



PROSPECTOR

Metals Corp.

PROSPECTOR METALS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended September 30, 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)	September 30, 2024	December 31, 2023
ASSETS			
Current assets:			
Cash		\$ 1,791,381	\$ 460,002
Amounts receivables		228,764	427,897
Investments	5	7,731	68,262
Prepaid expenses		276,378	305,083
Total current assets		2,304,254	1,261,244
Non-current assets:			
Bond		37,500	37,500
Exploration and evaluation assets	4	8,413,658	6,463,789
Equipment		20,860	41,079
Total assets		\$ 10,776,272	\$ 7,803,612
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	7	\$ 81,952	\$ 199,693
Flow-through share premium	9	272,224	202,790
Promissory note payable		-	101,625
Total current liabilities		354,176	504,108
SHAREHOLDERS' EQUITY			
Share capital	6	53,538,081	48,289,476
Reserves	6	9,321,903	8,758,936
Deficit		(52,437,888)	(49,748,908)
Total shareholders' equity		10,422,096	7,299,504
Total liabilities and shareholders' equity		\$ 10,776,272	\$ 7,803,612

Nature of operations (Note 1)

Approved by the Board of Directors and authorized for issue on November 27, 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 September 30,		Nine months ended September 30,	
	Note	2024	2023	2024	2023
Expenses					
Amortization		\$ 6,740	6,740	20,219	20,220
Consulting fees	7	81,500	90,750	359,040	438,571
Exploration and project evaluation	4	705,593	293,015	1,388,209	1,417,578
Investor relations		32,065	42,385	115,017	211,440
Listing and filing fees		6,150	7,844	37,437	34,400
Office and administrative		39,608	51,796	131,512	188,609
Professional fees	7	59,311	16,797	182,122	128,537
Rent		9,924	7,726	29,151	23,180
Share based payment expense		-	-	524,730	276,536
Travel		12,525	17,593	70,625	102,605
Loss before the undernoted		(953,416)	(534,646)	(2,858,062)	(2,841,676)
Other income (expenses)					
Change in fair value of investments		-	(49,921)	-	209,723
Foreign exchange (loss)/gain		(227)	(39)	(257)	(1,299)
Impairment of exploration and evaluation asset		-	(347,100)	-	(347,100)
Interest income		25,096	2,729	55,311	24,480
Other income from settlement of flow-through	9	54,963	62,179	109,138	300,716
Other income		4,890	-	-	-
Write-off of amounts receivable		-	(152,060)	-	(152,060)
Net loss and comprehensive loss for the period		\$ (868,694)	(1,018,858)	(2,688,980)	(2,807,216)
Basic and diluted loss per common share		\$ (0.02)	(0.06)	(0.06)	(0.15)
Weighted average number of common shares outstanding		56,168,798	20,820,824	42,587,956	20,310,223

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

PROSPECTOR METALS CORP.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the nine months ended September 30, 2024 and 2023

(Unaudited - Expressed Canadian Dollars)

	Share Capital		Reserves	Deficit	Total shareholders' equity
	Number of shares	Amount			
Balance, December 31, 2022	19,228,209	\$ 47,447,312	\$ 8,464,428	\$ (45,441,173)	\$ 10,470,567
Shares issued for property acquisition	44,444	12,667	-	-	12,667
Shares issued for private placement	1,548,171	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	-	-	-	(2,807,216)	(2,807,216)
Balance, September 30, 2023	20,820,824	\$ 48,197,476	\$ 8,758,936	\$ (48,248,389)	\$ 8,708,023
Balance, December 31, 2023	21,154,158	\$ 48,289,476	\$ 8,758,936	\$ (49,748,908)	\$ 7,299,504
Shares issued for private placement	24,907,725	3,627,905	-	-	3,627,905
Shares issued for property acquisition	10,288,830	1,856,323	-	-	1,856,323
Flow-through share premium	-	(178,572)	-	-	(178,572)
Share-based compensation	-	-	524,730	-	524,730
Share issuance costs	-	(57,051)	38,237	-	(18,814)
Net loss for the period	-	-	-	(2,688,980)	(2,688,980)
Balance, September 30, 2024	56,350,713	\$ 53,538,081	\$ 9,321,903	\$ (52,437,888)	\$ 10,422,096

