PRISMO METALS INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

(EXPRESSED IN CANADIAN DOLLARS)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Prismo Metals Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Prismo Metals Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of the material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has incurred losses since inception and has a working capital deficit. As stated in Note 1, the Company's ability to continue as a going concern is dependent on the ability to obtain private and/or public equity financing or to receive continued financial support from its controlling shareholders or other investors. These matters, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	**How our audit addressed the key audit matter:**
Assessment of impairment indicators of the Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
Refer to note 2 – Critical accounting estimates, note 3 – Accounting policy for Exploration and evaluation assets and note 14 Exploration and evaluation assets Management assesses at each reporting period whether there is an indication that the carrying value of the exploration and evaluation assets may not be recoverable. Management applies significant judgement in assessing	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following: • Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment.

whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment. We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.	• Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit. • Confirmed that the Company's right to explore the properties had not expired. • Obtained management's written representations regarding the Company's future plans for the exploration and evaluation assets. • Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is James Roxburgh.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
April 30, 2026

Prismo Metals Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2025	As at December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	**$ 1,219,357**	$ 7,184
Marketable securities (Note 4)	**-**	127,089
Receivables	**18,805**	25,803
Prepaid expenses	**98,878**	91,677
	1,337,040	251,753
Non-current assets		
Exploration and evaluation assets (Note 14)	**7,567,370**	5,912,656
Total assets	**$ 8,904,410**	$ 6,164,409
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	**$ 615,091**	$ 658,859
Short-term loans (Note 6)	**204,537**	166,090
Due to related parties (Note 15)	**353,559**	480,879
Total liabilities	**1,173,187**	1,305,828
Shareholders' equity		
Share capital (Note 7)	**14,493,089**	10,764,631
Contributed reserves (Notes 9, 10, 11 and 12)	**2,383,969**	1,668,807
Shares to be issued	**10,000**	50,000
Deficit	**(9,155,835)**	(7,624,857)
Total shareholders' equity	**7,731,223**	4,858,581
Total liabilities and shareholders' equity	**$ 8,904,410**	$ 6,164,409

Nature of operations and going concern (Note 1)
Subsequent events (Note 19)

Approved on behalf of the Board:

(Signed) "Peter Craig Gibson", Director

(Signed) "Louis Doyle", Director

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

Year ended December 31,	2025	2024
Operating expenses		
Office and administrative expenses (Note 13)	**$ 1,626,841**	$ 2,448,797
Realized (gain) on marketable securities (Note 4)	**(26,424)**	(526,476)
Unrealized (gain) on marketable securities (Note 4)	**-**	(38,702)
(Gain) loss on settlement of debt	**(89,882)**	132,737
Write-off of exploration and evaluation assets (Note 14)	**-**	1,790,565
Write-off of receivables	**20,443**	-
Loss and comprehensive loss for the year	**$ (1,530,978)**	$ (3,806,921)
Basic and diluted loss per share	**$ (0.02)**	$ (0.08)
Weighted average number of common shares outstanding - basic and diluted (Note 8)	**73,460,180**	48,961,797

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

Prismo Metals Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2025	2024
Operating activities		
Loss for the year	**$ (1,530,978)**	$ (3,806,921)
(Gain) loss on settlement of debt (Note 7)	**(89,882)**	132,737
Interest accrual	**4,537**	-
Share-based payments (Note 13)	**355,674**	562,596
Unrealized (gain) on marketable securities (Note 4)	**-**	(38,702)
Realized (gain) on marketable securities (Note 4)	**(26,424)**	(526,476)
Shares issued for services	**-**	70,469
Write-off of exploration and evaluation assets	**-**	1,790,565
Write-off of receivables	**20,443**	-
Changes in non-cash working capital items:		
Receivables	**(13,445)**	(3,550)
Prepaid expenses	**(7,201)**	(40,624)
Accounts payable and accrued liabilities	**50,482**	366,607
Due to related parties	**(24,716)**	22,145
Net cash used in operating activities	**(1,261,510)**	(1,471,154)
Investing activities		
Investment in exploration and evaluation assets (Note 14)	**(709,174)**	(1,627,814)
Proceeds from sale of marketable securities (Note 4)	**153,513**	1,705,589
Net cash (used in) provided by investing activities	**(555,661)**	77,775
Financing activities		
Shares issued for cash	**3,241,500**	1,147,500
Proceeds from the exercise of stock options	**-**	135,000
Share issue costs	**(246,066)**	(53,729)
Shares subscription received in advance	**-**	50,000
Short-term loan proceeds (Note 6(ii))	**100,000**	-
Short-term loan repayment (Note 6(i))	**(66,090)**	(11,000)
Net cash provided by financing activities	**3,029,344**	1,267,771
Net change in cash and cash equivalents	**1,212,173**	(125,608)
Cash and cash equivalents, beginning of year	**7,184**	132,792
Cash and cash equivalents, end of year	**$ 1,219,357**	$ 7,184
Supplemental information		
Non-cash investing activities:		
Shares issued for exploration and evaluation assets	**$ 944,008**	$ 395,032
Exploration and evaluation assets included in accounts payable	**$ 721,777**	$ 720,245
Exploration and evaluation assets included in related parties	**$ 350,130**	$ 452,734

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

Prismo Metals Inc.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of shares	Share capital	Contributed reserves	Shares to be issued	Deficit	Total
Balance, December 31, 2023	**40,846,480**	**$ 8,055,009**	**$ 1,537,300**	**$ 128,250**	**$ (3,817,936)**	**$ 5,902,623**
Private placement	7,504,411	1,275,750	-	(128,250)	-	1,147,500
Share issue costs	-	(75,558)	21,829	-	-	(53,729)
RSUs converted to shares	937,500	369,123	(369,123)	-	-	-
Shares issued for services rendered	375,000	70,469	-	-	-	70,469
Exercise of warrants and stock options	950,000	218,795	(83,795)	-	-	135,000
Shares issued to settle debt	2,356,590	456,011	-	-	-	456,011
Shares issued for exploration and evaluation assets	2,025,806	395,032	-	-	-	395,032
Share subscriptions received in advance	-	-	-	50,000	-	50,000
Share-based payments	-	-	562,596	-	-	562,596
Loss for the year	-	-	-	-	(3,806,921)	(3,806,921)
Balance, December 31, 2024	**54,995,787**	**10,764,631**	**1,668,807**	**50,000**	**(7,624,857)**	**4,858,581**
Private placement	42,305,000	3,281,500	-	(40,000)	-	3,241,500
Share issue costs	-	(344,179)	98,113	-	-	(246,066)
RSUs converted to shares	400,000	75,625	(75,625)	-	-	-
Shares issued to settle debt	1,916,307	108,504	-	-	-	108,504
Shares issued for exploration and evaluation assets	11,220,592	607,008	337,000	-	-	944,008
Share-based payments	-	-	355,674	-	-	355,674
Loss for the year	-	-	-	-	(1,530,978)	(1,530,978)
Balance, December 31, 2025	**110,837,686**	**$ 14,493,089**	**$ 2,383,969**	**$ 10,000**	**$ (9,155,835)**	**$ 7,731,223**

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

1. Nature of operations and going concern

Prismo Metals Inc. (the "Company" or "Prismo") was incorporated under the provisions of the Canada Business Corporations Act on October 17, 2018, and registered as an extra-provincial corporation under the laws of British Columbia on November 6, 2018. The addresses of the Company's offices are:

- Administration: Suite 1100 – 1111 Melville St., Vancouver, BC V6E 3V6, Canada.
- Registry and Records: 800 Victoria Square, Suite 3700, Montreal, Quebec, H4Z 1E9.

