

Prudent Minerals Corp.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED AUGUST 31, 2024 AND 2023

(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 consolidated interim financial statements, they must be accompanied by a notice indicating that the consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited consolidated interim financial statements of the Company for the six months ended August 31, 2024, 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 consolidated interim financial statements.

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

As at	Note	August 31, 2024	February 29, 2024
Current assets			
Cash	\$	257,294	\$ 375,565
Receivables	4	460	35,796
Total current assets		257,754	411,361
Exploration and evaluation asset	6	1,255,732	1,241,294
Total assets	\$	1,513,486	\$ 1,652,655
Current Liabilities			
Accounts payable and accrued liabilities	8	\$ 354,098	\$ 293,834
Loan payable	5	-	132,740
Total liabilities		354,098	426,574
Shareholders' equity			
Share capital	7	1,977,392	1,977,392
Share-based payments reserve	7,8	447,110	392,505
Warrant reserve	7	151,600	151,600
Accumulated deficit		(1,416,714)	(1,295,416)
Total shareholders' equity		1,159,388	1,226,081
Total liabilities and shareholders' equity	\$	1,513,486	\$ 1,652,655

Nature of operations and going concern (note 1)

Approved and authorized for issue on behalf of the Board on October 30, 2024.

"Alexander Helmel"
Alexander Helmel

"Adrian Smith"
Adrian Smith

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

PRUDENT MINERALS CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars - unaudited)

	Three Months ended		Six Months ended	
	August 31,	August 31,	August 31,	August 31,
	2024	2023	2024	2023
Operating Expenses				
Audit and accounting	\$ 38,511	\$ 29,750	\$ 38,511	\$ 29,750
Legal fees	-	873	-	873
Consulting fees	7,500	48,588	15,000	60,088
Management fees	-	36,000	-	72,000
Marketing	-	300	-	1,045
Office expenses	4,193	4,083	4,296	7,911
Regulatory and filing Fees	9,752	7,863	15,081	11,920
Share based compensation	13,767	34,407	54,605	122,282
	(73,723)	(161,864)	(127,493)	(305,869)
Other Item				
Interest income (expense)	4,281	(11,103)	6,195	(11,103)
Loss and comprehensive loss for the period	\$ (69,442)	\$ (172,967)	\$ (121,298)	\$ (316,972)
Net loss per share – basic and diluted	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.01)
Weighted average number of shares outstanding	33,027,000	29,883,552	33,027,000	27,405,261

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

PRUDENT MINERALS CORP.

CONDENSED CONSOLIDATED 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	Warrants	Deficit	
Balance at February 28, 2023	24,927,000	\$ 1,815,392	202,532	\$ -	\$ (975,762)	\$ 1,042,162
Shares and warrants issued for acquisition of Berlin (notes 6,7)	8,000,000	158,000	-	151,600	-	309,600
Share-based compensation (notes 7,8)	-	-	122,282	-	-	122,282
Net loss for the period	-	-	-	-	(316,972)	(316,972)
Balance at August 31, 2023	32,927,000	\$ 1,973,392	324,814	\$ 151,600	\$ (1,292,734)	\$ 1,157,072

	Common Shares		Reserves			Shareholders' Equity (Deficiency)
	Number of Shares	Amount	Options and RSUs	Warrants	Deficit	
Balance at February 29, 2024	33,027,000	\$ 1,977,392	392,505	\$ 151,600	\$ (1,295,416)	\$ 1,226,081
Share-based compensation (notes 7,8)	-	-	54,605	-	-	54,605
Net loss for the period	-	-	-	-	(121,298)	(121,298)
Balance at August 31, 2024	33,027,000	\$ 1,977,392	447,110	\$ 151,600	\$ (1,416,714)	\$ 1,159,388

