurred the following exploration and evaluation investments:

	CAD	USD
Balance, December 31, 2020	\$ 874,539	\$ -
Concession payments under the ProDeMin Option - paid	504	-
Payments under the ProDeMin Option	6,434	5,000
Drilling and related	6,085	-
Payments under the ProDeMin Option for remaining 25%	19,136	15,000
Technical and environmental reports (payable)	13,557	-
Other	7,045	-
Balance, December 31, 2021	927,300	\$ -
Concession payments under the Cascabel Option (payable)	135,000	-
Palos verdes remaining 25% option - cash	56,292	45,000
Concession payments under the ProDeMin Option - paid	15,000	-
Payments under the ProDeMin Option for remaining 25%	19,426	15,000
Drilling	69,600	-
Other	47,171	-
Balance, March 31, 2022	\$ 1,269,789	\$ -