



# **PROSPECTOR**

Metals Corp.

**PROSPECTOR METALS CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the Three Months Ended March 31, 2024 and 2023**

**Unaudited – Expressed in Canadian dollars**

**Notice to Reader**

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

The accompanying unaudited condensed interim consolidated financial statements of the Company 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 in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**PROSPECTOR METALS CORP.**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Unaudited - Expressed Canadian Dollars)

	Note(s)	March 31, 2024	December 31, 2023
<b>ASSETS</b>			
Current assets:			
Cash	\$	2,115,685	\$ 460,002
Amounts receivables		107,595	427,897
Investments	5	68,262	68,262
Prepaid expenses		266,645	305,083
Total current assets		2,558,187	1,261,244
Non-current assets:			
Bond		37,500	37,500
Exploration and evaluation assets	4	8,164,128	6,463,789
Equipment		34,339	41,079
Total assets	\$	10,794,154	\$ 7,803,612
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	7	\$ 207,682	\$ 199,693
Flow-through share premium	9	181,819	202,790
Promissory note payable		-	101,625
Total current liabilities		389,501	504,108
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	6	51,888,924	48,289,476
Reserves	6	8,788,051	8,758,936
Deficit		(50,272,322)	(49,748,908)
Total shareholders' equity		10,404,653	7,299,504
Total liabilities and shareholders' equity	\$	10,794,154	\$ 7,803,612

Nature of operations (Note 1)

Approved by the Board of Directors and authorized for issue on May 30, 2024.

\_\_\_\_\_"Craig Roberts"\_\_\_\_\_  
Director

\_\_\_\_\_"Rob Carpenter"\_\_\_\_\_  
Director

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

## PROSPECTOR METALS CORP.

### Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited - Expressed Canadian Dollars)

		Three months ended March 31,	
	Note	2024	2023
<b>Expenses</b>			
Amortization		\$ 6,740	6,740
Consulting fees		152,320	218,821
Exploration and project evaluation	4	191,680	317,008
Investor relations		33,584	129,206
Listing and filing fees		12,672	7,604
Office and administrative		52,563	79,913
Professional fees		68,499	42,279
Rent		6,227	4,727
Share based payment expense		-	276,536
Travel		29,720	39,607
Loss before the undernoted		(554,005)	(1,122,441)
<b>Other income (expenses)</b>			
Change in fair value of investments	5	-	213,820
Foreign exchange (loss)/gain		30	(244)
Interest income		9,650	4,501
Other income from settlement of flow-through	9	20,971	-
Other income	4	-	106,002
<b>Net loss and comprehensive loss for the period</b>		<b>\$ (523,414)</b>	<b>(798,362)</b>
<b>Basic and diluted loss per common share</b>		<b>\$ (0.02)</b>	<b>(0.01)</b>
<b>Weighted average number of common shares outstanding</b>		<b>28,370,527</b>	<b>57,891,049</b>

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**PROSPECTOR METALS CORP.****Condensed Interim Consolidated Statements of Changes in Shareholders' Equity****For the three months ended March 31, 2024 and 2023**

(Unaudited - Expressed Canadian Dollars)

	Share Capital (Note 7)			Reserves	Deficit	Total shareholders' equity
	Number of shares	Amount				
<b>Balance, December 31, 2022</b>	<b>56,117,962</b>	<b>\$ 47,447,312</b>	<b>\$ 8,464,428</b>	<b>\$ (45,441,173)</b>	<b>\$ 10,470,567</b>	
Shares issued for private placement	4,644,513	1,140,130	-	-	1,140,130	
Flow-through share premium	-	(350,563)	-	-	(350,563)	
Share-based compensation	-	-	276,536	-	276,536	
Share issuance costs	-	(52,070)	17,972	-	(34,098)	
Net loss for the period	-	-	-	(798,362)	(798,362)	
<b>Balance, March 31, 2023</b>	<b>60,762,475</b>	<b>\$ 48,184,809</b>	<b>\$ 8,758,936</b>	<b>\$ (46,239,535)</b>	<b>\$ 10,704,210</b>	
<b>Balance, December 31, 2023</b>	<b>21,154,158</b>	<b>\$ 48,289,476</b>	<b>\$ 8,758,936</b>	<b>\$ (49,748,908)</b>	<b>\$ 7,299,504</b>	
Shares issued for private placement	15,757,575	1,968,573	-	-	1,968,573	
Shares issued for property acquisition	9,222,164	1,659,990	-	-	1,659,990	
Flow-through share premium	-	-	-	-	-	
Share-based compensation	-	-	-	-	-	
Share issuance costs	-	(29,115)	29,115	-	-	
Net loss for the period	-	-	-	(523,414)	(523,414)	
<b>Balance, March 31, 2024</b>	<b>46,133,897</b>	<b>\$ 51,888,924</b>	<b>\$ 8,788,051</b>	<b>\$ (50,272,322)</b>	<b>\$ 10,404,653</b>	