The Company is in the business of acquisition and exploration of mineral properties in Mexico and Arizona, United States.

These consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

On October 1, 2020, the Company's shares started trading on the Canadian Securities Exchange (the "CSE") under the trading symbol PRIZ. On July 27, 2022, the Company commenced trading on the OTCQB ® under the symbol PMOMF. The Company's common shares continue to trade on the CSE under the symbol PRIZ.

The Company has incurred losses since inception, and had a working capital of $163,853 as at December 31, 2025 (December 31, 2024 - working capital deficit of $1,054,075). Continued operations of the Company are dependent on the Company's ability to obtain private and/or public equity financing or to receive continued financial support from its controlling shareholders and other investors. There can be no assurance the Company will be successful in achieving these goals and, accordingly, there are material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and these adjustments could be material.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements are prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were approved by the Board of Directors for issue on April 30, 2026.

The accounting policies set out below have been applied consistently to the years presented in these consolidated financial statements unless otherwise noted below.

(b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash-flow information.

2. Basis of preparation (continued)

(c) Basis of consolidation

These consolidated financial statements includes the accounts of the Company and its wholly-owned subsidiaries, Prismo Metals (Arizona) Inc., which was incorporated on December 7, 2023 and Prismo Metals de Mexico, which was incorporated on March 21, 2025.

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances and transactions have been eliminated in preparing the consolidated financial statements.

(d) Functional and presentation currency

In management's judgment the functional currency of the Company is the Canadian dollar. The presentation currency used in preparing the consolidated financial statements of the Company is the Canadian dollar.

(e) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors which it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual results may differ from these estimates.

Critical accounting estimates

i. Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected share price volatility. Because the Company's warrants have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

ii. The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project. Management has assessed these indicators and does not believe an impairment provision is required.

iii. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

iv. The determination of deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward. The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is "probable" that the Company will benefit from these prior losses and other deferred tax assets. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing the losses.

3. Material accounting policies

(a) Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid investments having maturity dates of one year or less from the date of acquisition, which are readily convertible to known amounts of cash.

(b) Foreign currencies

Determination of functional currency
In determining the functional currency of the Company in accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, the following was considered:

- the currency that mainly influences the cost of labour, materials, service and other costs of exploration and evaluation activities;
- the currency used to maintain the amounts charged by operating activities; and
- the currency of financing activities.

Foreign currency translation
Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(c) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated in accordance with the treasury stock method which assumes that proceeds received from the exercise of stock options and warrants would be used to repurchase common shares at the prevailing market rate. Under the treasury stock method, the basic and diluted loss per share are the same, as the effect of common shares issuable upon the exercise of warrants and stock options of the Company would be anti-dilutive.

(d) Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Any tax currently payable is based on taxable profit for the year. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for taxable temporary differences except investments in subsidiaries and joint ventures where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. Material accounting policies (continued)

(d) Income taxes *(continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(e) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares and an expected life of the options (including any estimated forfeitures). The fair value of direct awards of shares is determined by the quoted market price of the Company's stock.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded-vesting basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to contributed surplus.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

Value of equity units issued in non-cash considerations

The fair value of the warrants issued for non-cash consideration is measured using the Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which these were granted.

Share appreciation right ("SAR")

Under the long-term incentive plan (the "LTIP"), selected employees are granted SARs where each SAR entitling the recipient to receive a payment in common shares equal to the current market price less the grant price of the SAR as determined by the Board at the time of the grant for each SAR. The fair value is measured at the grant date and recognized over the period during which the SARs vest. The fair value of the SARs granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense (share-based payments) is adjusted to reflect the actual number of SARs that are expected to vest.

3. Material accounting policies (continued)

(e) Share-based payments

Restricted stock unit ("RSU")

Under the LTIP, selected employees are granted RSUs where each RSU has a value equal to one Prismo common share. RSUs are measured at fair value on the grant date. The fair value of RSUs is recognized as a charge to share-based payments as an office and administrative expense over the vesting period with a corresponding increase in equity.

(f) Exploration and evaluation assets

The exploration and evaluation phase of a mineral project is assumed to commence at the time the Company obtains the legal right to explore a property. Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Costs related to activities occurring before the exploration and evaluation of a project are expensed in the period in which they occur. Costs incurred during the exploration and evaluation phase are initially capitalized to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Under this method, all amounts shown as exploration and evaluation assets represent costs incurred to date less amounts amortized and/or written off and do not necessarily represent present or future values.

Exploration and evaluation assets are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

If the properties are put into commercial production, the expenditures will be depleted based upon the proven reserves available. If the properties are sold or abandoned, the expenditures will be charged to profit or loss. The Company does not accrue the estimated future costs of maintaining in good standing its mineral properties.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as mineral property or cost recoveries when the payments are made or received.

3. Material accounting policies (continued)

(g) Provisions

Environmental rehabilitation provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an environmental rehabilitation obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these capitalized asset retirement costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional rehabilitation costs). The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to profit or loss. The Company had no significant rehabilitation obligations as at December 31, 2025 and 2024.

Other provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

(h) Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3. Material accounting policies (continued)

(i) Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the consolidated statement of loss and comprehensive loss in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

Below is a summary showing the classification and measurement bases of financial instruments:

Financial Asset / Liability	IFRS 9 Classification
Cash and csh equivalents	Amortized Cost
Receivables	Amortized Cost
Marketable securities	FVTPL
Accounts payable and accrued liabilities	Amortized Cost
Due to related parties	Amortized Cost
Short-term loans	Amortized Cost

(j) Financial liabilities

Financial liabilities are carried at FVTPL or amortized cost and include accounts payable and accrued liabilities, due to related parties and short-term loans. They are initially recognized at the amount required to be paid and subsequently measured at amortized cost using the effective interest rate method with gains or losses recorded in the consolidated statement of loss and comprehensive loss.

(Expressed in Canadian Dollars, except where indicated)

3. Material accounting policies (continued)

(k) Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB that are mandatory for accounting periods commencing on or after January 1, 2026. Many are not applicable and none are expected to have a significant impact on the Company.

