

Prudent Minerals Corp.

FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MAY 31, 2023 AND 2022

(Expressed in Canadian Dollars - unaudited)

Notice of No Auditor Review of Interim Financial Statements

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

The accompanying unaudited interim financial statements of the Company for the three months ended May 31, 2023, have been prepared by and are the responsibility of the Company's management. The Company's external auditors have not performed a review of these interim financial statements.

PRUDENT MINERALS CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars - unaudited)

As at	Note	May 31, 2023	February 28, 2023
Current assets			
Cash	\$	782,080	\$ 828,252
Receivables	4	76,356	73,516
Total current assets		858,436	901,768
Exploration and evaluation asset	5	390,551	389,790
Total assets	\$	1,248,987	\$ 1,291,558
Current Liabilities			
Accounts payable and accrued liabilities	7	262,955	\$ 249,396
Shareholders' equity			
Share capital	6	1,815,392	1,815,392
Share-based payments reserve	6	290,407	202,532
Accumulated deficit		(1,119,767)	(975,762)
Total shareholders' equity		986,032	1,042,162
Total liabilities and shareholders' equity	\$	1,248,987	\$ 1,291,558

Nature of operations and going concern (note 1)
Subsequent event (note 10)

Approved and authorized for issue on behalf of the Board on July 31, 2023.

"Alexander Helmel"
Alexander Helmel

"Adrian Smith"
Adrian Smith

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

PRUDENT MINERALS CORP.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars - unaudited)

	Three months ended	
	May 31,	May 31,
	2023	2022
Operating Expenses		
Audit and accounting	\$ -	\$ 3,544
Legal fees	-	16,758
Consulting fees	11,500	10,482
Management fees	36,000	-
Marketing	745	-
Office expenses	3,828	22
Regulatory and filing Fees	4,057	16,769
Share based compensation	87,875	-
Loss and comprehensive loss for the period	\$ (144,005)	\$ (47,575)
Net loss per share – basic and diluted	\$ (0.01)	\$ (0.00)
Weighted average number of shares outstanding	24,927,000	24,927,000

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

PRUDENT MINERALS CORP.

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian dollars - unaudited)

	Common Shares		Reserves		Shareholders' Equity (Deficiency)
	Number of Shares	Amount	Options and RSUs	Deficit	
Balance at February 28, 2022	24,927,000	\$ 1,815,392	-	\$ (279,163)	\$ 1,536,229
Net loss for the period	-	-	-	(47,575)	(47,575)
Balance at May 31, 2022	24,927,000	\$ 1,815,392	-	\$ (326,738)	\$ 1,488,654

	Common Shares		Reserves		Shareholders' Equity (Deficiency)
	Number of Shares	Amount	Options and RSUs	Deficit	
Balance at February 28, 2023	24,927,000	\$ 1,815,392	202,532	\$ (975,762)	\$ 1,042,162
Shares issued for cash (note 6)	-	-	-	-	-
Share-based compensation (note 6)	-	-	87,875	-	87,875
Net loss for the period	-	-	-	(144,005)	(144,005)
Balance at May 31, 2023	24,927,000	\$ 1,815,392	290,407	\$ (1,119,767)	\$ 986,032

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

PRUDENT MINERALS CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars - unaudited)

	Three months ended	
	May 31, 2023	May 31, 2022
Cash provided by (used in)		
Operating activities		
Net loss	\$ (144,005)	\$ (47,575)
Items not affecting cash:		
Share-based compensation	87,875	-
Changes in non-cash working capital items:		
Change Accounts receivable	(2,840)	(4,300)
Change in accounts payable and accrued liabilities	15,716	(34,796)
	(43,254)	(86,671)
Investing Activities		
Exploration and evaluation assets	(2,918)	-
Payment for long term deposit	-	-
	(2,918)	-
Change in cash	(46,172)	(86,671)
Cash beginning of year	828,252	1,208,794
Cash end of period	\$ 782,080	\$ 1,122,123
Supplemental cash disclosures		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Non-cash investing and financing activities		
Accounts payable and accrued liabilities related to exploration and evaluation assets	\$ 305	\$ -
Shares issued for exploration and evaluation assets	\$ -	\$ -

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

PRUDENT MINERALS CORP.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars - unaudited)

For the three months ended May 31, 2023 and 2022

1. INCORPORATION AND NATURE OF BUSINESS

Prudent Minerals Corp. (the “Company”) was incorporated under the Business Corporation Act (BC) on December 29, 2017. The Company changed its name from Cesar Minerals Corp. to Prudent Minerals Corp. on May 7, 2021. The registered office is located at Suite 1120 – 625 Howe Street, Vancouver, BC, V6C 2T6. The head office is located at Suite 830 - 1100 Melville Street, Vancouver, BC, V6E 4A6. As at April 19, 2022, the Company’s shares started to trade on the Canadian Securities Exchange (the “CSE”) under the symbol “PRUD”.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at May 31, 2023, the Company had not yet determined whether the Company’s mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time.