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

## PROSPECTOR METALS CORP.

### Condensed Interim Consolidated Statements of Cash Flows

(Unaudited - Expressed Canadian Dollars)

		For the three months ended March 31,	
	Note(s)	2024	2023
<b>Cash flows from operating activities:</b>			
Net loss for the year		\$ (523,414)	\$ (798,362)
Items not affecting cash:			
Amortization		6,740	6,740
Change in fair value of investments	5	-	(213,820)
Stock based compensation		-	276,536
Other income from settlement of flow-through	9	(20,971)	-
Changes in non-cash working capital:			
Accounts payable and accrued liabilities		(32,359)	(285,405)
Amounts receivable		320,302	63,991
Prepaid expenses		38,438	(45,579)
<b>Net cash used in operating activities</b>		<b>(211,264)</b>	<b>(995,899)</b>
<b>Cash flows from investing activities:</b>			
Proceeds on sale of investments	5	-	1,149,103
<b>Net cash generated in investing activities</b>		<b>-</b>	<b>1,149,103</b>
<b>Cash flows from financing activities:</b>			
Proceeds from private placement	6	1,968,573	1,140,130
Promissory note		(101,625)	-
Share issuance costs	6	-	(34,098)
<b>Net cash provided by financing activities</b>		<b>1,866,948</b>	<b>1,106,032</b>
Net change in cash		1,655,684	1,259,236
Cash, beginning of the period		460,002	887,341
Cash, end of the period		\$ 2,115,685	\$ 2,146,577
<b>Cash and cash equivalents consisted of</b>			
Cash deposited with a Canadian Senior Bank		\$ 1,797,226	\$ 2,037,486
Term deposits and guaranteed investment certificates issued		318,459	109,091
		\$ 2,115,685	\$ 2,146,577

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# **PROSPECTOR METALS CORP.**

## **Notes to the condensed interim consolidated financial statements**

**For the three months ended March 31, 2024 and 2023**

**(Unaudited - Expressed in Canadian Dollars)**

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### **1. NATURE OF OPERATIONS**

Prospector Metals Corp. (the “Company” or “Prospector”) was incorporated on March 12, 2007 under the British Columbia Business Corporations Act. The Company is trading on the TSX Venture Exchange under the ticker symbol PPP. Its registered office is located at Suite 1012 – 1030 W Georgia St., Vancouver, BC, V6E 2Y3. The Company’s principal business activities are the identification, exploration and development of economically viable mineral properties.

The Company completed a change of name from Ethos Gold Corp. to Prospector Metals Corp on April 6, 2022. Thus, it is now trading on the TSX Venture Exchange under the ticker symbol PPP. The Company also consolidated its common shares based on one post-consolidation common share for each three pre-consolidated common shares. All common shares and per share amounts have been retroactively restated to reflect the consolidation.

As at March 31, 2024, the Company had current assets of \$2,558,187 (December 31, 2023 - \$1,261,244) to settle current liabilities of \$389,501 (December 31, 2023 - \$504,108), leaving the company with working capital of \$2,168,686 (December 31, 2023 - \$757,135).

#### **Going Concern and Continuance of Operations**

These condensed interim consolidated financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Realization values may be substantially different from the carrying values shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company is expected to incur further losses in the development of its business. The Company’s ability to continue as a going concern is dependent upon its ability to obtain the necessary capital to meet its obligations and repay its liabilities arising from normal business operations when they come due. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

### **2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION, AND CONSOLIDATION**

#### **Statement of Compliance**

These condensed interim consolidated statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These consolidated financial statements were approved by the Board of Directors on May 30, 2024.

#### **Basis of Preparation**

The condensed interim consolidated statements have been prepared on a historical cost basis, except for assets classified as fair value through profit or loss which have been measured at fair value. These consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company’s ability to receive financial support, necessary financing, or generate profitable operations in the future.

# **PROSPECTOR METALS CORP.**

## **Notes to the condensed interim consolidated financial statements**

**For the three months ended March 31, 2024 and 2023**

**(Unaudited - Expressed in Canadian Dollars)**

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### **Basis of Consolidation**

These consolidated financial statements include the financial statements of the Company, its 100% owned Canadian subsidiary 1088151 B.C. Ltd., and its 100% owned Mexican subsidiary Compañía Minera Roca Dorada, SA de CV (“Roca Dorada”). Subsidiaries are entities controlled by the Company. The Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over its subsidiary. All significant inter-company balances and transactions have been eliminated upon consolidation.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION**

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amount of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are noted below with further details of the assumptions contained in the relevant note.

The preparation of these condensed interim consolidated financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

The critical estimates and judgments applied in the preparation of the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024 are consistent with those applied and disclosed in note 3 to the Company's audited consolidated financial statements for the year ended December 31, 2023.

#### **a) Foreign currency translation**

The functional currency of Prospector and its subsidiaries is the Canadian dollar. Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate in effect at the financial statement date. Exchange gains or losses arising from these translations are recognized in profit or loss for the reporting period.



