
PRISMO METALS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

**THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 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 September 30, 2022	As at December 31, 2021
ASSETS		
Current assets		
Cash	\$ 275,206	\$ 975,300
Receivables	17,932	3,511
Prepaid expenses and deposits	196,471	-
	489,609	978,811
Non-current assets		
Exploration and evaluation assets (Note 11)	1,703,610	927,300
Total assets	\$ 2,193,219	\$ 1,906,111
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 33,606	\$ 182,474
Short-term loans (Note 5)	-	21,593
Due to related parties (Note 10)	147,103	75,147
Total liabilities	180,709	279,214
Shareholders' equity		
Share capital (Note 6)	2,961,795	1,976,962
Contributed surplus (Notes 8 and 9)	299,577	302,570
Deficit	(1,248,862)	(652,635)
Total shareholders' equity	2,012,510	1,626,897
Total liabilities and shareholders' equity	\$ 2,193,219	\$ 1,906,111

Nature of operations and going concern (Note 1)
Subsequent events (Note 12)

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Operating expenses				
Administration and accounting (Note 10)	\$ 7,053	\$ 5,715	\$ 25,715	\$ 16,371
Audit and legal	8,133	7,317	23,558	16,791
Consulting fees	-	-	25,000	-
Exploration-related expenses	-	6,467	-	6,467
Regulatory and transfer agent fees	18,865	5,398	58,161	13,567
Office and sundry	3,702	608	5,849	2,986
Travel	2,509	2,371	7,084	2,371
Conference and investor relations	105,972	32,344	314,018	74,328
Share-based payments (Note 8)	78,436	-	132,789	-
Interest expense	-	340	-	340
Foreign exchange loss (gain)	1,750	(88)	4,053	617
Loss and comprehensive loss for the period	\$ (226,420)	\$ (60,472)	\$ (596,227)	\$ (133,838)
Basic and diluted loss per share	\$ (0.01)	\$ (0.00)	\$ (0.03)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	28,750,333	17,862,057	23,842,599	17,842,202

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

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

	Nine Months Ended	
	September 30,	
	2022	2021
Operating activities		
Loss for the period	\$ (596,227)	\$ (133,838)
Share-based payments (Note 8)	132,789	-
Changes in non-cash working capital items:		
Receivables	(14,421)	8,389
Prepaid expenses and deposits	(196,471)	803
Accounts payable and accrued liabilities	(148,868)	13,656
Due to related parties (Note 10)	71,956	2,689
Net cash used in operating activities	(751,242)	(108,301)
Investing activities		
Investment in exploration and evaluation assets (Note 11)	(776,310)	(27,277)
Net cash used in investing activities	(776,310)	(27,277)
Financing activities		
Shares issued on exercise of warrants (Note 6(b)(ii))	690,000	-
Shares issued on exercise of stock options (Note 6(b)(i)(iii))	47,976	17,336
Private placement (Note 6(b)(iv))	150,000	-
Share issue costs	(38,925)	-
Short-term loans	(21,593)	30,000
Net cash provided by financing activities	827,458	47,336
Net change in cash	(700,094)	(88,242)
Cash, beginning of period	975,300	101,643
Cash, end of period	\$ 275,206	\$ 13,401
Supplemental information		
Non-cash financing activities:		
Fair value of warrants exercised	101,254	-
Fair value of stock options exercised	34,528	9,044
Non-cash investing activities:		
Exploration and evaluation assets acquired through accounts payable and accrued liabilities	-	(102,836)

The accompanying notes are an integral part of these unaudited 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
Issuance of shares from exercise of options (Note 6(b)(i))	138,690	26,380	(9,044)	-	17,336
Net loss for the period	-	-	-	(133,838)	(133,838)
Balance, September 30, 2021	17,862,057	\$ 1,047,125	\$ 271,950	\$ (604,658)	\$ 714,417
Balance, December 31, 2021	21,228,723	\$ 1,976,962	\$ 302,570	\$ (652,635)	\$ 1,626,897
Issuance of shares from exercise of warrants (Note 6(b)(ii))	6,900,000	791,254	(101,254)	-	690,000
Issuance of shares from exercise of options (Note 6(b)(iii))	383,810	82,504	(34,528)	-	47,976
Private placement (Note 6(b)(iv))	750,000	150,000	-	-	150,000
Share issue costs	-	(38,925)	-	-	(38,925)
Share-based payments (Note 8)	-	-	132,789	-	132,789
Net loss for the period	-	-	-	(596,227)	(596,227)
Balance, September 30, 2022	29,262,533	\$ 2,961,795	\$ 299,577	\$ (1,248,862)	\$ 2,012,510