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

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

	Six Months ended	
	August 31,	August 31,
	2024	2023
Cash provided by (used in)		
Operating activities		
Net loss	\$ (121,298)	\$ (316,972)
Items not affecting cash:		
Share-based compensation	54,605	122,282
Note receivable	-	(137,498)
Changes in non-cash working capital items:		
Change Accounts receivable	35,336	2,287
Change in accounts payable and accrued liabilities	55,231	124,354
Cash (used in) provided by operating activities	23,874	(205,547)
Financing Activities		
Loan repayment	(132,740)	(120,000)
Cash used in financing activities	(132,740)	(120,000)
Investing Activities		
Exploration and evaluation assets	(9,405)	(3,195)
Acquisition of Berlin	-	4,112
Cash (used in) provided by investing activities	(9,405)	917
Change in cash	(118,271)	(324,630)
Cash beginning of period	375,565	828,252
Cash end of period	\$ 257,294	\$ 503,622
Supplemental cash disclosures		
Cash	\$ 78,199	\$ 62,622
Cash equivalents (Cashable GIC)	179,095	441,000
	\$ 257,294	\$ 503,622
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Non-cash investing and financing activities		
Accounts payable and accrued liabilities related to exploration and evaluation assets	\$ 5,160	\$ 28
Shares issued for acquisition	\$ -	\$ 560,000
Shares issued for exploration and evaluation assets	\$ -	\$ -

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

PRUDENT MINERALS CORP.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars - unaudited)

For the six months ended August 31, 2024 and 2023

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 August 31, 2024, 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 business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business. 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 six months ended August 31, 2024, the Company incurred a loss of \$121,298 (2023: \$316,972) and as at August 31, 2024 had an accumulated deficit of \$1,416,714 (February 29, 2024: \$1,295,416), 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. MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim 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 condensed consolidated 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 29, 2024 and February 28, 2023.

The accounting policies applied in these condensed consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended February 29, 2024. The Company's interim results are not necessarily indicative of its results for a full year.

PRUDENT MINERALS CORP.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars - unaudited)

For the six months ended August 31, 2024 and 2023

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

Basis of Preparation

The condensed consolidated interim financial statements are presented in Canadian dollars ("CAD"), which is the Company's functional and presentation currency. The condensed consolidated interim 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 condensed consolidated interim financial statements.

Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary Berlin Precious Metals Corp. ("Berlin"). Inter-company balances and transactions are eliminated on consolidation. The functional currency of Berlin is CAD.

New Accounting Policies and amendments to be adopted

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its condensed consolidated interim financial statements.

3. MATERIAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed consolidated interim 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 condensed consolidated interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated financial interim 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

Acquisition of Berlin: The Company applied judgment with respect to whether the acquisition of Berlin was an asset acquisition or business combination. Berlin did not meet the definition of a business. Pursuant to this assessment, the acquisition of Berlin was considered to be an asset acquisition. The estimated acquisition date fair value of the purchase price of Berlin involves significant estimates, including the fair value adjustments for a discount using the Average Price Option Pricing Model. See Note 6.

PRUDENT MINERALS CORP.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars - unaudited)

For the six months ended August 31, 2024 and 2023

3. MATERIAL 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.

4. RECEIVABLES

	August 31, 2024	February 29, 2024
	\$	\$
GST receivable	-	35,219
Other receivables (Note 8)	460	577
	460	35,796

5. LOAN PAYABLE

Berlin, the wholly owned subsidiary of the Company (Note 6), had an unsecured note payable with a third party, bearing zero interest and payable on demand. On the acquisition of Berlin, the principal of the note payable was \$372,740. During the year ended February 29, 2024, the Company made a payment in the amount of \$240,000. The remaining balance of \$132,740 was paid during the six months ended August 31, 2024.

6. EXPLORATION AND EVALUATION ASSET

	SAT	ABE	Total
	\$	\$	\$
Balance, February 28, 2023	389,790	-	389,790
Property acquisition costs	14,000	836,648	850,648
Exploration costs	856	-	856
Balance, February 29, 2024	404,646	836,648	1,241,294
Exploration costs	14,438	-	14,438
Balance, August 31, 2024	419,084	836,648	1,255,732

SAT Project

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 Project. SAT 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.