# PROSPECTOR METALS CORP.

## Notes to the condensed interim consolidated financial statements

For the three months ended March 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

### 4) MINERAL INTERESTS

#### Acquisition costs

	British Columbia	Ontario	Quebec	Yukon	Newfoundland	Total
	\$	\$	\$	\$	\$	\$
Balance, Dec 31, 2022	338,000	3,649,556	1,104,145	-	2,665,333	7,757,034
Acquisition costs:						
Cash payments	-	-	-	-	320,000	320,000
Share issuances	20,000	-	-	-	84,667	104,667
Impairment	(358,000)	(255,767)	(1,104,145)	-	-	(1,717,912)
Balance, Dec 31, 2023	-	3,393,789	-	-	3,070,000	6,463,789
Acquisition costs:						
Share issuances	-	-	-	1,700,339	-	1,700,339
Balance, Mar 31, 2024	-	-	-	1,700,339	3,070,000	8,164,128

#### Exploration expenditures

During the period ended March 31, 2024, the Company incurred the following exploration expenses:

	British Columbia	Ontario	Quebec	Newfoundland	Yukon	Total
Administration	4,283	-	873	931	12,960	19,047
Camp costs	-	9,138	-	600	-	9,738
Geological	30,769	34,753	-	4,900	76,649	147,070
Property Maintenance	(2,784)	4,290	5,703	585	-	7,793
Travel	-	-	-	-	6,020	6,020
Other	-	-	-	-	2,012	2,012
Balance, March 31, 2024	32,267	48,181	6,575	7,016	97,640	191,680

During the period ended March 31, 2023, the Company incurred the following exploration expenses:

	British Columbia	Ontario	Quebec	Newfoundland	Yukon	Total
Administration	14,497	25,490	2,826	1,863	-	42,676
Assays	-	-	6,318	-	-	6,318
Camp costs	-	21,995	-	1,522	-	38,358
Drilling	-	1,708	-	-	-	1,708
Field equipment	-	187	-	-	-	187
Geological	14,679	104,638	6,958	11,102	-	137,377
Geophysics	69,500	-	-	-	-	69,500
Property Maintenance	500	29,350	5,876	-	-	35,726
Balance, March 31, 2023	97,176	198,209	21,978	14,487	-	317,008

## PROSPECTOR METALS CORP.

### Notes to the condensed interim consolidated financial statements

For the three months ended March 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

#### a) *Perk-Rocky Project, British Columbia*

On May 10, 2019, the Company entered into an option agreement to acquire a 100% interest in the Perk-Rocky project located near Williams Lake, British Columbia. The Company can earn a 100% interest in the Perk-Rocky Project by incurring exploration expenses totaling \$350,000 (incurred) on or prior to the first anniversary of the agreement and by making \$690,000 in cash payments and issuing 322,222 common shares of the Company.

During the year ended December 31, 2023, the Company terminated the option agreement on the Perk-Rocky project, and wrote down the carrying value of the Perk Rocky project totaling \$527,500 to \$Nil at December 31, 2022

#### b) *Gaffney, BC*

On September 11, 2020, the Company entered into an earn in agreement whereby the Company can earn a 100% interest in the Gaffney gold property located in central British Columbia by making the following cash and share payments:

	Cash		Common Shares	
Within five days of the execution date	\$15,000	Paid	-	
Within five days of TSX-V approval	-		66,667	Issued
On or before October 1, 2021	-		66,667	Issued
On or before October 1, 2022	-		66,667	Issued
On or before October 1, 2023	-		66,667	Issued

During the period ended March 31, 2024, 66,667 shares were issued with a fair value of \$29,000 in relation to the Gaffney Property earn-in agreement.

The vendor retains a 1% NSR royalty, of which the first 0.5% can be purchased for \$500,000, and a second tranche of 0.5% may be purchased for \$1,000,000. There are no work commitments.

During the year ended December 31, 2023, 66,667 shares were issued with a fair value of \$20,000, in relation to the Gaffney Property earn-in agreement. The Company subsequently terminated the earn-in agreement on the Gaffney project and wrote down the carrying value of the project totaling \$358,000 to \$Nil as at March 31, 2024.

#### c) *Fuchs site Lake, Ontario*

On August 5, 2020, the Company staked the Fuchs site Lake claim block (“Fuchs site Lake Gold Project”) in the province of Ontario. Staking costs of \$9,100 are included in mineral property acquisition costs.

On September 3, 2020, the Company entered into a definitive property option agreement with Cross River Ventures Corp. (“Cross River”) whereby Cross River has been granted the right to acquire up to a 60% interest in the project by advancing to the Company total cash payments of \$300,000 and 2,000,000 Cross River common shares. In addition, Cross River must incur \$1,950,000 in exploration expenditures on the project.

As at December 31, 2023, Cross River is insolvent and the Company has exhausted all efforts to collect consideration. As such, the Company wrote down the carrying value of the project totaling \$9,100 to \$Nil as at December 31, 2023.

