PRISM RESOURCES INC.

(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

Six Months Ended June 30, 2025 and 2024

Corporate Head Office

3552 West 41st Avenue, P O Box 71030
Vancouver, British Columbia
V6N 4J9
Telephone: 604-803-4883

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a) continuous disclosure requirement, if any auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these Condensed Interim Consolidated Financial Statements.

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Condensed Interim Consolidated Financial Statements

PRISM RESOURCES INC.
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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	June 30, 2025	December 31, 2024
ASSETS		
Current assets		
Cash	$ 7,298	$ 19,718
Accounts receivable	1,277	1,487
Prepaid expenses	1,250	1,250
	9,825	22,455
	$ 9,825	$ 22,455
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued liabilities	$ 804,316	$ 780,667
Due to related parties (note 6)	1,910,523	1,907,659
Loans payable (notes 3 and 6)	100,000	100,000
Convertible loans (note 3 and 6)	380,000	360,000
	3,194,839	3,148,326
Shareholders' deficit		
Share capital (note 4)	16,463,801	16,463,801
Share-based payments reserve	924,834	924,834
Deficit	(20,573,649)	(20,514,506)
	(3,185,014)	(3,125,871)
	$ 9,825	$ 22,455

Approved on behalf of the Directors:

"Robert Parsons"	Director	*"Scott Ross"*	Director
Robert Parsons		Scott Ross	

PRISM RESOURCES INC.
(An Exploration Stage Company)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Expenses				
Investor relations	$ 1,630	$ 1,562	$ 1,810	$ 1,742
Listing and filing fees	2,945	3,769	6,939	7,902
Office	966	961	2,214	2,203
Professional fees	11,438	12,780	20,701	23,513
Loss before other items	(16,979)	(19,072)	(31,664)	(35,360)
Other items				
Finance cost (note 3)	(5,000)	-	(5,000)	-
Interest expense (note 6)	(13,140)	(12,270)	(26,084)	(24,540)
Foreign exchange gain (loss)	4,227	290	3,605	(2,233)
Total other items	(13,913)	(11,980)	(27,479)	(26,773)
Net loss and comprehensive loss for the period	$ (30,892)	$ (31,052)	$ (59,143)	$ (62,133)
Basic and diluted loss per common share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding – Basic and diluted	51,945,393	51,945,393	51,945,393	51,945,393

PRISM RESOURCES INC.
(An Exploration Stage Company)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
SIX MONTHS ENDED JUNE 30,

		2025		2024
Operating activities				
Net loss for the period	$	(59,143)	$	(62,133)
Items not affecting cash:				
Finance cost (note 3)		5,000		-
Foreign exchange (gain) loss		(3,605)		2,233
Changes in non-cash working capital items:				
Accounts receivable		210		(182)
Accounts payable and accrued liabilities		27,254		28,562
Due to related parties		2,864		4,445
Cash used in operating activities		(27,420)		(27,075)
Financing activities				
Cash received from convertible loans (note 3)		15,000		-
Cash provided by financing activities		15,000		-
Decrease in cash during the period		(12,420)		(27,075)
Cash, beginning of the period		19,718		30,381
Cash, end of the period	$	7,298	$	3,306
Supplemental cash flow information				
Interest received	$	-	$	-
Interest paid	$	-	$	-
Income taxes paid	$	-	$	-

PRISM RESOURCES INC.
(An Exploration Stage Company)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIT
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share-based Payments Reserve	Deficit	Total
Balance, December 31, 2023	51,945,393	$ 16,463,801	$ 924,834	$ (20,380,679)	$ (2,992,044)
Net loss for the period	-	-	-	(62,133)	(62,133)
Balance, June 30, 2024	51,945,393	16,463,801	924,834	(20,442,812)	(3,054,177)
Net loss for the period	-	-	-	(71,694)	(71,694)
Balance, December 31, 2024	51,945,393	16,463,801	924,834	(20,514,506)	(3,125,871)
Net loss for the period	-	-	-	(59,143)	(59,143)
Balance, June 30, 2025	51,945,393	$ 16,463,801	$ 924,834	$ (20,573,649)	$ (3,185,014)

1. NATURE OF OPERATIONS AND GOING CONCERN

The principal business activity of Prism Resources Inc. (the "Company") is the acquisition and exploration of mineral properties. The Company was incorporated under the *Business Corporations Act* (British Columbia). The Company is an exploration stage company.

The head office of the Company is located at 3552 West 41st Avenue, P O Box 71030, Vancouver, British Columbia V6N 4J9, Canada. The registered and records office of the Company is located at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7, Canada.

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from June 30, 2025. Management is aware in making its assessment of material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, as explained below.