Recent Accounting Pronouncements

IFRS 18 “Presentation and disclosure in financial statements” has been issued which will replace IAS 1 “Presentation of financial statements”. The new standard establishes a revised structure for the statements of comprehensive profit with the intention to improve comparability across entities. IFRS 18 is effective for annual periods beginning on or after January 1, 2027 and will be applied retroactively. The Company is currently evaluating the impact of adopting IFRS 18 on the financial statements.

Amendments to IFRS 9 “Financial instruments and IFRS 7 Financial instruments: disclosures” have been issued with the intention to clarify the date of recognition and derecognition of some financial assets and liabilities. The amendments are effective January 1, 2026. The Company has evaluated these amendments and determined that they do not have a material impact on its financial statements.

4. Marketable securities

As at December 31, 2025, the Company had no publicly traded investments.

As at December 31, 2024, the Company's publicly traded investment consisted of the following:

Public issuer	Security description	Cost	Unrealized gain	Fair market value
Vizsla	52,300 common shares	$ 84,726	$ 38,702	$ 127,089

During the year ended December 31, 2025, 52,300 common shares of Vizsla were sold for gross proceeds of $153,513 and a realized gain of $26,424 (year ended December 31, 2024 - 697,700 common shares of Vizsla sold for gross proceeds of $1,705,589 and realized gain of $526,476) was recorded in the consolidated statements of loss.

5. Accounts payable and accrued liabilities

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

	As at December 31, 2025	As at December 31, 2024
Trade payables	**$ 560,937**	$ 624,845
Accrued liabilities and provisions	**54,154**	34,014
	$ 615,091	$ 658,859

(Expressed in Canadian Dollars, except where indicated)

6. Short-term loans

(i) During the year ended December 31, 2023, the Company entered into two short-term promissory notes with a non-arm's length party for an aggregate amount of $177,090. The loans bore no interest rate. As at December 31, 2025, $77,090 of the promissory notes had been repaid (December 31, 2024 - $11,000).

(ii) On October 22, 2025, the Company entered into a promissory note agreement for an aggregate amount of $100,000. The loan bore interest at a rate of 24% per annum, payable monthly, and was due on the earlier of January 22, 2026 or five business days following the closing of the Company's next private placement. In connection with the loan, the Company agreed to pay a fee of $25,000 through the issuance of common shares (issued as part of December 2, 2025 private placement). The loan was unsecured. As at December 31, 2025, the Company accrued interest of $4,537 (December 31, 2024 - $nil). See note 19(i).

7. Share capital

a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value. There are no restrictions on transfers.

b) Common shares issued

As at December 31, 2025, the issued share capital amounted to $14,493,089 (December 31, 2024 - $10,764,631). The changes in issued share capital for the years presented were as follows:

	Number of Shares	Amount
Balance, December 31, 2023	40,846,480	$ 8,055,009
Private placements (i)(ii)	7,504,411	1,275,750
RSUs converted to shares (Note 12)	937,500	369,123
Exercise of options and warrants (iii)	950,000	218,795
Shares issued to settle debt (iv)(v)(vi)(vii)	2,356,590	456,011
Shares issued for services (viii)	375,000	70,469
Share issue costs	-	(75,558)
Shares issued for exploration and evaluation assets (Note 14)	2,025,806	395,032
Balance, December 31, 2024	**54,995,787**	**10,764,631**
Private placements (x)(xv)	42,305,000	3,281,500
RSUs converted to shares (Note 12)	400,000	75,625
Shares issued to settle debt (ix)(xi)	1,916,307	108,504
Share issue costs	-	(344,179)
Shares issued for exploration and evaluation assets (ix)(xii)(xiii)(xiv)	11,220,592	607,008
Balance, December 31, 2025	**110,837,686**	**$ 14,493,089**

(i) On April 5, 2024, the Company issued a non-brokered private placement for one subscription of 754,411 units of the Company at a price of $0.17 per unit for total gross proceeds of $128,250. Each unit consists of one common share and one-half common share purchase warrant. Each warrant is exercisable for one additional common share at an exercise price of $0.25 for a period of 24 months from the date of issue. These warrants were valued at $nil using the residual value method.

7. Share capital (continued)

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

In connection with the private placement, the Company issued an aggregate of 198,449 finder's warrants and paid finder's commissions in the aggregate of $53,729. Each finder's warrant is exercisable for a period of 24 months from the date of issuance into one share of the Company at a price of $0.25. The finder's warrants were valued at $21,829 valued using the Black-Scholes valuation model with the following assumptions: share price $0.195; expected dividend yield of 0%; risk-free interest rate of 3.82%; volatility of 119% and an expected life of 2 years.

(iii) During the year ended December 31, 2024, the Company issued an aggregate of 950,000 common shares on exercise of stock options and warrants for cash proceeds to the Company of $135,000.

(iv) On April 5, 2024, the Company completed a debt settlement agreement with certain creditors of the Company and issued an aggregate of 2,833,690 common shares of the Company at a price of $0.195 per common share in full and final settlement of accrued and outstanding indebtedness in the aggregate amount of $456,750. Of these 1,620,806 common shares valued at $316,057 related to exploration and evaluation assets.

(v) On June 18, 2024, the Company completed a debt settlement with certain creditors of the Company and issued an aggregate of 628,206 units of the Company and 623,000 common shares of the Company, in each case at a price of $0.195 per unit or common share, as applicable in full and final settlement of accrued and outstanding indebtedness in the aggregate amount of $212,705. Each unit was comprised of one common share in the capital of the Company and one-half of one of a common share purchase warrant of the Company. Each warrant is exercisable for one additional common share at an exercise price of $0.25 for a period of 2 years from the date of the settlement. The warrants were valued at $nil using the residual value method. Of the common shares issued 405,000 common shares valued at $78,975 related to exploration and evaluation assets.

(vi) On August 26, 2024, the Company completed a debt settlement with a creditor of the Company and issued 180,000 common shares of the Company, at a price of $0.195 per common share in full and final settlement of accrued and outstanding indebtedness in the aggregate amount of $30,600.

(vii) On October 30, 2024, the Company completed a debt settlement with creditors of the Company pursuant to which the Company issued 117,500 common shares of the Company at a deemed issue price of $0.165 per share in full and final settlement of accrued and outstanding indebtedness in the amount of $24,500.

(viii) During the year ended December 31, 2024, the Company issued 375,000 common shares valued at $70,469 for services rendered.

(ix) On March 10, 2025, the Company issued an aggregate of 4,451,175 common shares at a price of $0.055 per common share. Of these shares, 1,605,583 common shares were issued to settle debt of $179,850 and 2,845,592 common shares were issued in relation to exploration and evaluation assets and valued at $156,508.

(x) In July and August 2025, the Company completed three tranches of a non-brokered private placement of units of the Company. In aggregate, the Company raised $1,077,500 through the issuance of 20,265,000 units. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to purchase one share at an exercise price of $0.10 for a period of twenty-four months from the date of issuance. The warrants were valued at $nil using the residual value method.

