



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended
June 30, 2025 and 2024
(Unaudited)

PRIME MINING CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(In Canadian dollars) - Unaudited

	Note	June 30, 2025	December 31, 2024
ASSETS			
Current			
Cash		\$ 32,749,255	\$ 19,056,585
Receivables		38,069	30,838
Prepaid expenses		350,194	248,292
Total current assets		33,137,518	19,335,715
Value added tax receivable	4	846,807	893,110
Equipment	5	373,461	433,755
Exploration and evaluation asset	6	12,572,016	12,514,568
Total assets		\$ 46,929,802	\$ 33,177,148
LIABILITIES			
Current			
Trade payables and accruals	9	\$ 734,459	\$ 2,159,027
Current portion of lease liabilities		47,596	44,556
Total current liabilities		782,055	2,203,583
Long-term payable	7	762,126	803,799
Lease liabilities		17,122	41,763
Total liabilities		1,561,303	3,049,145
SHAREHOLDERS' EQUITY			
Share capital	8	178,616,540	157,011,422
Reserves	8	20,568,934	20,765,237
Deficit		(153,816,975)	(147,648,656)
Total shareholders' equity		45,368,499	30,128,003
Total liabilities and shareholders' equity		\$ 46,929,802	\$ 33,177,148

Nature and continuance of operations (note 1)

Subsequent events (note 13)

Approved by the Board of Directors on August 11, 2025:

"Scott Hicks" Director
 "Paul Sweeney" Director

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

PRIME MINING CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(In Canadian dollars) - Unaudited

		Three months ended		Six months ended	
	Note	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Operating expenses					
Exploration and evaluation	6	\$ 2,053,889	\$ 3,474,984	\$ 3,986,972	\$ 7,982,267
General and administrative	3	1,163,993	2,246,842	3,505,218	4,159,104
Value added tax (recovery) provision	4	(190,595)	(612,576)	(532,079)	120,643
Depreciation	5	30,191	35,987	60,968	75,905
Financing		1,800	2,837	3,870	5,918
Foreign exchange (gain) loss		(242,230)	765,331	(335,952)	439,424
Loss from operations		(2,817,048)	(5,913,405)	(6,688,997)	(12,783,261)
Interest income		263,842	427,569	520,678	847,283
Loss and comprehensive loss for the period		\$ (2,553,206)	\$ (5,485,836)	\$ (6,168,319)	\$ (11,935,978)
Weighted average shares outstanding - basic and diluted					
		156,328,779	144,913,257	152,955,784	144,476,634
Loss per share - basic and diluted		\$ (0.02)	\$ (0.04)	\$ (0.04)	\$ (0.08)

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

PRIME MINING CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Canadian dollars) - Unaudited

Six months ended	June 30, 2025	June 30, 2024
OPERATING ACTIVITIES		
Loss for the period	\$ (6,168,319)	\$ (11,935,978)
Items not affecting cash:		
Depreciation	60,968	75,905
Interest income	(520,678)	(847,283)
Share-based compensation	1,938,315	2,134,658
Consulting services	-	133,100
Financing expense	3,870	5,918
Foreign exchange loss (gain)	4,865	(3,612)
Change in non-cash working capital items:		
Receivables	(7,231)	1,383
Prepaid expenses	(101,902)	6,878
Trade payables and accruals	(1,424,568)	(1,529,621)
Cash used in operating activities	(6,214,680)	(11,958,652)
FINANCING ACTIVITIES		
Shares issued for cash	19,470,500	1,863,299
Lease liability payments	(25,706)	(24,723)
Cash provided by financing activities	19,444,794	1,838,576
INVESTING ACTIVITIES		
Exploration and evaluation assets	(57,448)	-
Purchase of equipment	(674)	(13,691)
Interest received	520,678	847,283
Cash provided by investing activities	462,556	833,592
Increase (decrease) in cash	13,692,670	(9,286,484)
Cash, beginning of period	19,056,585	33,811,215
Cash, end of period	\$ 32,749,255	\$ 24,524,731

Supplemental disclosure with respect to cash flows (note 11)

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

PRIME MINING CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(In Canadian dollars) - Unaudited

	Note	Common shares	Share capital	Reserves	Deficit	Shareholders' equity
At December 31, 2024		148,693,707	\$ 157,011,422	\$ 20,765,237	\$ (147,648,656)	\$ 30,128,003
Warrants exercised	8c)	15,240,000	16,764,000	-	-	16,764,000
Options exercised	8d)	2,850,000	4,566,087	(1,859,587)	-	2,706,500
RSUs exercised	8e)	151,951	275,031	(275,031)	-	-
Share-based compensation	8d), 8e), 8f)	-	-	1,938,315	-	1,938,315
Loss for the period		-	-	-	(6,168,319)	(6,168,319)
At June 30, 2025		166,935,658	\$ 178,616,540	\$ 20,568,934	\$ (153,816,975)	\$ 45,368,499