The Company’s financial condition and results of operations may be further negatively affected by economic and other consequences from the conflict in the Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts of the pandemic and the conflict in Ukraine to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. These factors, among others, could have a significant impact on the Company’s operations. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

During the three months ended May 31, 2023, the Company incurred a loss of \$144,005 (2022: \$47,575) and as at May 31, 2023 had an accumulated deficit of \$1,119,767 (February 28, 2023: \$975,762), which has been funded by the issuance of equity. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of Compliance

These condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standards (“IAS”), Interim Financial Reporting (“IAS 34”).

This financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the years ended February 28, 2023 and 2022.

The accounting policies applied in these condensed interim financial statements are consistent with those applied and disclosed in the Company’s audited consolidated financial statements for the year ended February 28, 2023. The Company’s interim results are not necessarily indicative of its results for a full year.

PRUDENT MINERALS CORP.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars - unaudited)

For the three months ended May 31, 2023 and 2022

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Basis of Preparation

The financial statements are presented in Canadian dollars ("CAD"), which is the Company's functional and presentation currency. The financial statements are prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("FVPTL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

New Accounting Policies and amendments to be adopted

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. These amendments are effective for reporting periods beginning on or after January 1, 2023.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023.

The Company has not yet determined the impact of these amendments on its future financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

The Company has no significant accounting estimates.

PRUDENT MINERALS CORP.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars - unaudited)

For the three months ended May 31, 2023 and 2022

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Significant accounting judgments

- i. the evaluation of the Company's ability to continue as a going concern;
- ii. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write down of the mineral property where applicable.

4. RECEIVABLES

	May 31, 2023	February 28, 2023
	\$	\$
GST receivable	30,884	28,044
Other receivables (Note 7)	45,472	45,472
	76,356	73,516

5. EXPLORATION AND EVALUATION ASSET

	Acquisition Costs	Exploration Costs	Total
	\$	\$	\$
Balance, February 28, 2022	172,500	170,875	343,375
Additions	-	46,415	46,415
Balance, February 28, 2023	172,500	217,290	389,790
Additions	-	761	761
Balance, May 31, 2023, 2023	172,500	218,051	390,551

SAT Property

Pursuant to an amended and restated option agreement (the "Option Agreement") dated June 30, 2021 but effective as of November 30, 2020 (the "Effective Date") between Piotr Lutynski ("Lutynski"), Divitiae Resources Ltd. ("Divitiae") and Mardu Investments Ltd. ("Mardu") (collectively, the "Optionors") and the Company, the Company acquired the right to earn (the "SAT Option") an undivided one hundred percent interest in the SAT Property. SAT Property is located in BC, Canada. The interest is subject to a 2% net smelter return royalty (the "Royalty Interest") payable to the Optionors, allocated as follows: 1% to Lutynski and 1% to Divitiae.

Adrian A. Smith, a director of the Company, is the principal of Divitiae and Brett R. Matich, the President and CEO of the Company, is the principal of Mardu. The terms of the Option Agreement provide that the Company will have earned a 100% undivided interest in the SAT Property, subject only to the Royalty Interest, upon making cash payments of \$160,000 to the Optionors (\$90,000 allocated to Lutynski and \$70,000 allocated to Divitiae), issuing a total of 2,250,000 Common Shares to the Optionors (2,000,000 Common Shares allocated to Mardu and 250,000 Common Shares allocated to Divitiae) and incurring \$200,000 in exploration work on the SAT Property on or before the dates set out below:

PRUDENT MINERALS CORP.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars - unaudited)

For the three months ended May 31, 2023 and 2022

5. EXPLORATION AND EVALUATION ASSET (CONTINUED)

Date	Cash payments	Number of common shares to be issued	Expenditures
	\$		\$
On Effective Date (paid)	60,000	-	-
Within 15 days of the Effective Date (issued)	-	2,250,000	-
On or before first anniversary of the Effective Date (completed)	-	-	100,000
On or before third anniversary of the Effective date	100,000	-	100,000
Total	160,000	2,250,000	200,000

6. SHARE CAPITAL

Authorized: Unlimited number of common shares

- a) Issued and outstanding as at May 31, 2023: 24,927,000 common shares (February 28, 2023 – 24,927,000).

During the three months ended May 31, 2023, the Company had the following share capital transactions:

None during the period.

During the year ended February 28, 2023, the Company had the following share capital transactions:

None during the year.

- b) Warrants:

The Company has no warrants outstanding.

- c) Options:

The Company has no options outstanding.