7. Share capital (continued)

In connection with the private placement, the Company issued an aggregate of 531,900 finder's warrants and $29,384 in cash finder's fees were paid in connection with the private placement. Each finder's warrant is exercisable for a period of 24 months from the date of issuance into one share of the Company at a price of $0.10. The finder's warrants were valued at $25,232 using the Black-Scholes valuation model with the following weighted average assumptions: share price $0.084; expected dividend yield of 0%; risk-free interest rate of 2.73%; volatility of 114% and an expected life of 2 years.

(xi) In July 2025, the Company issued 310,724 shares at a price of $0.065 per share to arm's length creditors in full and final settlement of accrued and outstanding indebtedness of $18,536.

(xii) On August 8, 2025, the Company issued 1,375,000 common shares at a price of $0.10 per share, representing the final payment owed to the creditor in respect of the Palos Verdes project (see note 14).

(xiii) On July 29, 2025, 2,000,000 shares of Prismo were issued to satisfy the initial consideration for both the Silver King and Ripsey option agreements (see note 14).

(xiv) On August 12, 2025, 5,000,000 units of Prismo were issued to Cazadora Minerals Inc. ("Cazadora"), a private company dealing at arm's length with Prismo that had certain rights in the Silver King and Ripsey properties in consideration for Cazadora relinquishing its rights in the Silver King and Ripsey properties in favour of Prismo. Each unit is comprised of one share and one share purchase warrant having a term of three years. 2,000,000 of the warrants are exercisable at $0.10 and 3,000,000 of the warrants are exercisable at $0.15. The exercise of the first 2,000,000 warrants is conditional upon Prismo having raised $1,500,000 from parties introduced to Prismo by the principals of Cazadora and the exercise of the remaining 3,000,000 warrants is conditional upon Prismo having raised $3,000,000 from parties introduced to Prismo by the principals of Cazadora. The 5,000,000 warrants were valued at $333,700 using the Black-Scholes valuation model with the following weighted average assumptions: share price $0.10; expected dividend yield of 0%; risk-free interest rate of 2.71%; volatility of 119% and an expected life of 3 years.

(xv) In November and December 2025, the Company completed three tranches of a non-brokered private placement of units of the Company. In aggregate, the Company raised $2,204,000 through the issuance of 22,040,000 units. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one share at an exercise price of $0.175 for a period of 36 months from the date of issuance. The warrants were valued at $nil using the residual value method.

In connection with the private placement, the Company issued an aggregate of 1,173,160 finder's warrants and $216,682 in cash finder's fees and legal costs were paid in connection with the private placement. 851,200 finder's warrants are exercisable for a period of 36 months from the date of issuance into one share of the Company at a price of $0.175 and 321,960 finder's warrant are exercisable for a period of 24 months from the date of issuance into one share of the Company at a price of $0.10. The finder's warrants were valued at $72,881 using the Black-Scholes valuation model with the following weighted average assumptions: share price $0.123; expected dividend yield of 0%; risk-free interest rate of 2.46%; volatility of 87% and an expected life of 2.73 years.

8. Loss per common share

The calculation of basic loss per share for the year ended December 31, 2025 was based on the loss attributable to common shareholders of $1,530,978 (year ended December 31, 2024 - loss of $3,806,921) and the weighted average number of common shares outstanding for the year ended December 31, 2025, of 73,460,180 (year ended December 31, 2024 - 48,961,797). Diluted loss per share for the year ended December 31, 2025 and 2024 did not include the effect of stock options, SARs, warrants and RSU as they are anti-dilutive.

(Expressed in Canadian Dollars, except where indicated)

9. Stock options

In August 2022, the Board of Directors adopted a Long-Term Incentive Plan (the "LTIP") providing for the grant of stock options to directors, officers, employees and consultants of the Company and its subsidiaries. The LTIP provided that the number of common shares issuable under the LTIP, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding common shares. All options expire on a date not later than ten years after the date of grant of such option. Vesting terms are determined at the discretion of the Board.

The following summarizes the stock option activity for the years ended December 31, 2025 and 2024:

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2023	**3,400,000**	**0.198**
Granted (i)(ii)(iii)	2,250,000	0.204
Exercised	(600,000)	0.170
Cancelled/forfeited	(525,000)	0.179
Balance, December 31, 2024	**4,525,000**	**0.208**
Granted (iv)(v)(vi)(vii)(viii)(ix)	3,275,000	0.123
Cancelled/forfeited	(650,000)	0.190
Expired	(775,000)	0.190
Balance, December 31, 2025	**6,375,000**	**0.168**

The following table reflects the Company's stock options outstanding and exercisable as at December 31, 2025:

Options outstanding	Exercise price ($)	Options exercisable	Weighted average remaining contractual life (years)	Expiry date
250,000	0.12	250,000	1.16	February 27, 2027
500,000	0.15	500,000	1.38	May 19, 2027
260,000	0.165	260,000	1.48	June 26, 2027
715,000	0.305	715,000	2.57	July 27, 2028
250,000	0.12	62,500	2.98	December 22, 2028
250,000	0.16	150,000	2.98	December 22, 2028
175,000	0.20	175,000	3.27	April 9, 2029
225,000	0.21	225,000	3.47	June 18, 2029
1,225,000	0.205	1,225,000	3.69	September 9, 2029
650,000	0.075	325,000	4.43	June 5, 2030
950,000	0.15	-	4.76	October 2, 2030
925,000	0.12	231,250	4.98	December 22, 2030
6,375,000	0.168	4,118,750	3.54	

9. Stock options (continued)

(i) On April 9, 2024, the Company granted 550,000 incentive stock options to consultants of the Company. Each option is exercisable into one common share of the Company at a price of $0.20 per share for a period of five years. Vesting of the options are as follows: 25% three months from the date of grant; 25% every three months thereafter. The grant date fair value of $93,366 or $0.17 per option was valued using the Black-Scholes valuation model with the following assumptions: share price $0.20; expected dividend yield of 0%; risk-free interest rate of 3.59%; volatility of 124% and an expected life of 5 years. During the year ended December 31, 2024, 375,000 stock options were forfeited out of the 550,000 options originally granted. As a result of the forfeiture, previously recognized stock-based compensation expense of $58,821 was reversed.

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

(iii) On September 9, 2024, the Company granted 1,475,000 incentive stock options to officers, directors and consultants of the Company. Each option is exercisable into one common share of the Company at a price of $0.205 per share for a period of five years. Vesting of the options are as follows: 25% on the date of grant; 25% every three months thereafter. The grant date fair value of $245,948 or $0.167 per option was valued using the Black-Scholes valuation model with the following assumptions: share price $0.20; expected dividend yield of 0%; risk-free interest rate of 2.77%; volatility of 121% and an expected life of 5 years.