## PROSPECTOR METALS CORP.

### Notes to the condensed interim consolidated financial statements For the three months ended March 31, 2024 and 2023 (Unaudited - Expressed in Canadian Dollars)

#### d) Savant Lake, Ontario

On September 1, 2020, the Company entered into an earn-in agreement with New Dimension Resources Ltd. ("New Dimension") whereby the Company can earn a 70% interest in the Savant Lake gold property located in northwest Thunder Bay, Ontario.

The Company can earn a 70% interest in the Savant Lake property by paying the optionor a total of \$200,000 in cash, issuing 888,889 common shares of the Company, and completing \$2,000,000 in exploration work, as follows:

	Cash		Shares		Work Commitment	
Within five days of the execution date	\$50,000	Paid	-		-	
Within five days of TSX Venture acceptance	-		222,222	Issued	-	
On or before September 20, 2021	-		111,111	Issued	-	
On or before November 15, 2022	\$50,000	Paid	222,222	Issued	\$500,000	Met
On or before November 15, 2023	\$50,000		222,222		\$1,000,000	
On or before November 15, 2024	\$50,000		111,111		\$500,000	

If a mineral resource in excess of one million ounces of gold is defined on the property, the Company will make additional payments to New Dimension of \$50,000 in cash and issue 222,222 common shares of the Company.

During the year ended December 31, 2022, the Company issued 222,222 common shares in accordance with the Savant Lake property earn-in agreement with a fair value of \$90,000 and paid \$50,000 in cash. Due to ongoing community issues, the Company has called Force Majeure and as a result has not made the November 15, 2023 payment of cash and shares. The claims have been put on hold by the Ontario Ministry, without any payments required until December 2024.

#### e) Campbell Lake Gold Project, Ontario

On October 6, 2020, the Company entered into an earn in agreement whereby the Company can earn a 100% interest in the Campbell Lake gold project located north of the town of Armstrong, Ontario

The Company earned a 100% interest in the Campbell Lake gold project by making the following cash and share payments:

	Cash		Shares	
Within five days of the execution date	\$10,000	Paid	-	
Within five days of TSX Venture acceptance	-		66,667	Issued
Within five days of an airborne geophysics survey date	-		66,667	Issued
On or before October 6, 2021	-		66,667	Issued
On or before October 6, 2022	-		200,000	Issued

There are no work commitments.

## PROSPECTOR METALS CORP.

### Notes to the condensed interim consolidated financial statements For the three months ended March 31, 2024 and 2023 (Unaudited - Expressed in Canadian Dollars)

#### f) Fairchild Lake Project, Ontario

On February 3, 2021, the Company entered into an earn-in agreement under which Prospector may earn a 100% interest in the Fairchild Lake claim block located in Ontario by making the following cash and share payments:

	Cash		Common Shares	
Within five days of the execution date	\$5,000	Paid	-	
Within five days of TSX-V approval	-		55,556	Issued
On or before November 1, 2021	-		55,556	Issued
On or before August 1, 2022	-		55,556	Issued

During the year ended December 31, 2022, the Company issued 55,556 common shares related to the earn in agreement on the Fairchild Lake Project with a fair value of \$26,667.

As of December 31, 2023, the claims for the Fairchild property have lapsed. As such, the Company wrote down the carrying value totaling \$246,667 to \$Nil as at December 31, 2023.

#### g) Whitton Lake (formerly known as Heaven Lake) Project, Ontario

On March 7, 2021, the Company entered into an earn-in agreement under which the Company may acquire a 100% interest in the Whitton Lake claim block by making the following cash and share payments:

	Cash		Shares	
Within five days of the execution date	\$23,300	Paid	-	
Within five days of TSX-V approval	-		222,222	Issued
Within 12 months of signing the earn-in agreement	-		222,222	Issued
Within 24 months of signing the earn-in agreement	-		222,222	Issued

There are no work commitments. There is a 2% NSR. The Company can acquire 1% of the NSR by paying \$1,000,000.

The Company has since acquired 100% of the Whitton Lake claim block.

#### h) Schefferville, Quebec

On August 5, 2020, the Company staked two claim blocks in the province of Quebec. Staking costs of \$80,145 are included in mineral property acquisition costs.

On October 15, 2020, Prospector announced that it has purchased a 100% interest in mineral claims contiguous to Prospector's newly staked Sable block, part of the Schefferville Gold Project.

Prospector has purchased the claims for \$50,000 cash (paid) and 166,666 shares of Prospector (issued). Additionally, there is a 2.0% NSR in favor of the vendors of which Prospector may purchase 1.0% for \$1,000,000.

As at March 31, 2024, the Schefferville claims are suspended and the Company, along with the Quebec government, is renegotiating a deal to resolve property access issues. During the year ended December 31, 2023, the Company wrote down the property's carrying value totaling \$552,645 to \$Nil.