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

Prismo Metals Inc.

Notes to Condensed Interim Financial Statements Three and Nine months Ended September 30, 2022 (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, 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 unaudited condensed interim 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.

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 \$308,900 as at September 30, 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 unaudited condensed interim 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 financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). These unaudited 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 unaudited condensed interim financial statements were approved by the Board of Directors for issue on November 25, 2022.

Prismo Metals Inc.

Notes to Condensed Interim Financial Statements Three and Nine months Ended September 30, 2022 (Expressed in Canadian Dollars, except where indicated) (Unaudited)

3. Significant accounting policies

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

4. Accounts payable and accrued liabilities

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

	As at September 30, 2022	As at December 31, 2021
Trade payables	\$ 33,606	\$ 160,532
Accrued liabilities and provisions	-	21,942
	\$ 33,606	\$ 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 September 30, 2022, the issued share capital amounted to \$2,961,795. 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 options (i)	138,690	26,280
Balance, September 30, 2021	17,862,057	\$ 1,047,025

Prismo Metals Inc.**Notes to Condensed Interim Financial Statements****Three and Nine months Ended September 30, 2022****(Expressed in Canadian Dollars, except where indicated)****(Unaudited)**

6. Share capital (continued)

b) Common shares issued (continued)

	Number of Shares	Amount
Balance, December 31, 2021	21,228,723	\$ 1,976,962
Exercise of warrants (ii)	6,900,000	791,254
Exercise of stock options (iii)	383,810	82,504
Private placement (iv)	750,000	150,000
Share issue costs	-	(38,925)
Balance, September 30, 2022	29,262,533	\$ 2,961,795

(i) During the nine months ended September 30, 2022, 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.

(ii) During the nine months ended September 30, 2022, the Company issued an aggregate of 6,900,000 common shares on exercise of warrants for cash proceeds to the company of \$690,000.

(iii) During the nine months ended September 30, 2022, the Company issued an aggregate of 383,810 common shares on exercise of options for cash proceeds to the Company of \$47,976.

(iv) On August 22, 2022, the Company closed a non-brokered private placement, issuing 750,000 common shares at a price of \$0.20 per share for gross proceeds of \$150,000. There was no finder fee paid in this private placement. All securities issued in connection with the private placement are subject to a statutory hold period in Canada expiring four months and one day from the closing of the private placement.

As at September 30, 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 and nine months ended September 30, 2022 was based on the net loss attributable to common shareholders of \$226,420 and \$596,227, respectively (three and nine months ended September 30, 2021 - net loss of \$60,472 and \$133,838, respectively) and the weighted average number of common shares outstanding for the three and nine months ended September 30, 2022 of 28,750,333 and 23,842,599, respectively (three and nine months ended September 30, 2021 - 17,862,057 and 17,842,202, respectively). Diluted loss per share for the three and nine months ended September 30, 2022 and 2021 did not include the effect of stock options and warrants as they are anti-dilutive.