(iv) On February 27, 2025, the Company granted an aggregate of 250,000 stock options to a consultant. Each option is exercisable into one common share of the Company at a price of $0.12 per share for a period of two years. Vesting of the options are as follows: 25% as of the date of grant; 25% every three months thereafter. The grant date fair value of $7,515 or $0.03 per option was valued using the Black-Scholes valuation model with the following assumptions: share price $0.07; expected dividend yield of 0%; risk-free interest rate of 2.63%; volatility of 105% and an expected life of 2 years.

(v) On June 5, 2025, the Company granted an aggregate of 650,000 stock options to an officer. Each option is exercisable into one common share of the Company at a price of $0.075 per share for a period of five years. Vesting of the options are as follows: 25% three months from the date of grant; 25% every three months thereafter. The grant date fair value of $40,764 or $0.062 per option was valued using the Black-Scholes valuation model with the following assumptions: share price $0.075; expected dividend yield of 0%; risk-free interest rate of 2.86%; volatility of 121% and an expected life of 5 years.

(vi) On October 2, 2025, the Company granted an aggregate of 950,000 stock options to certain directors, officers and a consultant of the Company. Each option is exercisable into one common share of the Company at a price of $0.15 per share for a period of five years. Vesting of the options are as follows: 25% three months from the date of grant; 25% every three months thereafter. The grant date fair value of $120,694 or $0.127 per option was valued using the Black-Scholes valuation model with the following assumptions: share price $0.15; expected dividend yield of 0%; risk-free interest rate of 2.72%; volatility of 135% and an expected life of 5 years.

(vii) On December 22, 2025, the Company granted an aggregate of 250,000 stock options to a consultant of the Company. Each option is exercisable into one common share of the Company at a price of $0.12 per share for a period of three years. Vesting of the options are as follows: 25% on date of grant, 37.5% after three months and 37.5% after six months. The grant date fair value of $15,658 or $0.063 per option was valued using the Black-Scholes valuation model with the following assumptions: share price $0.11; expected dividend yield of 0%; risk-free interest rate of 2.59%; volatility of 91% and an expected life of 3 years.

(Expressed in Canadian Dollars, except where indicated)

9. Stock options (continued)

(viii) On December 22, 2025, the Company granted an aggregate of 250,000 stock options to a consultant of the Company. Each option is exercisable into one common share of the Company at a price of $0.16 per share for a period of three years. Vesting of the options are as follows: 150,000 options on date of grant and 100,000 on January 9, 2026. The grant date fair value of $13,934 or $0.056 per option was valued using the Black-Scholes valuation model with the following assumptions: share price $0.11; expected dividend yield of 0%; risk-free interest rate of 2.59%; volatility of 91% and an expected life of 3 years.

(ix) On December 22, 2025, the Company granted an aggregate of 925,000 stock options to certain directors and officers. Each option is exercisable into one common share of the Company at a price of $0.12 per share for a period of five years. Vesting of the options are as follows: 25% as of the date of grant; 25% every three months thereafter. The grant date fair value of $87,674 or $0.095 per option was valued using the Black-Scholes valuation model with the following assumptions: share price $0.11; expected dividend yield of 0%; risk-free interest rate of 2.98%; volatility of 131% and an expected life of 5 years.

10. Stock Appreciation Right ("SAR")

Pursuant to the LTIP, the Company may grant SARs to directors, officers and employees, entitling the recipient to receive a payment in common shares equal to the current market price less the grant price of the SAR as determined by the Board at the time of the grant for each SAR. Notwithstanding the foregoing, the Board may, in its sole discretion, satisfy payment of the entitlement in cash rather than in common shares. The exercise price of the SAR (the "SAR Grant Price") shall be determined by the Board at the time the SAR is granted. In no event shall the SAR Grant Price be lower than the discounted market price permitted by the CSE. SARs shall be granted on such terms as shall be determined by the Board and set out in the award agreement (including any terms pertaining to vesting and settlement), provided the term of any SAR granted under this plan shall not exceed ten years.

The following summarizes the SARs activity for the years ended December 31, 2025 and 2024:

	Number of SARs	Weighted average exercise price ($)
Balance, December 31, 2023	**1,000,000**	**0.380**
Granted (i)(ii)	825,000	0.202
Cancelled	(100,000)	0.390
Balance, December 31, 2024	**1,725,000**	**0.297**
Cancelled	(1,375,000)	0.322
Balance, December 31, 2025	**350,000**	**0.200**

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

(ii) On September 9, 2024, the Company granted an aggregate of 275,000 SARs to directors and an officer. Each SAR is exercisable for a period of five years at a price of $0.205. Vesting of the SARs are as follows: 25% three months from the date of grant and 25% every three months thereafter. The grant date fair value of $45,855 or $0.167 per SAR was valued using the Black-Scholes valuation model with the following assumptions: share price $0.20; expected dividend yield of 0%; risk-free interest rate of 2.77%; volatility of 121% and an expected life of 5 years.

(Expressed in Canadian Dollars, except where indicated)

10. Stock Appreciation Right ("SAR") (continued)

The following table reflects the Company's SARs outstanding and exercisable as at December 31, 2025:

SARs outstanding	Exercise price ($)	SARs exercisable	Weighted average remaining contractual life (years)	Expiry date
350,000	0.200	350,000	3.27	April 9, 2029

11. Warrants

The following summarizes the warrant activity for the years ended December 31, 2025 and 2024:

	Number of warrants	Weighted average exercise price ($)
Balance, December 31, 2023	**5,720,000**	**0.67**
Issued (Note 7(b)(i)(ii)(v))	4,264,757	0.25
Exercised	(350,000)	0.10
Expired	(350,000)	0.10
Balance, December 31, 2024	**9,284,757**	**0.52**
Granted (Note 7(b)(x)(xiv)(xv))	38,877,560	0.15
Expired	(5,020,000)	0.75
Balance, December 31, 2025	**43,142,317**	**0.16**

The following table reflects the Company's warrants outstanding and exercisable as at December 31, 2025:

Number of warrants	Exercise price ($)	Expiry Date
377,205	0.25	April 5, 2026
3,887,552	0.25	June 18, 2026
5,981,000	0.10	July 18, 2027
1,182,000	0.10	July 31, 2027
3,501,400	0.10	August 8, 2027
315,960	0.10	November 12, 2027
6,000	0.10	December 31, 2027
2,000,000	0.10	August 12, 2028
3,000,000	0.15	August 12, 2028
17,450,000	0.175	November 12, 2028
604,000	0.175	November 12, 2028
1,650,000	0.175	December 2, 2028
68,000	0.175	December 2, 2028
2,940,000	0.175	December 31, 2028
179,200	0.175	December 31, 2028
43,142,317	**0.160**	

As at December 31, 2025, the outstanding warrants had a weighted average remaining life of 1.19 years (December 31, 2024 - 0.96 years).