# PROSPECTOR METALS CORP.

## Notes to the condensed interim consolidated financial statements For the three months ended March 31, 2024 and 2023 (Unaudited - Expressed in Canadian Dollars)

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### Schefferville Ashuanipi Property

On February 15, 2021, the Company entered into an earn-in agreement under which the Company may acquire a 100% interest in the Schefferville Ashuanipi Property by making \$100,000 in cash payments (paid) and issuing 222,222 shares on closing (issued). Prospector has committed to spending \$500,000 over three years on the claims with any shortfall resulting in a cash payment to the vendor in an amount equal to a prorated cash payment of \$100,000. If the commitment is satisfied, no such payment is required. The vendors will retain a 2.0% NSR royalty on the Property, of which 1.0% may be repurchased by the Company for \$1,000,000.

As at March 31, 2024, the Ashuanipi claims are suspended and the Company, along with the Quebec government, is renegotiating a deal to resolve property access issues. During the year ended December 31, 2023, the Company wrote down the property's carrying value totaling \$360,000 to \$Nil.

### *i) Toogood Project*

On December 22, 2020, Prospector announced that it has entered into two earn-in agreements under which Prospector may earn a 100% interest in the Toogood claim group and the McGrath claim group located on New World Island, Newfoundland. These projects are situated to the north-east of the Company's Deep Cove and Virgin Arm properties. The Deep Cove, Virgin Arm, McGrath and Toogood claims will be collectively referred to as the Toogood Project.

### Toogood Claim Group Earn-in Agreement:

Prospector earned a 100% interest in the Toogood claim group by making the following cash and share payments:

- Cash payment of \$25,000 on signing (paid)
- 277,778 shares on TSXV approval of the entrance into the earn-in agreement (issued)
- 277,778 shares 12 months following signing (issued).

The vendor retains a 2% NSR royalty, of which the first 1% can be purchased by Prospector for \$1,000,000. There are no work commitments.

In February 2021, a finder's fee of 11,111 shares was issued in respect of the Toogood claim group transaction.

### McGrath Claim Group Earn-in Agreement:

Prospector earned a 100% interest in the McGrath claim group by making the following share payments:

- 88,889 shares on TSXV approval of the entrance into the earn-in agreement (issued)
- 88,889 shares 12 months following signing (issued)

The vendor retains a 2% NSR royalty, of which the first 1% can be purchased for \$1,000,000. There are no work commitments.

### Deep Cove Claim Group Earn-in Agreement:

Prospector earned a 100% interest in the Deep Cove claim group by making the following cash and share payments:

## PROSPECTOR METALS CORP.

Notes to the condensed interim consolidated financial statements  
For the three months ended March 31, 2024 and 2023  
(Unaudited - Expressed in Canadian Dollars)

	Cash		Shares		Work Commitment
Within five days of the execution date	\$65,000	Paid	-		-
Within five days of TSX Venture	-		66,667	Issued	-
On or before October 29, 2021	\$45,000	Paid	66,667	Issued	\$100,000
On or before October 29, 2022	\$50,000	Paid	88,889	Issued	\$100,000
On or before October 29, 2023	\$120,000	Paid	133,333	Issued	\$100,000

During the year ended December 31, 2023, the Company paid \$120,000 and issued 133,333 common shares with a fair value of \$36,000 as part of the earn-in agreement on the Deep Cove property.

The vendor retains a 2% NSR royalty, of which the first 1% can be purchased for \$1,000,000.

### Virgin Arm Claim Group Earn-in Agreement:

Prospector earned a 100% interest in the Virgin claim group by making the following cash and share payments:

	Cash		Shares	
Within five days of the execution date	\$60,000	Paid	-	
Within five days of TSX Venture	-		44,444	Issued
On or before October 29, 2021	\$75,000	Paid	66,667	Issued
On or before October 29, 2022	\$90,000	Paid	88,889	Issued
On or before October 29, 2023	\$150,000	Paid	133,333	Issued

During the year ended December 31, 2023, the Company paid \$150,000 and issued 133,333 common shares with a fair value of \$36,000 as part of the earn-in agreement on the Virgin Arm property.

The vendor retains a 3% NSR royalty, of which the first 1.5% can be purchased for \$1,500,000. There are no work commitments.

### Fairbanks Earn-in Agreement:

	Cash		Shares	
Within five days of the execution date	\$50,000	Paid	-	
Within five days of TSX Venture	-		44,444	Issued
On or before June 15, 2022	\$50,000	Paid	33,333	Issued
On or before June 15, 2023	\$50,000	Paid	44,444	Issued
On or before June 15, 2024	\$50,000		66,667	

During the year ended December 31, 2023, the Company paid \$50,000 and issued 44,444 common shares relating to the acquisition of Fairbanks mineral property with a fair value of \$12,667.

### *j) Leopard Lake, Ontario*

On May 25, 2022, the Company acquired 100% interest in the Leopard Lake Property for 416,667 shares of the Company. There are no cash payments, work commitments, or royalties.

# PROSPECTOR METALS CORP.

## Notes to the condensed interim consolidated financial statements For the three months ended March 31, 2024 and 2023 (Unaudited - Expressed in Canadian Dollars)

As at March 31, 2024, the Company has issued 416,667 shares with a fair value of \$462,500.