- 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 nine months ended	
		September 30,	
	Note(s)	2024	2023
Cash flows from operating activities:			
Net loss for the period		\$ (2,688,980)	\$ (2,807,216)
Items not affecting cash:			
Amortization		20,219	20,220
Change in fair value of investments		-	(209,723)
Impairment of exploration and evaluation asset		-	347,100
Stock based compensation		524,730	276,536
Other income from settlement of flow-through	9	(109,138)	(300,716)
Other income		(4,890)	-
Write off of amounts receivable		-	152,060
Changes in non-cash working capital:			
Accounts payable and accrued liabilities		(117,741)	(590,334)
Amounts receivable		199,133	103,089
Prepaid expenses		28,705	39,567
Net cash used in operating activities		(2,147,962)	(2,969,417)
Cash flows from investing activities:			
Acquisition of mineral properties		(118,546)	(50,000)
Proceeds on sale of investments		65,421	1,790,350
Recovery on exploration and evaluation assets		25,000	-
Net cash generated in investing activities		(28,125)	1,740,350
Cash flows from financing activities:			
Proceeds from private placement, net	6	3,609,091	1,106,032
Promissory note		(101,625)	-
Net cash provided by financing activities		3,507,466	1,106,032
Net change in cash		1,331,379	(123,035)
Cash, beginning of the period		460,002	887,341
Cash, end of the period		\$ 1,791,381	\$ 764,306
Cash and cash equivalents consisted of			
Cash deposited with a Canadian Senior Bank		\$ 1,470,290	\$ 655,215
Term deposits and guaranteed investment certificates issued		321,091	109,091
		\$ 1,791,381	\$ 764,306

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

PROSPECTOR METALS CORP.

Notes to the condensed interim consolidated financial statements

For the nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

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 September 30, 2024, the Company had current assets of \$2,304,254 (December 31, 2023 - \$1,261,244) to settle current liabilities of \$354,176 (December 31, 2023 - \$504,108), leaving the company with working capital of \$2,222,302 (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 International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These consolidated financial statements were approved by the Board of Directors on November 27, 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 nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

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 nine months ended September 30, 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 nine months ended September 30, 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:						
Cash payments	-	100,000	-	-	-	100,000
Share issuances	-	196,333	-	1,678,536	-	1,874,869
Recovery	-	-	-	-	(25,000)	(25,000)
Balance, September 30, 2024	-	3,690,122	-	1,678,536	3,045,000	8,413,658

Exploration expenditures

During the period ended September 30, 2024, the Company incurred the following exploration expenses:

	British Columbia	Ontario	Quebec	Newfoundland	Yukon	Total
Administration	2,001	-	236	2,989	32,372	37,598
Camp costs	-	29,174	-	600	213,605	243,379
Geological	36,722	127,664	-	17,350	401,693	583,429
Geophysics	-	264,958	-	-	63,997	328,955
Property Maintenance	11,600	9,355	5,703	54,205	-	80,863
Travel	-	11,687	-	-	36,933	48,620
Other	-	-	-	-	65,365	65,365
Balance, September 30, 2024	50,323	442,838	5,939	50,324	813,965	1,388,209

During the period ended September 30, 2023, the Company incurred the following exploration expenses:

	British Columbia	Ontario	Quebec	Newfoundland	Yukon	Total
Administration	16,753	108,199	17,211	8,371	-	150,534
Assays	694	88,668	6,400	-	-	95,762
Camp costs	-	204,433	990	4,402	-	209,825
Drilling	-	169,001	6,007	-	-	175,008
Field equipment	-	1,713	-	-	-	1,713
Geological	58,654	412,979	28,648	44,447	-	544,728
Geophysics	69,500	-	-	-	-	69,500
Property Maintenance	25,660	15,943	113,688	650	-	155,941
Travel	-	14,567	-	-	-	14,567
Balance, September 30, 2023	171,261	1,015,503	172,944	57,870	-	1,417,578

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Notes to the condensed interim consolidated financial statements For the nine months ended September 30, 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 year ended December 31, 2022, 66,667 shares were issued with a fair value of \$29,000 in relation to the Gaffney Property earn-in agreement (2021 - 200,000 shares with a fair value of \$168,000).

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 September 30, 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.

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Notes to the condensed interim consolidated financial statements For the nine months ended September 30, 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 of 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.

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 Prospecter 100% interest in the Savant Lake Property.

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

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Notes to the condensed interim consolidated financial statements For the nine months ended September 30, 2024 and 2023 (Unaudited - Expressed in Canadian Dollars)

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.

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.

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Notes to the condensed interim consolidated financial statements For the nine months ended September 30, 2024 and 2023 (Unaudited - Expressed in Canadian Dollars)

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 September 30, 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.

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 September 30, 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.