(Expressed in Canadian Dollars, except where indicated)

12. Restricted Stock Unit ("RSU")

Pursuant to the LTIP, the Company may grant RSUs to directors, officers and employees, entitling the holder to receive one common share for each RSU, subject to restrictions as the Board may, in its sole discretion, establish in the applicable award agreement.

	RSUs outstanding
Balance, December 31, 2023	**950,000**
Granted (i)(ii)(iii)	975,000
Converted to common shares	(937,500)
Cancelled	(62,500)
Balance, December 31, 2024	**925,000**
Granted (iv)(v)(vi)	1,125,000
Converted to common shares	(400,000)
Cancelled	(100,000)
Balance, December 31, 2025	**1,550,000**

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

(ii) On May 1, 2024, the Company granted 250,000 RSUs to an officer of the Company under the terms of the RSU agreement. Vesting of the RSUs are as follows: 25% six months from the date of grant and 25% every six months thereafter.

(iii) On September 9, 2024, the Company granted 525,000 RSUs to officers and directors of the Company under the terms of the RSU agreement. Vesting of the RSUs are as follows: 25% three months from the date of grant and 25% every three months thereafter.

(iv) On June 5, 2025, the Company granted 150,000 RSUs to an officer of the Company under the terms of the RSU agreement. Vesting of the RSUs are as follows: 33% four months from the date of grant and 33% every four months thereafter.

(v) On October 2, 2025, the Company granted 725,000 RSUs to officers and directors of the Company under the terms of the RSU agreement. Vesting of the RSUs are as follows: 25% three months from the date of grant and 25% every three months thereafter.

(vi) On December 22, 2025, the Company granted 250,000 RSUs to a consultant of the Company under the terms of the RSU agreement. Vesting of the RSUs are as follows: 25% on date of grant, 37.5% after three months and 37.5% after six months.

During the year ended December 31, 2025, 643,750 RSUs vested and 400,000 RSUs converted to common shares with a value $75,625 (year ended December 31, 2024 - 743,750 RSUs vested and 937,500 RSUs converted to common shares with a value of $369,123).

Compensation (recovery) for the year ended December 31, 2025 related to the vesting of RSUs was $109,792 (year ended December 31, 2024 - $149,337) and was recorded as share-based payments in the consolidated financial statement of loss and comprehensive loss.

(Expressed in Canadian Dollars, except where indicated)

13. Office and administrative expenses

	Year Ended December 31, 2025	2024
Conference and investor relations	**$ 158,009**	$ 148,980
Consulting fees (Note 15)	**585,560**	614,728
Foreign exchange loss	**79,771**	68,180
Marketing expense	**72,296**	506,722
Office and administration	**37,278**	14,361
Professional fees (Note 15)	**185,896**	187,420
Regulatory and transfer agent fees	**49,885**	70,340
Stock exchange, authorities and communication	**14,593**	21,084
Share-based payments (Notes 9, 10, 12 and 15)	**355,674**	562,596
Travel, meals and conventions	**87,879**	254,386
	$ 1,626,841	$ 2,448,797

14. Exploration and evaluation assets

a) ProDeMin Option

On May 7, 2019, the Company entered into an option agreement (the "ProDeMin Option") with ProDeMin, a company incorporated under the laws of Mexico and controlled by a director of the Company, whereby the Company was granted the option to earn up to a 75% interest in the Palos Verdes property located in Sinaloa, Mexico, over a five-year period. Pursuant to the terms of the ProDeMin Option, the Company fulfilled the following initial obligations:

- Paid USD$25,000 in cash on May 10, 2019;
- Issued 2,000,000 units on August 12, 2019 with a fair value of $0.05 per unit, each unit consisting of one common share and one share purchase warrant exercisable at $0.10 per share for a period of five years; and
- Issued 500,000 common shares with a fair value of $0.05 per share on August 12, 2019 to reimburse ProDeMin for prior expenditures of USD $25,000.

In addition, the Company was required to incur a total of USD $1,500,000 in exploration expenditures over the five-year option period, make aggregate cash payments totaling USD $46,823, and issue an additional 2,000,000 common shares upon completion of the option terms. As part of these commitments:

- On December 31, 2021, the Company paid USD $21,823 following the closing of its first financing subsequent to listing on the CSE;
- The Company committed to minimum exploration expenditures and maintenance of the mineral concessions in good standing throughout the option period, including staged annual expenditure requirements; and
- In the fifth year, the Company was required to incur a minimum of USD $500,000 in exploration expenditures and issue 2,000,000 common shares.

The Company also completed a series of staged cash payments to ProDeMin totaling USD $240,000 between May 2019 and the fourth anniversary of the agreement, all of which have been paid.

On April 5, 2024, the Company issued 588,235 common shares with a fair value of $114,706 to ProDeMin in settlement of outstanding property payments.

(Expressed in Canadian Dollars, except where indicated)

14. Exploration and evaluation assets (continued)

b) Option for remaining 25% stake in Palos Verdes

On November 30, 2020, the Company entered into an option agreement with the underlying owner of the remaining 25% interest in the Palos Verdes property (the "Palos Verdes 25% Agreement"), providing the Company with the opportunity to acquire up to a 100% interest in the property.

Under the terms of the agreement, the Company agreed to:

Make aggregate cash payments of USD $250,000 over a four-year period; and
Issue 100,000 share purchase warrants with an exercise price of $0.35, exercisable for a period of two years (issued).

The Company has completed all required staged cash payments totaling USD $250,000.

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

During the year ended December 31, 2025, the Company issued 1,375,000 common shares (valued at $137,500) in settlement of property payments of $82,500 (USD$60,000) (December 31, 2024 - 605,000 common shares (valued at $117,975)).

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 granted 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.

The Company has elected not to renew the mineral concessions related to the Los Pavitos Project in fiscal 2025. As a result, the carrying value of the Los Pavitos Project was written off as at December 31, 2024.

d) Hot Breccia Option

On February 1, 2023, the Company signed a definitive agreement (the "Agreement") with Infinitum Copper Corp. ("Infinitum") to acquire a 75% interest in the Hot Breccia porphyry copper-skam project (the "Hot Breccia Option") located in Arizona copper belt. Under the terms of the Agreement, the Company paid $350,000 in cash and issued 500,000 common shares at a price of $0.425 per share for a value of $212,500, in addition to assuming certain earn-in obligations of Infinitum under the option agreement with Walnut Mines LLC ("Walnut"), in order to acquire a 75% ownership interest in Hot Breccia Option.

In connection with the transaction, the Company also issued to an arm's-length party 75,000 common shares valued at $31,875 as an advisory fee.