PRUDENT MINERALS CORP.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars - unaudited)

For the six months ended August 31, 2024 and 2023

6. EXPLORATION AND EVALUATION ASSET (CONTINUED)

SAT Project (continued)

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. On November 20, 2023, the Company entered into an amendment to the Option Agreement. The terms of the amended Option Agreement provide that the Company will have earned a 100% undivided interest in the SAT Project, 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 2,350,000 Common Shares to the Optionors (2,000,000 Common Shares allocated to Mardu, 250,000 Common Shares allocated to Divitiae, and 100,000 shares as consideration for amendment (Note 7)) and incurring \$200,000 in exploration work on the SAT Project on or before the dates set out below:

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 (paid, issued, completed)	10,000	100,000	100,000
On or before November 30, 2024	90,000	-	-
Total	160,000	2,350,000	200,000

ABE Gold Project

On July 5, 2023 (the "Closing Date"), the Company acquired all of the issued and outstanding shares of Berlin by issuing 8,000,000 common shares and 8,000,000 share purchase warrants of the Company (exercisable at \$0.50 for a period of five years) to the shareholders of Berlin (Note 7). The 8,000,000 common shares and shares that would be issued from the exercise of the 8,000,000 warrants will be subject to a voluntary hold period from the date of issuance and released as to 25% on each of the 2 year, 3 year, 4 year and 5 year anniversary of the Closing Date. Berlin holds five concession applications covering 4,512 hectares, and the right to earn up to a 100% interest in the 110 ha mining concession (ARE-283) that covers the Purimac gold mine, located in NW Colombia. The right to acquire the Purimac mining concession requires aggregate cash payments of USD 1,900,000 over four years or USD 1,600,000 over one year. The cash payment timelines do not commence until the ARE-283 mining concession registration is formally approved by the Colombian National Registry, which has not yet occurred. The interest is subject to a 2% net smelter return royalty. The Company has terminated the ARE-283 mining concession agreement during Q2, 2024 and maintains the mineral concession applications.

The Company acquired Berlin for the sole purpose of acquiring the ABE Gold Project which includes the mining concession and the mineral concession applications. Based on the number of shares issued and the Company's decision-making power, the Company was determined to be the acquirer. The acquisition was determined to be an asset acquisition because Berlin did not meet the definition of a business. The Company allocated the fair value of consideration paid to the acquired assets and assumed liabilities based on their relative fair values as at the Closing Date as follows:

PRUDENT MINERALS CORP.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars - unaudited)

For the six months ended August 31, 2024 and 2023

6. EXPLORATION AND EVALUATION ASSET (CONTINUED)

	Total
Consideration and transaction cost:	
Shares issued	\$ 158,000
Warrants issued	151,600
Legal cost	12,259
Total consideration and transaction cost	\$ 321,859
Net assets acquired and liabilities assumed:	
Cash	\$ 4,112
Receivables	460
Exploration and evaluation assets	836,648
Accounts payable	(9,123)
Loan payable	(372,740)
Advances from Prudent Minerals Corp	(137,498)
Net assets acquired	\$ 321,859

7. SHARE CAPITAL

Authorized: Unlimited number of common shares

- a) Issued and outstanding as at August 31, 2024: 33,027,000 common shares (February 29, 2024 – 33,027,000).

During the six months ended August 31, 2024, the Company had the following share capital transactions:

None during the period.

During the year ended February 29, 2024, the Company had the following share capital transactions:

On November 30, 2023, the Company issued 100,000 common shares with a fair value of \$4,000 in relation to the amendment of the SAT Property option agreement. (note 6)

On July 5, 2023, the Company issued 8,000,000 common shares and 8,000,000 common share purchase warrants as consideration for the Berlin acquisition (Note 6). The fair value of 8,000,000 shares was determined to be \$158,000 based on the trading price of \$0.07 on the issuance date, adjusted for a discount of \$402,000 to account for the timing of the share releases from the holding period over a period of 2 years to 5 years. Each share purchase warrant is exercisable for one common share of the Company for a period of five years at an exercise price of \$0.50 per common share. The fair value of the share purchase warrants was determined to be \$151,600 using the Black-Scholes Option Pricing Model with the following assumptions: Risk free rate of 3.85%; Expected life of 5 years; Expected volatility of 252% and dividend yield of \$Nil, adjusted for a discount of \$402,000 to account for the timing of shares that would be issued from the exercise of the share purchase warrants over a period of 2 years to 5 years.