Several adverse conditions cast significant doubt on the validity of this assumption. The Company has incurred operating losses of $59,143 for the period ended June 30, 2025 (2024 - $62,133), is currently unable to self-finance operations, has a working capital deficit of $3,185,014 (December 31, 2024 - $3,125,871), a deficit of $20,573,649 (December 31, 2024 - $20,514,506), limited resources, no source of operating cash flow and no assurances that sufficient funding will be available.

The Company does not generate cash flow from operations, and has therefore relied principally upon the issuance of securities for financing. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of securities to finance its future activities, but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. Although these condensed interim consolidated financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation would have a material adverse effect on the Company's business, results of operations and financial condition.

The business of resource exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and to acquire, explore and maintain its future exploration and evaluation assets.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, "*Interim Financial Reporting*". The condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS as issued by the IASB.

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at their fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting. These condensed interim consolidated financial statements are prepared in Canadian dollars, which is also the Company's functional currency.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned integrated subsidiaries, 0938980 B.C. Ltd. and Compañia Minera Prism Peru S.A.C. ("Prism Peru"). All significant intercompany balances and transactions have been eliminated upon consolidation.

Material accounting policies

The accounting policies, estimates and judgments, methods of computation and presentation applied in these condensed interim consolidated financial statements are consistent with those of the previous financial year. Accordingly, the interim financial statements should be read in conjunction with the Company's most recent annual financial statements.

Approval of consolidated financial statements

The condensed interim consolidated financial statements were reviewed and approved by the Audit Committee and authorized for issue by the Board of Directors on August 11, 2025.

(Expressed in Canadian Dollars)

3. LOANS PAYABLE AND CONVERTIBLE LOANS

Loans payable		**Total**
Balance, December 31, 2023, 2024 and June 30, 2025	$	100,000

Convertible loans		**Total**
Balance, December 31, 2023	$	332,000
Funds received		21,000
Fair value adjustments		7,000
Balance, December 31, 2024	$	360,000
Funds received		15,000
Fair value adjustments		5,000
Balance, June 30, 2025	$	380,000

On February 22, 2018, the Company entered into loan agreements (the "Loan Agreements") with certain shareholders, including certain directors of the Company. The loans granted pursuant to the Loan Agreements total $100,000, with each of the lenders loaning $30,000 to the Company, with the exception of the CFO, who is loaning $10,000. The Loans bear interest at an annual rate of 12% per annum due on or before August 21, 2019, and are secured against all or substantially all of the assets of the Company. Pursuant to the Loan Agreements, on June 25, 2018, the Company issued 200,000 Bonus Shares to the lenders with an aggregate value of $20,000 which the Company recorded as interest expense.

On October 9, 2019, the Company entered into promissory note (the "Promissory Note") with certain shareholders, including a director of the Company. The loans granted pursuant to the Promissory Note total $166,000. The Loans bear interest at an annual rate of 15% per annum due on or before the thirtieth day after demand is made by the lenders, and are secured by a general security agreement. Pursuant to the Promissory Note, the Company shall pay to the lenders an amount equal to 25% of any funds to which the Company may become entitled in respect of the claim filed in the Ontario Superior Court of Justice against Detour. The Company also grants to the lenders the option to acquire a 100% in the Royalty for the sum of $3,000,000 at any time prior to the Company repaying the outstanding balance and accrued interest owing under the Promissory Note in full. If the Company sells the Royalty, the lenders shall be entitled to 25% of the proceeds of such sale or disposition.

On March 24, 2021, the Company's noteholders agreed to lend additional funds to the Company in the amount of $83,000 with substantially the same terms as the October 9, 2019 promissory note. The loans granted pursuant to the promissory note total $249,000. The royalty provision in the note has been revised such that the Company shall pay to the lenders an amount equal to 35% of any funds to which the Company may become entitled in respect of the claim filed in the Ontario Superior Court of Justice against Detour. Pursuant to a conversion provision, the lenders have the option to convert on a dollar-for-dollar basis the entire unpaid principal and all accrued and unpaid interest into common shares of the Company at a price per share determined by dividing the dollar amount being converted by the market price of the shares, less the maximum allowable discount pursuant to applicable exchange policies. During the year ended December 31, 2021, a fair value adjustment of $83,000 was recognized as finance cost.

(Expressed in Canadian Dollars)

3. LOANS PAYABLE AND CONVERTIBLE LOANS (cont'd)

In December 2024, the Company's noteholders agreed to lend additional funds to the Company in the amount of $21,000 with substantially the same terms as the March 24, 2021 promissory note. The loans granted pursuant to the promissory note total $270,000. The convertible loans are designated as at FVTPL. During the year ended December 31, 2024, a fair value adjustment of $7,000 was recognized as finance cost.

In June 2025, the Company's noteholders agreed to lend additional funds to the Company in the amount of $15,000 with substantially the same terms as the March 24, 2021 promissory note. The loans granted pursuant to the promissory note total $285,000. The convertible loans are designated as at FVTPL. During the period ended June 30, 2025, a fair value adjustment of $5,000 was recognized as finance cost.