Earn-in obligations to Walnut:

As at Jan 31,	**Work commitments** *To be satisfied by Prismo*	**Property Payments** *To be made by Prismo*	**Share payments** *To be made by Infinitum*
2024	$500,000 (ii)	$165,000 (i)	250,000 shares
2025	1,000,000	100,000 (ii)	500,000 shares
2026	1,750,000 (iii)	275,000 (iii)	875,000 shares
2027	2,000,000 (iii)	-	750,000 shares
Total	**5,250,000**	**540,000**	**2,375,000 shares**

14. Exploration and evaluation assets (continued)

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

(ii) On February 5, 2025, Prismo and Walnut agreed to the following amendments: (1) issuance of 2,845,592 common shares of Prismo (valued at $284,559) in settlement of the 2024 work commitment deficit (issued); (2) a cash payment of $100,000 due on the earlier of July 31, 2025 or five business days following the closing of an equity financing by Prismo of at least $500,000; and (3) a cash fee of $10,000 payable on or before February 12, 2025 as consideration for granting the payment extension (paid).

If the $100,000 payment is not made by July 31, 2025, an additional penalty of $20,000 will be due by August 15, 2025. The Company did not make the payment by July 31, 2025 and accordingly the additional $20,000 became payable. The Company subsequently made payments of $50,000 in August 2025 and $70,000 in November 2025 in settlement of the outstanding balance.

These arrangements are in addition to, and do not modify, the terms of the existing Agreement.

(iii) On November 5, 2025, the Company announced that Walnut agreed to extend certain dates to complete cash payments and exploration expenditures. The extensions are as follows: (i) extend the milestone date to complete exploration expenditures of $1,750,000 from January 31, 2026 to January 31, 2027; and (ii) extend the milestone date to complete exploration expenditures of $2,000,000 from January 31, 2027 to January 31, 2028 and (iii) extend the milestone date to complete the final cash payment of $275,000 to Walnut Mines LLC from January 31, 2026 to July 31, 2026.

On January 16, 2026, the Company entered into a transaction with Infinitum whereby the Company increased its interest in the option agreement to acquire the Hot Breccia copper project from 75% to 95%. In addition, the Company has obtained an irrevocable option to acquire Infinitum’s remaining 5% interest in the option agreement, providing a clear path to 100% interest in the option agreement to acquire the project.

On March 5, 2026, the Company assigned (the “Assignment”) all of its rights, interests and obligations in the Hot Breccia copper option agreement to Blade Resources Inc. (“Blade”). As consideration for the Assignment, the Company received 6,755,000 common shares of Blade and received a cash payment of $185,000.

e) Silver King and Ripsey option agreements

Silver King Property Option Agreement

On June 27, 2025, the Company entered into an option agreement with Silver King Mine LLC and Ronald R. Deen Jr. (the "Optionors") to acquire up to a 100% interest in the Silver King mining claims and surface and water rights, located in Arizona.

Initial Consideration:
Issuance of 1,000,000 common shares of the Company within 10 days of execution (issued).

Option Terms:
First Option to earn a 50% interest:

a) incurring a minimum of USD$500,000 in exploration expenditures on or before the first anniversary of the effective date of the option agreement;
b) incurring an additional USD$2,500,000 in exploration expenditures on or before the third anniversary of the effective date of the option agreement;
c) issuing 2,000,000 common shares of the Company; and
d) making a cash payment of USD$10,000 on or before December 27, 2025 (paid subsequently in February 2026) and annual cash payments of USD$10,000 on each anniversary of the option agreement.

14. Exploration and evaluation assets (continued)

Second Option to earn an additional 30% interest:

e) incurring an additional USD$3,000,000 in exploration expenditures on or before the fifth anniversary of the effective date of the option agreement;
f) making a cash payment of USD$1,000,000 on or before the fifth anniversary of the effective date of the option agreement; and
g) issuing 2,000,000 common shares of the Company.

Third Option to earn an additional 20% interest:

h) paying to the Optionors an amount equal to 20% of the value of a measured and indicated resource on the property, less the amount of expenditures incurred before the third anniversary of the effective date of the option agreement.

Joint Venture:
If the Company elects not to acquire a 100% interest in the property, a joint venture with the Optionors may be formed to continue development of the property.

Termination:
If the Company fails to meet expenditure, share issuance, or cash payment obligations (after the applicable periods), the option rights will lapse.

Ripsey Property Option Agreement

On June 11, 2025, the Company entered into an option agreement with the Optionors to acquire a 100% interest in the Ripsey property, located in Arizona.

Initial Consideration:

- issuance of 1,000,000 common shares of the Company (issued);
- making a cash payment of USD$12,500 on or before May 5, 2026; and
- making annual cash payments of USD$10,000 on each anniversary of the effective date of the agreement during the option period.

Option Terms:
The option period is five years from the agreement date. To exercise the option, the Company must make an additional cash payment of USD$1,000,000, upon which it will acquire 100% ownership of the property.

On July 29, 2025, 2,000,000 common shares of Prismo were issued to satisfy the initial consideration for both the Silver King and Ripsey option agreements (see note 7(xiii)).

On August 12, 2025, 5,000,000 units of Prismo were issued to Cazadora, a private company dealing at arm's length with Prismo that had certain rights in the Silver King and Ripsey properties in consideration for Cazadora relinquishing its rights in the Silver King and Ripsey properties in favour of Prismo (see note 7(xiv)).

(Expressed in Canadian Dollars, except where indicated)

14. Exploration and evaluation assets (continued)

The Company has incurred the following exploration and evaluation investments:

Balance, December 31, 2023	**$ 5,820,296**
ProDeMin Project	
Option payments	68,700
Palos Verdes remaining 25% option-cash	-
Drilling	314,656
Other	343,811
Additions to ProDeMin Project	727,167
Hot Breccia Project	
Option payment	231,354
Permitting	159,049
Drilling	87,681
Other	347,237
Additions to Hot Breccia Project	825,321
Los Pavitos Project	
Option payment	155,154
Drilling	119,102
Other	56,181
Write-off of Los Pavitos Project	(1,790,565)
Additions to Los Pavitos Project	(1,460,128)
Balance, December 31, 2024	**5,912,656**
ProDeMin Project	
Option payments	137,500
Other	26,630
Additions to ProDeMin Project	164,130
Hot Breccia Project	
Option payment	337,990
Drilling	20,000
Other	58,855
Additions to Hot Breccia Project	416,845
Silver King and Ripsey Project	
Option payment	650,000
Drilling	168,144
Assays and lab costs	7,942
Other	247,653
Additions to Silver King and Ripsey Project	1,073,739
Balance, December 31, 2025	**$ 7,567,370**

(Expressed in Canadian Dollars, except where indicated)

15. Related party transactions

Key management personnel comprise the Chief Executive Officer, the Chief Financial Officer and Corporate Secretary and the Directors of the Company. The below noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board.