- d) Restricted Share Units:

On June 27, 2022, the Company adopted a 10% rolling restricted share unit plan whereby the Company may issue up to 10% of its issued capital as restricted share units to eligible directors and officers. The restricted share unit plan was ratified by the shareholders of the Company at the Company's annual general meeting held on October 11, 2022. Upon vesting, the awardees of the RSU's will receive one common share of the Company for each RSU held. The only performance condition is the lapse of time and the awardees remain in the Company's employment for the specified period.

On June 27, 2022, the Company granted an aggregate 2.4 million restricted share units to officers and directors of the Company. The restricted share units vest over a period of three years from the date of grant.

Number of RSU's	Fair Value per RSU (\$)	First Vesting Date	Vesting Criteria
2,400,000	\$0.205	June 27, 2023	33% every year

PRUDENT MINERALS CORP.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars - unaudited)

For the three months ended May 31, 2023 and 2022

6. SHARE CAPITAL (CONTINUED)

A summary of the Company's RSU's is as follows:

	RSU's outstanding
Balance, February 28, 2022	-
Granted	2,400,000
Vested and issued	-
Balance, February 28, 2023 and May 31, 2023	2,400,000

The Company recorded \$87,875 of share-based compensation on the graded vesting schedule of the granted RSU's during the three months ended May 31, 2023.

e) Escrow shares:

Pursuant to the escrow agreement (the "Escrow Agreement") dated July 5, 2021, 6,500,000 common shares held by the principals of the Company will be escrowed. The Escrow Agreement provides that ten (10%) percent of such securities will be released from escrow upon receipt of notice from the Canadian Securities Exchange (the "CSE") confirming the listing of the Company's Common Shares on the CSE, with the remaining 90% being released in 15% tranches every six months thereafter. As at May 31, 2023, 3,900,000 common shares (February 28, 2023 - 4,875,000) were held in escrow.

7. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

On November 30, 2020, the Company optioned the SAT project in British Columbia with Piotr Lutynski, Divitiae and Mardu. See Note 5 for cash payment made to and shares issued to Divitiae and Mardu.

During the three months ended May 31, 2023 and 2022, the following remuneration was paid to key management personnel:

	2023	2022
Management fees	\$ 36,000	\$ -
Share-based compensation	84,212	-
	\$ 120,212	\$ -

As at May 31, 2023, \$151,200 (February 28, 2023: \$113,400) was owed to related parties and included in accounts payable. All amounts payable are non-interest bearing, unsecured and due on demand.

At May 31, 2023, the Company was due \$34,112 (USD \$24,950) (February 28, 2023: \$34,112 (USD \$24,950)) from a company with the same key management that are considered closely related. The amount is recorded as other receivable (Note 4) on the statement of financial position, bears no interest and is payable on demand.

PRUDENT MINERALS CORP.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars - unaudited)

For the three months ended May 31, 2023 and 2022

8. CAPITAL MANAGEMENT OBJECTIVE AND POLICIES

The Company includes equity, comprised of issued common shares, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions and to fund the exploration of its current projects. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

8. CAPITAL MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the three months ended May 31, 2023. The Company is not subject to externally imposed capital requirements.

9. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs and to meet the Company's liabilities. As at May 31, 2023, the Company had cash and cash equivalents of \$782,080 (February 28, 2023: \$828,252). As at May 31, 2023, the Company had accounts payable and accrued liabilities of \$262,955 (February 28, 2023: \$249,396) which are due within one year.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Interest rate risk

The Company is not exposed to significant interest rate risk.

PRUDENT MINERALS CORP.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars - unaudited)

For the three months ended May 31, 2023 and 2022

9. FINANCIAL INSTRUMENTS (CONTINUED)

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents. The Company's maximum exposure to credit risk would be the book value of cash and cash equivalents. To minimize the credit risk, the Company places these instruments with a high credit quality financial institution.

Fair Values

As at May 31, 2023, the Company's financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities. Cash and cash equivalents is carried at fair value using a Level 1 fair value measurement. The carrying value of accounts payable and accrued liabilities approximate its fair value because of the short-term nature of the instruments.

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10. SUBSEQUENT EVENT

Further to the news releases dated Aug. 10, 2022, and Dec. 30, 2022, Prudent Minerals Corp. has completed the acquisition of all of the issued and outstanding shares of Berlin Precious Metals Corp. pursuant to the terms of a share exchange agreement dated Dec. 30, 2022, between the company, Berlin and the shareholders of Berlin. Pursuant to the definitive agreement and in consideration for the acquisition, Prudent issued eight million common shares and eight million common share purchase warrants to the shareholders of Berlin in exchange for all of the issued and outstanding common shares of Berlin. The transaction securities are subject to a voluntary release schedule with 25 per cent of the transaction securities released 24 months after closing, 25 per cent to be released 36 months after closing, 25 per cent to be released 48 months after closing and 25 per cent to be released 60 months after closing. Each Prudent warrant allows its holder to acquire a Prudent share for 50 cents for a period of five years.