### k) *Mike Lake, Yukon*

On January 3, 2024 Prospector entered into a property purchase agreement to acquire a 100% interest in the ML Property (also known as the Mike Lake Property) from Troilus Gold Corporation. The ML Property will be acquired from Troilus Gold Corp through a shares-only purchase agreement.

Per the property purchase agreement, Prospector is to provide Troilus with a Milestone Payment within 30 days of the completion of a mineral resource estimate, payable in cash or shares (with certain limitations should this result in Troilus holding over 20% of the issued and outstanding shares of Prospector).

- The Milestone payment shall be \$1 million, if Prospector's Market Capitalization is less than \$20 million, or
- \$2 million if Prospector's Market Capitalization is greater than \$20 million.

On March 5, 2024, the Company closed the acquisition subsequent to approval from the TSX Venture Exchange. The Company also issued 9,222,164 common shares to Troilus after giving effect to the share consolidation. As a result of the issuance, Troilus holds 19.9% of the issued common shares of the Company.

## 5) INVESTMENTS

	Fair value Jan 1, 2023	Additions Dec 31, 2023	Disposals Dec 31, 2023	Fair value adjustment Dec 31, 2023	Fair value Dec 31, 2023
Common shares	\$1,758,867	\$ -	\$ (1,899,482)	\$ 208,877	\$ 68,262

  

	Fair value Jan 1, 2024	Additions March 31, 2024	Disposals March 31, 2024	Fair value adjustment March 31, 2024	Fair value March 31, 2024
Common shares	\$ 68,262	\$ -	\$ -	\$ -	\$ 68,262

## 6) SHARE CAPITAL

During the period ended March 31, 2024, the Company had consolidated its shares on the basis of one post-consolidation common share for each three pre-consolidation common shares. All shares and per share amounts have been retroactively restated.

### (a) Authorized

Unlimited number of common shares without par value  
Unlimited number of preferred shares without par value

### (b) Common shares – issued and outstanding

Common shares - At March 31, 2024 the Company has 46,133,897 (December 31, 2023 – 21,154,158) common shares issued and outstanding.

Preferred shares – At March 31, 2024 and December 31, 2023 no preferred shares were issued and outstanding.

# PROSPECTOR METALS CORP.

## Notes to the condensed interim consolidated financial statements For the three months ended March 31, 2024 and 2023 (Unaudited - Expressed in Canadian Dollars)

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### Three months ended March 31, 2024:

On March 5, 2024, the Company closed a non-brokered private placement for gross proceeds of \$2,000,000. In connection with the private placement, the Company issued 9,090,909 units at a price of \$0.11 per unit and 6,666,666 units at a price of \$0.15 per unit. Each unit consists of one post-consolidation common share and one half of one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$0.30 for a period of two years from the date of issue.

In connection with the private placement, the Company paid cash finders' fees totaling \$31,327 and issued 246,674 finders' warrants. Each finders' warrant is exercisable to purchase one common share at a price of \$0.30 per common share for two years from the date of issue. The fair value of \$29,115 for the warrants was estimated using the Black-Scholes model with the following assumptions: share price on grant date of \$0.20; expected dividend yield of 0%; expected annualized volatility of 132%; a risk-free interest rate of 3.93%; and an expected average life of two years.

On March 5, 2024, the Company issued 9,222,164 post-consolidation common shares of the Company to Troilus, pursuant to a property purchase agreement. As a result of the issuance, Troilus holds 19.9% of the issued common shares of the Company.

### Three months ended March 31, 2023:

#### Shares issued for private placement

On March 27, 2023, the Company closed a non-brokered private placement consisting of Ontario charity flow-through units (the "Charity FT Units") offered at a price of \$0.28 per Charity FT Unit and Ontario flow-through units (the "ON FT Units") offered at a price of \$0.21 per ON FT Unit for gross proceeds to the company of \$1,140,130 (the "Offering"). In connection with the closing of the Offering, the Company issued an aggregate total of 4,644,513 flow-through units with each flow-through unit being comprised of one flow-through share (the "FT Share") and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable into one common share of the Company at an exercise price of \$0.30 for a period of two years from the date of issue.

In connection with the private placement, the Company issued 162,413 finder's warrants valued at \$17,972. The finders' warrants were estimated using the Black-Scholes option pricing model with the following assumptions: share price on grant date of \$0.17, expected dividend yield of 0%; expected annualized volatility of 147%; a risk-free interest rate of 3.61%, and an expected average life of 2 years.

#### (c) Share purchase options

Share purchase options are granted at an exercise price equal to the estimated fair value of the Company's common shares on the date of the grant. On June 22, 2020, the Company implemented a new Share Option Plan for the benefit of directors, employees, management company employees and consultants of the Company. The Plan provides that the directors of the Company may grant options to purchase common shares on terms that the directors may determine. The maximum aggregate number of common shares that may be reserved for issuance under the Plan is 10% of the issued and outstanding common shares of the Company at the time of grant.