PRUDENT MINERALS CORP.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars - unaudited)

For the six months ended August 31, 2024 and 2023

7. SHARE CAPITAL (CONTINUED)

During the year ended February 29, 2024, the Company had the following share capital transactions (continued):

The discount of \$402,000 was calculated using the Average Price Option Pricing Model with the following assumptions: a \$0.07 trading price on the issuance date, a 2-5 year term, a 252% volatility rate and dividend yield of \$Nil. The common shares and the shares that would be issued from the exercise of the share purchase warrants are subject to a voluntary release schedule as follows: an initial 25% of the shares released 24 months after the Closing Date, a further 25% to be released 36 months after the Closing Date, a further 25% to be released after 48 months after the Closing Date, and the final 25% to be released 60 months after the Closing Date.

b) Warrants:

The continuity schedule of the Company's warrants is as follows:

	Number of warrants	Weighted average exercise price (\$)
Balance, February 29, 2024 and August 31, 2024	8,000,000	0.50

The following table details the warrants outstanding and exercisable at August 31, 2024:

Expiry Date	Warrants outstanding			Warrants exercisable	
	Exercise Price	Warrants	Remaining Contractual Life (years)	Warrants	Exercise Price
	\$	#		#	\$
July 5, 2028	0.50	8,000,000	3.85	-	-

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, upon settlement, 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.

PRUDENT MINERALS CORP.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars - unaudited)

For the six months ended August 31, 2024 and 2023

7. SHARE CAPITAL (CONTINUED)

d) Restricted Share Units (continued):

On June 27, 2022, the Company granted an aggregate 2,400,000 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. All 2,400,000 RSU's were subsequently cancelled during September 2024.

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

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

	RSU's outstanding
Balance, February 28, 2023	2,400,000
Granted	-
Vested and settled *	-
Balance, February 29, 2024 and August 31, 2024 **	2,400,000

* Awardees must submit a settlement to receive the common shares associated with the vested RSU's. As at August 31, 2024, 1,600,000 RSU's had vested and none had been settled.

** All 2,400,000 RSU's were subsequently cancelled during September 2024.

The Company recorded \$54,605 of share-based compensation on the graded vesting of the granted RSU's during the six months ended August 31, 2024 (2023: \$122,282).

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 August 31, 2024, 1,950,000 common shares (February 29, 2024 – 2,925,000) were held in escrow.

The transaction securities associated with the Berlin acquisition (see note 6 and 7(a) above) are subject to a voluntary release schedule as follows: 25% of the transaction securities released 24 months after Closing, 25% to be released 36 months after Closing, 25% to be released 48 months after Closing and 25% to be released 60 months after Closing.

8. 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.

PRUDENT MINERALS CORP.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars - unaudited)

For the six months ended August 31, 2024 and 2023

During the six months ended August 31, 2024 and 2023, the following remuneration was paid to key management personnel:

	2024	2023
Management fees	\$ -	\$ 72,000
Share-based compensation	52,329	84,212
	\$ 52,329	\$ 189,187

As at August 31, 2024, \$113,400 (February 29, 2024: \$113,400) was owed to related parties and included in accounts payable. All amounts payable are non-interest bearing, unsecured and due on demand.

9. 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.

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 six months ended August 31, 2024. The Company is not subject to externally imposed capital requirements.

10. 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 August 31, 2024, the Company had cash and cash equivalents of \$257,294 (February 29, 2024: \$375,565). As at August 31, 2024, the Company had accounts payable and accrued liabilities of \$354,098 (February 29, 2024: \$293,834) and loan payable of \$Nil (February 29, 2024: \$132,740) 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.

PRUDENT MINERALS CORP.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars - unaudited)

For the six months ended August 31, 2024 and 2023

Interest rate risk

The Company is not exposed to significant interest rate risk.

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 August 31, 2024, the Company's financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities and loan payable. Cash and cash equivalents are carried at fair value using a Level 1 fair value measurement. The carrying value of accounts payable and accrued liabilities, and loan payable approximate its fair value because of the short-term nature of the instruments.

10. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the exploration of mineral properties. The following table presents selected financial information by geographic location:

August 31, 2024	Columbia	Canada	Total
Exploration and evaluation assets	\$ 836,648	\$ 419,084	\$ 1,255,732

February 29, 2024	Columbia	Canada	Total
Exploration and evaluation assets	\$ 836,648	\$ 404,646	\$ 1,241,294

11. SUBSEQUENT EVENTS

During September, 2024, all 2,400,000 RSU's were cancelled.