Prismo Metals Inc.
Notes to Condensed Interim Financial Statements
Three and Nine months Ended September 30, 2022
(Expressed in Canadian Dollars, except where indicated)
(Unaudited)

8. Stock options

The following summarizes the stock option activity for the periods ended September 30, 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, September 30, 2021	1,483,810	0.125
Balance, December 31, 2021	1,483,810	0.125
Granted (i)(ii)(iii)	1,460,000	0.160
Exercised	(383,810)	0.125
Balance, September 30, 2022	2,560,000	0.145

The following table reflects the Company's stock options outstanding and exercisable as at September 30, 2022:

Options outstanding	Grant date fair value (\$)	Exercise price (\$)	Options exercisable	Weighted average remaining contractual life (years)	Expiry date
200,000	19,627	0.170	50,000	1.77	July 7, 2024
1,100,000	101,587	0.125	1,100,000	3.00	September 30, 2025
500,000	60,431	0.150	250,000	4.64	May 19, 2027
760,000	101,305	0.165	380,000	4.74	June 26, 2027
2,560,000	282,950	0.145	1,780,000	3.74	

(i) On May 20, 2022, the Company granted an aggregate of 500,000 stock options to a director. Each option is exercisable into one common share of the Company at a price of \$0.150 per share for a period of five years. Vesting of the options is as follows: 25% as of the date of grant; 25% on August 19, 2022; 25% on November 19, 2022 and 25% on May 19, 2023. The grant date fair value of \$60,431 was valued using the Black-Scholes valuation model with the following assumptions: share price \$0.150; expected dividend yield of 0%; risk-free interest rate of 2.70%; volatility of 112% and an expected life of 5 years. For the three and nine months ended September 30, 2022, \$19,715 and \$46,716, respectively was expensed to share-based payments.

(ii) On June 26, 2022, the Company granted an aggregate of 760,000 stock options to its directors and a consultant. Each option is exercisable into one common share of the Company at a price of \$0.165 per share for a period of five years. Vesting of the options is as follows: 25% as of the date of grant and 25% every three-months thereafter. The grant date fair value of \$101,305 was valued using the Black-Scholes valuation model with the following assumptions: share price \$0.165; expected dividend yield of 0%; risk-free interest rate of 3.19%; volatility of 112% and an expected life of 5 years. For the three and nine months ended September 30, 2022, \$45,492 and \$72,844, respectively was expensed to share-based payments.

Prismo Metals Inc.**Notes to Condensed Interim Financial Statements****Three and Nine months Ended September 30, 2022****(Expressed in Canadian Dollars, except where indicated)****(Unaudited)**

8. Stock options (continued)

(iii) On July 7, 2022, the Company granted an aggregate of 200,000 stock options to a consultant. Each option is exercisable into one common share of the Company at a price of \$0.17 per share for a period of two years. Vesting of the options is as follows: 25% as of the date of grant and 25% every three-month thereafter. The grant date fair value of \$19,627 was valued using the Black-Scholes valuation model with the following assumptions: share price \$0.170; expected dividend yield of 0%; risk-free rate of 3.19%; volatility of 110% and an expected life of 2 years. For the three and nine months ended September 30, 2022, \$13,229 was expensed to share-based payments.

9. Warrants

The following summarizes the warrant activity for the periods ended September 30, 2022 and 2021:

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2020 and September 30, 2021	7,700,000	0.10
Balance, December 31, 2021	9,526,833	0.17
Exercised	(6,900,000)	0.10
Balance, September 30, 2022	2,626,833	0.34

The following table reflects the Company's warrants outstanding and exercisable as at September 30, 2022:

	Black-Scholes Valuation	Number of Warrants	Exercise Price	Expiry Date
\$	10,719	350,000	\$0.10	August 12, 2024
	10,760	350,000	\$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
\$	65,202	2,626,833	\$0.34	

Prismo Metals Inc.**Notes to Condensed Interim Financial Statements
Three and Nine months Ended September 30, 2022
(Expressed in Canadian Dollars, except where indicated)
(Unaudited)**

10. 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 of Directors.