On March 27, 2023, Prospector granted of a total of 1,946,000 incentive stock options to directors, officers, and consultants of the Company. Each option is exercisable to purchase one common share of the Company for five



## PROSPECTOR METALS CORP.

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years at a price of \$0.21 per common share in accordance with the terms of the Company's stock option plan.

A summary of the status of the Company's outstanding and exercisable share purchase options is presented below:

	March 31, 2024		December 31, 2023	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding at beginning of period	2,077,548	1.62	1,778,879	\$2.01
Granted	-	-	648,667	\$0.63
Expired/Cancelled	-	-	(349,998)	\$1.79
Exercised	-	-	-	-
Outstanding at end of period	2,077,548	1.62	2,077,548	\$1.62

As at March 31, 2024, the following share purchase options were outstanding and exercisable:

Expiry date	Outstanding and Exercisable Options	Weighted Average Exercise Price	Weighted Average Remaining contractual life (in years)
May 31, 2024	66,666	\$1.80	0.16
Nov 5, 2025	405,553	\$1.98	1.60
May 20, 2026	367,775	\$2.04	2.13
Aug 3, 2026	55,555	\$3.78	2.34
October 8, 2026	183,332	\$2.34	2.52
April 21, 2027	333,333	\$1.86	3.05
December 1, 2027	16,667	\$1.80	3.67
March 27, 2028	648,667	\$0.63	3.99
	2,077,548	\$1.62	2.43

The following weighted-average grant date assumptions were used in valuing share purchase options granted during the period ended March 31, 2024 and the year ended December 31, 2023. The Company determines the fair value of options granted using the Black-Scholes model for share purchase options issued to employees. The Company determines the fair value of share purchase options issued to non-employees using the value of services provided by the non-employees.

	March 31, 2024	December 31, 2023
Weighted average share price	\$0.51	\$0.51
Weighted average exercise price	\$0.63	\$0.63
Risk-free interest rate	2.96%	2.96%
Expected volatility <sup>(1)</sup>	126%	126%
Expected years of option life <sup>(2)</sup>	5	5
Expected dividends	Nil	Nil

<sup>(1)</sup> The volatility was calculated using the Company's historical information and industry benchmarks.

# PROSPECTOR METALS CORP.

## Notes to the condensed interim consolidated financial statements For the three months ended March 31, 2024 and 2023 (Unaudited - Expressed in Canadian Dollars)

(2) The effects of early exercise were not incorporated into the model as the options are expected to be held for the contractual life.

### (c) Share purchase warrants

As at March 31, 2024 the Company had outstanding and exercisable share purchase warrants entitling the holders to acquire common shares as follows:

	<b>March 31, 2024</b>		<b>December 31, 2023</b>	
	Number of warrants	Weighted Average Exercise Price	Number of warrants	Weighted Average Exercise Price
Balance, beginning of period	1,522,587	\$1.74	3,571,708	\$2.90
Granted	8,125,448	\$0.30	828,223	\$0.90
Expired	-	-	(2,847,344)	\$2.94
Balance, end of period	<u>9,678,037</u>	<u>\$0.53</u>	<u>1,522,587</u>	<u>\$1.74</u>

As at March 31, 2024, the Company had outstanding and exercisable share purchase warrants entitling the holders to acquire common shares as follows:

Expiry date	Outstanding and Exercisable warrants	Weighted average exercise price	Weighted average remaining life (in years)
April 8, 2024	603,916	\$2.70	0.02
April 8, 2024	25,727	\$2.70	0.02
April 8, 2024	39,167	\$1.80	0.02
March 25,2025	27,778	\$0.63	0.98
March 25,2025	26,360	\$0.90	0.98
March 27,2025	774,084	\$0.90	0.99
November 17,2025	55,555	\$3.60	1.63
March 5, 2026	4,454,447	\$0.30	1.93
March 5, 2026	3,333,325	\$0.30	1.93
March 5, 2026	246,674	\$0.30	1.93
<b>Balance, as at March 31, 2024</b>	<u>9,678,037</u>	<u>\$0.41</u>	<u>1.04</u>

## 7) RELATED PARTY TRANSACTIONS

Related party transactions are recorded at the exchange amount as agreed to by the parties. Related party transactions not otherwise disclosed in these financial statements are:

	<b>March 31, 2024</b>		<b>March 31, 2023</b>	
Consulting fees	\$	125,558	\$	156,000
Share based compensation		-		201,220
	\$	<u>125,558</u>	\$	<u>357,220</u>

\*Prospector Metals Corp. and Nevada King Gold Corp. have a common director namely, Craig Roberts. He is the Co-Chairman of Prospector Metals Corp. and director of Nevada King Gold Corp.