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Notes to the condensed interim consolidated financial statements For the nine months ended September 30, 2024 and 2023 (Unaudited - Expressed in Canadian Dollars)

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:

	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.

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Notes to the condensed interim consolidated financial statements For the nine months ended September 30, 2024 and 2023 (Unaudited - Expressed in Canadian Dollars)

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	Paid	66,667	issued

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.

During the period ended September 30, 2024, the Company paid \$50,000 and issued 66,666 common shares relating to the acquisition of Fairbanks mineral property with a fair value of \$11,333.

The Company entered an option agreement with 1484428 B.C. Ltd whereby 1484428 B.C. Ltd may earn 100% of the Company's Toogood Project. Pursuant to the terms of the Option Agreement, to acquire a 100% interest in the Toogood Project, 1484428 B.C. Ltd is required to make cash payments of \$25,000 (received), issue shares having a value of \$900,000, and incur \$6,000,000 in exploration expenditures within 60 months. In addition, 1484428 B.C. Ltd will assume responsibility for all underlying original vendor agreements, including net smelter royalties and milestone payments payable on the Toogood Project.

In support of the option agreement with 1484428 B.C. Ltd, the fully vested option and net smelter royalty agreement on the Virgin Arm portion of the Toogood Project has been amended to: (i) reduce the land covered by the Toogood Project; and (ii) include the issuance of 900,000 additional common shares of the Company plus additional common shares having an aggregate market value of \$60,000 of within 12 months, and eliminate annual prepayments due on a 3% net smelter royalty in exchange for a single cash payment of \$150,000. The amendments to the Virgin Arm option and net smelter royalty agreement, and the issuance of common shares of the Company thereunder remain subject to the approval of the TSX Venture Exchange.

j) Leopard Lake, Ontario

On May 25, 2022, the Company acquired 100% interest in the Leopard Lake Property for 416,667 shares with a fair value of \$462,500. There are no cash payments, work commitments, or royalties.

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.

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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 September 30, 2024	Disposals September 30, 2024	Fair value adjustment September 30, 2024	Fair value September 30, 2024
Common shares	\$ 68,262	\$ -	\$ 65,421	\$ -	\$7,731

6) SHARE CAPITAL

During the period ended September 30, 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 September 30, 2024 the Company has 56,350,713 (December 31, 2023 – 21,154,158) common shares issued and outstanding.

Preferred shares – At September 30, 2024 and December 31, 2023 no preferred shares were issued and outstanding.

Nine months ended September 30, 2024:

Shares issued for property acquisition

On April 10, 2024, the Company issued 1,000,000 shares relating to the acquisition of the Savant Lake mineral property with a fair value of \$185,000.

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On June 7, 2024, the Company issued 66,666 shares relating to the acquisition of the Fairbanks mineral property with a fair value of \$11,333.

Shares issued for private placement

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 \$31,427 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 common shares of the Company to Troilus, pursuant to a property purchase agreement.

On May 21, 2024, the Company closed a 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.

In connection with the private placement, the Company issued 116,000 finders' warrants. Each finders' warrant is exercisable to purchase one common share at a price of \$0.30 per common share for one year from the date of issue. The fair value of \$9,122 for the warrants was estimated using the Black-Scholes model with the following assumptions: share price on grant date of \$0.16; expected dividend yield of 0%; expected annualized volatility of 172%; a risk-free interest rate of 4.24%; and an expected average life of one year.

On July 4, 2024, the Company completed a strategic investment by B2Gold Corp which subscribed an aggregate of 5,578,720 common shares of the Company at a price of 0.16 per share for gross proceeds to the Company of \$909,332. In connection with the non-brokered private placement, the Company paid share issuance fees totaling \$18,814.

Nine months ended September 30, 2023:

Shares issued for property acquisition

On June 14, 2023, the Company issued 44,444 shares relating to the acquisition of the Fairbanks mineral property with a fair value of \$12,667.

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Notes to the condensed interim consolidated financial statements For the nine months ended September 30, 2024 and 2023 (Unaudited - Expressed in Canadian Dollars)

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 \$0.84 per Charity FT Unit and Ontario flow-through units (the “ON FT Units”) offered at a price of \$0.63 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 1,548,171 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 \$0.90 for a period of two years from the date of issue.

In connection with the private placement, the Company issued 54,137 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 \$0.51, 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.

During the period ended September 30, 2024, Prospector granted of a total of 3,400,000 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 years at a price ranging from \$0.20 to \$0.22 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:

	<u>September 30, 2024</u>		<u>December 31, 2023</u>	
	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	3,400,000	\$0.20	648,667	\$0.63
Expired/Cancelled	(433,902)	\$1.92	(349,998)	\$1.79
Exercised	-	-	-	-
Outstanding at end of period	5,043,646	\$0.64	2,077,548	\$1.62

PROSPECTOR METALS CORP.