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

Year ended December 31,	2025	2024
Consulting fees paid to a company controlled by the Chief Executive Officer of the Company	**$ 238,429**	$ 86,500
Consulting fees paid to a company controlled by the former President of the Company	**$ 41,250**	$ 136,750
Consulting fees paid to the Chief Exploration Officer of the Company for supervision of exploration programs	**$ 175,036**	$ 263,894
Fees paid or accrued to companies controlled by the Chief Exploration Officer	**$ 136,179**	$ 558,583
Consulting fees paid to a company controlled by the former President of the Company	**$ 46,612**	$ -
Accounting fees paid to Marrelli Support Services Inc., a company controlled by the Chief Financial Officer of the Company	**$ 49,458**	$ 43,530
Share-based payments:	**$ 250,283**	$ 361,767

In addition to the above transactions, both the ProDeMin Option (Note 14(a)) and the Cascabel Option (Note 14(c)) are related party transactions, as ProDeMin is controlled by a director of the Company, and two directors of the Company have an interest in the project related to the Cascabel option.

The following amounts were due to related parties:

	As at December 31, 2025	As at December 31, 2024
Amounts owed to the Chief Exploration Officer for consulting fees and reimbursable expenses	**$ 5,976**	$ 57,356
Amounts owed to companies controlled by the Chief Exploration Officer for services rendered	**344,154**	395,378
Amounts owed to Marrelli Support Services Inc., a company controlled by the Chief Financial Officer of the Company	**2,679**	8,524
Amounts owed to a company controlled by the Chief Executive Officer of the Company for consulting fees and reimbursable expenses	**750**	9,500
Amounts owed to a company controlled by the former President of the Company for consulting fees and reimbursable expenses	**-**	9,440
Amount owed to a company controlled by the directors of the Company	**-**	681
	$ 353,559	$ 480,879

16. Financial Instruments

The Company classifies cash and cash equivalents, receivables, accounts payable and accrued liabilities, short-term loans and due to related parties at amortized cost. The Company classifies marketable securities at FVTPL. At present, the Company does not have any FVTOCI financial assets.

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Marketable securities were measured as at Level 1.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Financial risk factors
The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous year.

a) Currency Risk

As at December 31, 2025, all of the Company's cash and cash equivalents were held either in Canadian dollars or US dollars. The Company incurs expenditures in Canada, USA and Mexico, and as such is exposed to currency risk associated with these costs. However, at this stage, the Company believes that the currency risks are immaterial.

b) Interest rate and credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. The Company has no significant concentration of credit risk arising from operations. Amounts included in receivables consist of goods and services tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to receivables is remote.

The Company has cash and cash equivalents balances subject to interest. Management does not believe the Company is exposed to significant interest rate risk.

In the event that the Company held interest bearing debt, the Company could be exposed to interest rate risk. However, the Company does not have any significant interest-bearing debt.

c) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2025, the Company had a current cash and cash equivalents balance of $1,219,357 to settle current liabilities of $1,173,187. The Company's ability to continue operations and fund its exploration property expenditures is dependent on management's ability to secure additional financing. Management is continuing to pursue various financing initiatives in order to provide sufficient cash flow to finance operations as well as funding its exploration expenditures. The Company's financial liabilities generally have contractual maturity of less than 30 days and are subject to normal trade terms.

(Expressed in Canadian Dollars, except where indicated)

17. Capital management

The Company's objective when managing capital is to maintain a flexible capital structure for its projects for the benefit of its stakeholders. Capital is comprised of the Company's shareholders' equity. The Company's main source of funds is from the funds received from private and or public investors (Note 7).

The Company manages the capital structure and makes appropriate adjustments to it based upon changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt or acquire or dispose of assets.

The Company's investment policy is to invest its available cash and cash equivalents in Canadian chartered banks and from time to time in guaranteed term deposits at fixed interest rates established at the time of investment.

The Company considers cash and cash equivalents to include amounts held in banks. The Company will place its cash and cash equivalents with institutions of high credit worthiness.

The Company is not subject to any externally imposed capital requirements and there have been no changes in approach for the years presented.

18. Income taxes

Provision for income taxes

As at December 31, 2025, the reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% (2024 - 27%) to the effective tax rate is as follows:

Year ended December 31,	2025	2024
Combined Canadian federal and provincial statutory income tax rates	**27.00 %**	27.00 %
Loss before income taxes	**$ (1,530,978)**	$ (3,806,921)
Expected income taxes owing (recovery)	**(413,000)**	(1,028,000)
Adjustment to prior year provision	**36,000**	(25,000)
Increase (decrease) to the income tax benefit resulting from:		
Share issue cost	**(66,000)**	(14,000)
Permanent differences	**86,000**	74,000
Change in benefit of tax assets not recognized	**357,000**	993,000
Income tax (recovery) expense	**$ -**	$ -

(Expressed in Canadian Dollars, except where indicated)

18. Income taxes (continued)

Future Income tax benefits which may arise as a result of non-capital losses and unclaimed foreign exploration and development expenditures have not been recognized in these financial statements as their realization is uncertain.

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	As at December 31, 2025	As at December 31, 2024
Deferred tax assets:		
Non-capital losses available for future period	**$ -**	$ 11,000
	-	11,000
Marketable securities	**-**	(11,000)
Net deferred tax assets	**$ -**	$ -

19. Subsequent events

(i) Subsequent to December 31, 2025, the Company repaid the $100,000 promissory note in full in January 2026, including all outstanding principal and accrued interest (note 6(ii)). Accordingly, no amounts remain outstanding under this agreement.

(ii) Subsequent to December 31, 2025, pursuant to the exercise of warrants the Company issued 150,000 shares for gross proceeds of $15,000 and 377,205 warrants expired unexercisesd. In addition, 37,500 shares were issued for the settlement of RSUs.

(iii) On January 12, 2026, the Company completed a non-brokered private placement, issuing 2,250,000 units for gross proceeds of $225,000. Each unit consisted of one common share and one common share purchase warrant, with each warrant entitling the holder to acquire one additional common share at an exercise price of $0.175 for a period of 36 months from the date of issuance. In connection with the financing, the Company issued 140,000 finder's warrants and paid cash finder's fees of $14,000 to an arm's length party.

(iv) On January 16, 2026, the Company entered into a transaction with Infinitum whereby the Company increased its interest in the option agreement to acquire the Hot Breccia copper project from 75% to 95%. In addition, the Company has obtained an irrevocable option to acquire Infinitum's remaining 5% interest in the option agreement, providing a clear path to 100% interest in the option agreement to acquire the project.

(v) On January 16, 2026, the Company issued 450,630 shares to Walnut in settlement of property payments (Note 14).

(vi) On February 3, 2026, the Company completed a non-brokered private placement, issuing 1,475,000 units for gross proceeds of $147,500. Each unit consisted of one common share and one common share purchase warrant, with each warrant entitling the holder to acquire one additional common share at an exercise price of $0.175 for a period of 36 months from the date of issuance. In connection with the financing, the Company issued 118,000 finder's warrants and paid cash finder's fees and costs of $14,800 to an arm's length party.