### Due to/from related parties

As at March 31, 2024, the amount due to related parties is \$97,190 (December 31,2023 – \$115,954)

# PROSPECTOR METALS CORP.

## Notes to the condensed interim consolidated financial statements For the three months ended March 31, 2024 and 2023 (Unaudited - Expressed in Canadian Dollars)

### Other related party transactions

During the period ended March 31, 2024, \$Nil (December 31, 2023 - \$12,000) was received for rent from a director of the Company.

### 8) SEGMENT INFORMATION

- (a) The Company operates in one industry segment (Note 1).
- (b) At March 31 2024 and December 31, 2023, the Company's exploration and evaluation assets were located in four provinces. Please refer to Note 4.

The Company's other assets and liabilities and net expenses are attributable to its corporate office and exploration and project evaluation activities in Canada.

### 9) FLOW THROUGH SHARE PREMIUM LIABILITY

Flow-through share premium liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuance.

<b>Balance at December 31, 2021</b>	<b>\$ 522,991</b>
Liability incurred on flow-through shares	299,609
Settlement of flow-through share liability on incurring expenditures	(753,566)
<b>Balance at December 31, 2022</b>	<b>\$ 69,033</b>
Liability incurred on flow-through shares	350,563
Settlement of flow-through share liability on incurring expenditures	(216,806)
<b>Balance at December 31, 2023</b>	<b>\$ 202,790</b>
Liability incurred on flow-through shares	-
Settlement of flow-through share liability on incurring expenditures	(20,971)
<b>Balance at March 31, 2024</b>	<b>181,819</b>

On March 27, 2023, the Company closed a non-brokered private placements consisting of Ontario charity flow-through units offered at a price of \$0.28 per Charity FT Unit and Ontario flow-through units offered at a price of \$0.21 per ON FT Unit for gross proceeds to the company of \$1,140,130. In connection with the closing of the Offering, the Company issued an aggregate total of 4,644,513 flow-through units with each flow-through unit being comprised of one flow-through share and one half of one common share purchase warrant (each whole warrant, a "Warrant"). In connection with the private placement closed, a premium was received for the flow-through shares resulting in an initial liability of \$350,563.

The flow-through liability is amortized to Other Income in the Statement of Loss and Comprehensive Loss, based on the percentage of the eligible expenditures incurred during the period. As at March 31, 2024, the Company has an obligation to spend \$462,811 by December 31, 2024 by which time the outstanding flow-through share premium liability of \$181,819 will be settled when these flow-through expenditures are made.

# PROSPECTOR METALS CORP.

Notes to the condensed interim consolidated financial statements  
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## 10) MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to pursue its objectives. The Company measures its capital as its shareholders' equity. The Company's primary source of capital is the issuance of equity.

The Company manages and adjusts its capital structure whenever changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding.

The Company may require additional funding to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required but recognizes there will be risks involved that may be beyond its control.

The Company expects its current capital resources will be sufficient to carry out its exploration plans and operations through at least the next twelve months. There are no external restrictions on the Company's capital.

## 11) FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK

### Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

Cash is carried at fair value using a Level 1 fair value measurement. The recorded values of GST receivable, and accounts payable and accrued liabilities approximate their carrying values due to their short-term to maturities which is the amount presented on the statement of financial position.

The Company is exposed to credit risk, liquidity risk and interest rate risk from its financial instruments which include cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities. The Company is not exposed to significant market or other price risks.

### Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash and short-term investments are on deposit at a major financial institution. Amounts receivable consist primarily of goods and services tax refunds due from the Government of Canada and are neither past due nor impaired. As such, the Company considers its exposure to credit risk to be minimal.

### Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company is exposed to liquidity risk through its accounts payable, accrued liabilities and amounts due to related parties, which are all due on demand. The Company uses cash forecasts to ensure as far as possible that there is sufficient cash on hand to meet short-term business requirements. Cash is invested in highly liquid investments which are available to discharge obligations when they come due.

# **PROSPECTOR METALS CORP.**

## **Notes to the condensed interim consolidated financial statements**

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### Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the fair value or future cash flows of the Company's financial instruments. The Company is exposed from time to time to interest rate risk as a result of holding fixed rate temporary investments of varying maturities. The Company reduces the risk that it will realize a loss as a result of a decline in the fair value of these investments by limiting these investments to highly liquid securities with short-term maturities.

### Price risk

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

## **12) SUBSEQUENT EVENTS**

On April 10, 2024, the Company issued 1,000,000 common shares and paid CAD \$50,000 to Capella Minerals in relation to the termination and mutual release of the existing earn-in agreement dated September 1, 2020 to acquire 70% interest in the Savant Lake Property. The share issuance and cash payment give effect to the new property acquisition agreement granting Prospector 100% interest in the Savant Lake Property.

On May 21, 2024, the Company closed a previously announced non-brokered private placements consisting of 3,571,430 charity flow-through units offered at a price of \$0.21 per Charity FT unit for gross proceeds to the Company of \$750,000. Each Charity FT unit consists of one flow-through common shares and one half of one non-flow-through common share purchase warrant. Each warrant will be exercisable at a price of \$0.30 into one common share for a period of one year from the date of issuance.