	Note	Common shares	Share capital	Reserves	Deficit	Shareholders' equity
At December 31, 2023		143,445,525	\$ 151,158,664	\$ 19,481,048	\$ (126,027,120)	\$ 44,612,592
Shares issued for consulting services		64,286	133,100	-	-	133,100
Warrants exercised		736,181	809,799	-	-	809,799
Options exercised		1,525,000	1,798,836	(745,336)	-	1,053,500
DSUs exercised		117,715	216,527	(216,527)	-	-
Share-based compensation	8d), 8e), 8f)	-	-	2,134,658	-	2,134,658
Loss for the period		-	-	-	(11,935,978)	(11,935,978)
At June 30, 2024		145,888,707	\$ 154,116,926	\$ 20,653,843	\$ (137,963,098)	\$ 36,807,671

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

PRIME MINING CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and six months ended June 30, 2025 and 2024

(In Canadian dollars) - Unaudited

1. Nature and continuance of operations

Prime Mining Corp. ("Prime" or "the Company") was incorporated on May 14, 1981, under the laws of the Province of British Columbia, Canada. The Company acquires, explores, and develops interests in mineral projects in Mexico.

The Company's wholly owned subsidiaries are as follows:

Subsidiary	Jurisdiction	Operating status
Minera Amari SA de CV ("Minera Amari")	Mexico	Los Reyes Project
ePower Metals SA de CV ⁽¹⁾	Mexico	Inactive
ePower Metalen	Suriname	Inactive

⁽¹⁾ ePower Metals SA de CV was dissolved during the year ended December 31, 2024.

The Company is listed for trading on the Toronto Stock Exchange ("TSX") under the symbol PRYM. The Company's head office and principal place of business is located at Suite 710, 1030 West Georgia Street, Vancouver, BC, V6E 2Y3. The Company's registered and records office is located at Suite 2200, 885 West Georgia Street, Vancouver, BC, V6C 3E8.

The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations.

The Company has not generated revenue from operations. The Company recorded a loss of \$6,168,319 during the six months ended June 30, 2025 and, as of that date, the Company's deficit was \$153,816,975. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. The Company had cash of \$32,749,255 at June 30, 2025 that the Company estimates will be sufficient to maintain operations for at least the next twelve months.

2. Basis of preparation**a) Statement of Compliance**

These condensed interim consolidated financial statements ("interim financial statements") were approved by the Board of Directors and authorized for issue on August 11, 2025.

These interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). As such, these interim financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2024 and 2023 ("annual consolidated financial statements").

PRIME MINING CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2025 and 2024

(In Canadian dollars) - Unaudited

b) Material accounting policy information

Basis of measurement

The accounting policies applied in the preparation of these interim financial statements are consistent with those applied and disclosed in note 3 to the annual consolidated financial statements.

Basis of consolidation

These interim financial statements include the accounts of the Company and its wholly owned subsidiaries, Minera Amari, ePower Metalen, and ePower Metals SA de CV until dissolved. All significant intercompany transactions and balances have been eliminated upon consolidation.

Foreign currency transactions

Foreign currency amounts are translated into each entity's functional currency as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into the entity's functional currency by the use of the exchange rate in effect at that date. At the period-end date, unsettled monetary assets and liabilities are translated into the functional currency by using the exchange rate in effect at the period-end date and the related translation differences are recognized in net income.

Non-monetary assets and liabilities that are measured at historical cost are translated into the functional currency by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into the functional currency by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in profit or loss or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

The functional currency of the Company and its subsidiaries is the Canadian dollar and these interim financial statements are presented in Canadian dollars. All references to "US\$" or "USD" are to United States dollars and references to "MXN" are to Mexican pesos.

c) Critical accounting estimates and judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in total comprehensive loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The critical judgements and estimates applied in the preparation of these interim financial statements are consistent with those applied and disclosed in note 4 to the annual consolidated financial statements.

PRIME MINING CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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(In Canadian dollars) - Unaudited

d) New accounting standards issued

IASB or the IFRS Interpretations Committee have issued certain pronouncements that are mandatory for accounting years beginning on or after January 1, 2025. None of these impacted or are expected to have a significant effect to the Company's interim financial statements.

e) New accounting standards issued and not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company is in the process of assessing if the new accounting standards will have a significant effect on the Company's interim financial statements. The Company will defer implementation until the effective date.

3. General and administrative expense

	Note	Three months ended		Six months ended	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Salaries, directors fees and personnel	9	\$ 377,139	\$ 367,671	\$ 780,027	\$ 1,013,700
Consulting and professional fees	9	167,561	241,482	310,490	464,291
Investor relations		76,846	124,569	243,825	298,475
Office and other		131,160	116,358	232,561	247,980
Share-based compensation	8d), 8e), 8f), 9	411,287	1,396,762	1,938,315	2,134,658
		\$ 1,163,993	\$ 2,246,842	\$ 3,505,218	\$ 4,159,104

4. Value added tax receivable

Value added tax ("VAT") receivable represents a tax payment paid by the Company in Mexico which are refundable from the Mexican government.