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For the nine months ended September 30, 2024 and 2023
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As at September 30, 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)
Nov 5, 2025	316,663	\$1.98	1.10
May 20, 2026	272,219	\$2.04	1.64
Aug 3, 2026	55,555	\$3.78	1.84
October 8, 2026	147,219	\$2.34	2.02
April 21, 2027	205,554	\$1.86	2.56
December 1, 2027	11,110	\$1.80	3.17
March 27, 2028	635,326	\$0.63	3.49
March 11, 2024	300,000	\$0.22	4.45
June 14, 2024	3,100,000	\$0.20	4.71
	5,043,646	\$0.64	3.94

The following weighted-average grant date assumptions were used in valuing share purchase options granted during the period ended September 30, 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.

	September 30, 2024	December 31, 2023
Weighted average share price	\$0.17	\$0.51
Weighted average exercise price	\$0.20	\$0.63
Risk-free interest rate	3.32%	2.96%
Expected volatility ⁽¹⁾	144%	126%
Expected years of option life ⁽²⁾	5	5
Expected dividends	Nil	Nil

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

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

PROSPECTOR METALS CORP.

Notes to the condensed interim consolidated financial statements For the nine months ended September 30, 2024 and 2023 (Unaudited - Expressed in Canadian Dollars)

(c) Share purchase warrants

As at September 30, 2024 the Company had outstanding and exercisable share purchase warrants entitling the holders to acquire common shares as follows:

	September 30, 2024		December 31, 2023	
	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	9,936,157	\$0.30	828,223	\$0.90
Expired	(668,810)	\$2.51	(2,847,344)	\$2.94
Balance, end of period	10,819,934	\$0.36	1,522,587	\$1.74

As at September 30, 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)
March 25,2025	27,778	\$0.63	0.49
March 25,2025	26,360	\$0.90	0.49
March 27,2025	774,084	\$0.90	0.49
May 21, 2025	1,785,711	\$0.30	0.64
May 21, 2025	116,000	\$0.30	0.64
November 17,2025	55,555	\$3.60	1.13
March 5, 2026	4,454,447	\$0.30	1.43
March 5, 2026	3,333,325	\$0.30	1.43
March 5, 2026	246,674	\$0.30	1.43
Balance, as at September 30, 2024	10,819,934	\$0.36	1.22

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:

	September 30, 2024	September 30, 2023
Consulting fees	\$ 279,000	\$ 349,500
Professional fees	28,000	-
Share based compensation	387,793	201,220
	\$ 694,793	\$ 550,720

*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 September 30, 2024, the amount due to related parties is \$Nil (December 31,2023 – \$115,954)

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Notes to the condensed interim consolidated financial statements
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Other related party transactions

During the period ended September 30, 2024, \$Nil (2023 - \$9,000) 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 September 30 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.

Balance at December 31, 2021	\$ 522,991
Liability incurred on flow-through shares	299,609
Settlement of flow-through share liability on incurring expenditures	(753,566)
Balance at December 31, 2022	\$ 69,033
Liability incurred on flow-through shares	350,563
Settlement of flow-through share liability on incurring expenditures	(216,806)
Balance at December 31, 2023	\$ 202,790
Liability incurred on flow-through shares	178,572
Settlement of flow-through share liability on incurring expenditures	(109,138)
Balance at September 30, 2024	272,224

On March 27, 2023, the Company closed a non-brokered private placements consisting of Ontario charity flow-through units offered at a price of \$0.84 per Charity FT Unit and Ontario flow-through units offered at a price of \$0.63 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 1,548,177 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 September 30, 2024, the Company has an obligation to spend \$137,899 by December 31, 2024 by which time the outstanding flow-through share premium liability of \$93,652 will be settled when these flow-through expenditures are made.

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On May 21, 2024, the Company closed a non-brokered private placements consisting of 3,571,430 charity flow-through units offered at a price of \$0.21 per Chairty FT unit for gross proceeds to the Company of \$750,000. In connection with the private placement closed, a premium was received for the flow-through shares resulting in an initial liability of \$178,572.

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 September 30, 2024, the Company has an obligation to spend \$750,000 by December 31, 2025 by which time the outstanding flow-through share premium liability of \$178,572 will be settled when these flow-through expenditures are made.

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.

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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.

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

There are no subsequent events for this period.