4. SHARE CAPITAL

Authorized

Unlimited number of voting common shares without par value.

Issued

There were no shares issued during the period ended June 30, 2025.

Stock options

The Company has a stock option plan (the "Plan") under which it is authorized to grant options to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the Plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of ten years with vesting terms determined by the Board of Directors.

Stock option transactions are summarized as follows:

	June 30, 2025		December 31, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of the period	3,200,000	$ 0.10	3,200,000	$ 0.10
Granted	-	$ -	-	$ -
Balance, end of the period	3,200,000	$ 0.10	3,200,000	$ 0.10

The weighted average remaining contractual life of options outstanding at June 30, 2025 was 6.68 (December 31, 2024 – 7.17) years.

(Expressed in Canadian Dollars)

4. SHARE CAPITAL (cont'd)

Stock options outstanding and exercisable are as follows:

	June 30, 2025			December 31, 2024		
Expiry date	Exercise price	Options outstanding	Options exercisable	Exercise price	Options outstanding	Options exercisable
March 1, 2032	$ 0.10	3,000,000	3,000,000	$ 0.10	3,000,000	3,000,000
March 13, 2032	$ 0.11	200,000	200,000	$ 0.11	200,000	200,000
		3,200,000	3,200,000		3,200,000	3,200,000

Share-based payments

During the period ended June 30, 2025 and 2024, the Company did not grant any stock options.

5. NET PROFIT INTEREST

The Company has a 7.5% Net Profits Interest in certain mining claims in the Porcupine Mining District of Ontario, Canada ("Royalty") owned by Detour Gold Corp. ("Detour"), which was acquired by Agnico Eagle in 2022.

On July 10, 2017, the Company announced that it had entered into an agreement (the "Royalty Purchase Agreement") with AuRico Metals Inc. and AuRico Metals Canadian Royalty partnership (together "Au Rico") for the sale by the Company of the Royalty to AuRico. Following the announcement, the Company and AuRico received a written communication from Detour claiming the Royalty is invalid and unenforceable against Detour, notwithstanding Detour's long and consistent disclosure record to the contrary. On July 21, 2017, the Company announced that the Royalty Purchase Agreement had been terminated, as a direct result of Detour's newly stated position repudiating any obligations under the Royalty.

The Company and Detour went through legal battles regarding the enforceability of the Company's net profits Royalty from 2017 to 2022. In 2022, the Court of Appeal for Ontario ruled unanimously to dismiss Detour's appeal of the summary judgement awarded to the Company in 2021. The Company's net profits Royalty is fully enforceable against Detour.

6. RELATED PARTY TRANSACTIONS

The related party transactions incurred during the period ended June 30, 2025 were in the normal course of operations. During the period ended June 30, 2025, the Company did not pay or accrue any expenses to related parties other than interest expense of $3,958 (2024 - $3,841).

At June 30, 2025, included in due to related parties is $1,910,523 (December 31, 2024 - $1,907,659) in expenses owing to directors. These amounts are unsecured, non-interest-bearing and due on demand.

At June 30, 2025, included in loans payable and convertible loans payable was $62,319 (December 31, 2024 - $61,144) payable to directors, interim CEO and the CFO of the Company. These loans bear interest at an annual rate varying from 12% to 15% per annum due on demand, and are secured against all or substantially all of the assets of the Company (note 3).

The Company has also entered into change of control agreements with officers of the Company. In the case of termination, the officers are entitled to an amount equal to the sum of the annual base fees then payable to the officer and the immediate vesting of all granted and unvested stock options if the Company terminates the engagement within twelve months of a change of control without cause.

The Company's directors and management agreed to suspend directors' fees and management fees commencing January 1, 2023.

7. COMMITMENTS

On July 1, 2016, the Company entered into a consulting agreement whereby the consultant is to serve as the Company's Corporate Secretary for an indefinite term for $42,000 per year. Pursuant to the consulting agreement, the consultant is entitled to certain benefits coverage, participation in the Company's stock option plan, and one year's fees and benefits if the engagement is terminated without cause.

The Company and the Corporate Secretary has agreed to suspend the accrual of consulting fees effective January 1, 2023.

8. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support future business opportunities. The Company defines its capital as shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company currently has no source of revenues, and accordingly, is dependent upon external financings to fund activities. In order to carry future projects and pay for administrative costs, the Company will need to raise funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended June 30, 2025. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian Dollars)

9. SUBSIDIARIES

Significant subsidiaries for the periods ended June 30, 2025 and 2024 are:

	Country of Incorporation	Principal Activity	The Company's effective interest for 2025	The Company's effective interest for 2024
0938980 B.C. Ltd.	British Columbia, Canada	Holding company	100%	100%
Compañia Minera Prism Peru S.A.C.	Peru	Holding company	100%	100%