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

	Three Months Ended September 30, 2022		Nine Months Ended September 30, 2021	
Management fees paid or accrued to a company controlled by the former Chief Financial Officer of the Company:	\$ -	\$ 5,000	\$ 5,612	\$ 15,656
Consulting fees paid to the Chief Executive Officer of the Company for supervision of exploration programs:	22,700	-	57,152	-
Accounting fees paid to Marrelli Support Services Inc., a company controlled by the Chief Financial Officer of the Company:	6,386	-	19,436	-
Share-based payments	26,875	-	64,673	-
Promissory note signed with a company related to a director of the Company	-	10,000	-	10,000
Interest on above promissory note	-	140	-	140

In addition to the above transactions, both the ProDeMin Option (Note 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:

	September 30, December 31, 2022		2021	
Amounts owed to the President of the Company in consulting fees and reimbursable expenses:	\$ 9,933	\$ 16,756		
Amounts owed to Marrelli Support Services Inc., a company controlled by the Chief Financial Officer of the Company:	2,170	-		
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	-		
	\$ 147,103	\$ 75,147		

Prismo Metals Inc.
Notes to Condensed Interim Financial Statements
Three and Nine months Ended September 30, 2022
(Expressed in Canadian Dollars, except where indicated)
(Unaudited)

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 September 30, 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 September 30, 2022; 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 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 (paid)	50,000
48 months from the above date	50,000
Total payments	240,000

Prismo Metals Inc.

Notes to Condensed Interim Financial Statements

Three and Nine months Ended September 30, 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 (paid)	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 September 30, 2022; 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 \$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 and Nine months Ended September 30, 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

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

The Company 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	139,713	110,000
Concession payments under the ProDeMin Option - paid	15,000	-
Payments under the ProDeMin Option for remaining 25%	19,426	15,000
Drilling	382,046	-
Other	85,125	-
Balance, September 30, 2022	\$ 1,703,610	\$ -

Prismo Metals Inc.
Notes to Condensed Interim Financial Statements
Three and Nine months Ended September 30, 2022
(Expressed in Canadian Dollars, except where indicated)
(Unaudited)

12. Subsequent events

(i) Subsequent to September 30, 2022, 125,000 options were exercised for gross proceeds of \$15,625.

(ii) On November 24, 2022, the Company announced that it has signed a non-binding letter of intent (the "LOI") with Vizsla Silver Corp. ("Vizsla"). Pursuant to the LOI, Vizsla intends to make a strategic investment for 4,000,000 units of Prismo for aggregate consideration of \$2,000,000 with Vizsla acquiring a right of first refusal (the "ROFR") to purchase the Palos Verdes project from Prismo.

Each unit will consist of one common share of Prismo and one-half of one common share purchase warrant. Each 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 consideration for the strategic investment will consist of a cash payment of \$500,000 at closing and 1,000,000 common shares of Vizsla (the "Consideration Shares"). Following completion of the strategic investment, Vizsla will own approximately 12.04% of Prismo on a basic basis and 17.03% on a partially diluted basis.

The common shares to be received by Vizsla, and the Consideration Shares to be received by Prismo will be subject to (i) a regulatory four-month hold period and (ii) a voluntary hold period of up to twenty-four months with 25% of the shares being released every six months.

The LOI contemplates that Prismo and Vizsla will enter into definitive agreements, which will include, subject to certain conditions, the following rights:

- Prismo and Vizsla will form a technical committee, funded by Vizsla, to focus on a district scale understanding of the combined land package without regard to ownership.
- Technical committee to be comprised of one nominee from Prismo, one nominee from Vizsla and one nominee mutually acceptable by both parties.
- Vizsla will have the right to nominate one director to Prismo's board of directors.
- Vizsla will be granted the ROFR on the Palos Verdes project for a duration of four years, subject to an acceleration clause if Vizsla's ownership in Prismo drops below 10% for a period of more than 60 days.
- Vizsla will be granted the right to maintain its pro-rata ownership in Prismo in future financings and standard top-up rights (subject to Vizsla maintaining a minimum 10% equity ownership position in Prismo).
- Vizsla, and/or affiliates of Vizsla, will have the right to designate a purchaser in respect of any proposed sale of Consideration Shares by Prismo.
- Prismo will have the right to designate a purchaser in respect of any proposed sale of Prismo shares by Vizsla.

The definitive agreements are expected to be signed on or around December 16, 2022 and closing of the Strategic Investment is expected to occur shortly thereafter. Closing is conditional upon the parties entering into definitive agreements and obtaining all regulatory and third party approvals and consents which may be necessary in order to allow the parties to complete the Strategic Investment.