The Company recorded the VAT paid on the purchase of Los Reyes Project resulting in a VAT receivable of US\$827,586. At June 30, 2025, there remained a VAT receivable balance of \$846,807 (US\$620,690). Upon receipt of the VAT receivable the Company is required to settle the long-term payable (note 7).

Value added tax provision

The complex application process can impact the collectability and timing of funds from the government. As a result, the Company has recognized a provision for a portion of the VAT incurred during the reporting period.

During the six months ended June 30, 2025, the Company recorded a recovery for VAT of \$532,079 (six months ended June 30, 2024 recorded a provision - \$120,643) related to additional Los Reyes Project expenditures. Since inception, the Company has recorded a VAT provision of \$6,034,120.

PRIME MINING CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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During the six months ended June 30, 2025, the Company collected \$1,399,634 of VAT refunds and interest (six months ended June 30, 2024 - \$560,779).

5. Equipment

	Office equipment	Right of use assets	Project equipment	Total
Cost				
At January 1, 2025	\$ 76,463	\$ 424,228	\$ 855,267	\$ 1,355,958
Additions	-	-	674	674
At June 30, 2025	76,463	424,228	855,941	1,356,632
Accumulated depreciation				
At January 1, 2025	72,329	341,636	508,238	922,203
Depreciation	582	23,196	37,190	60,968
At June 30, 2025	72,911	364,832	545,428	983,171
Carrying amount June 30, 2025	\$ 3,552	\$ 59,396	\$ 310,513	\$ 373,461
	Office equipment	Right of use assets	Project equipment	Total
Cost				
At January 1, 2024	\$ 76,463	\$ 424,228	\$ 837,980	\$ 1,338,671
Additions	-	-	17,287	17,287
At December 31, 2024	76,463	424,228	855,267	1,355,958
Accumulated depreciation				
At January 1, 2024	70,861	295,244	402,661	768,766
Depreciation	1,468	46,392	105,577	153,437
At December 31, 2024	72,329	341,636	508,238	922,203
Carrying amount December 31, 2024	\$ 4,134	\$ 82,592	\$ 347,029	\$ 433,755

6. Exploration and evaluation asset and expenditures**a) Acquisition of the Los Reyes Project**

During August 2019 and subsequently amended, the Company closed the Los Reyes Assignment Agreement with Minera Alamos Inc. ("MAI"), Vista Gold Corp. ("Vista Gold"), and the Mexican subsidiaries of each of MAI and the Company, pursuant to which MAI assigned the rights to an option to earn a 100% interest in the Los Reyes Project in Sinaloa State, Mexico. During June 2021, the Company completed the final option payment cancelling all royalties and rights held by Vista Gold and completed the acquisition of the Los Reyes Project. The Los Reyes Project has certain claims that are subject to net smelter returns ("NSRs") ranging from 1%-3%, with option to repurchase the 2% NSRs for US\$2,000,000 before July 31, 2053.

During February 2020, the Company entered into a 15-year term surface-rights agreement with local landowners. Effective February 2025, the Company will make annual payments of US\$30,000 (paid). The Company may initiate construction of a mine at any time. Once commercial production starts, the annual payment will increase to US\$200,000. The payments are subject to customary indexing for inflation.

During July 2023, the Company entered into an additional agreement with a 15-year term with local landowners. The agreement requires an annual payment of 600,000 MXN. Once the process of exploitation of the mining lands commences the payment amount will increase to US\$60,000 annually.

PRIME MINING CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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(In Canadian dollars) - Unaudited

At June 30, 2025, acquisition costs capitalized was \$12,572,016 (December 31, 2024 - \$12,514,568). During the six months ended June 30, 2025, the Company incurred \$57,448 to acquire additional concessions.

b) Expenditures*i. Los Reyes Project period expenditures*

Project expenditures during the three and six months ended June 30, 2025 and 2024, are summarized as follows:

		Three months ended		Six months ended	
	Note	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Drilling		\$ 331,403	\$ 1,646,064	\$ 808,802	\$ 4,191,144
Salaries and personnel	9	720,654	794,588	1,514,547	1,624,015
Resource assaying, estimation and technical services		698,183	514,912	869,307	1,053,416
Equipment and field supplies		109,832	341,798	324,470	679,318
Land payments and maintenance		8,860	29,132	146,541	191,851
General and administrative		184,957	148,490	323,305	242,523
		\$ 2,053,889	\$ 3,474,984	\$ 3,986,972	\$ 7,982,267

⁽¹⁾ During the six months ended June 30, 2025, drilling expenditures included \$573,977 in standby costs incurred due to a pause in drilling operations since January 28, 2025, due to a deterioration in the security situation in parts of Sinaloa, including the Los Reyes area.

ii. Los Reyes Projects cumulative expenditures

Project expenditures since acquisition, are summarized as follows:

At June 30, 2025	Total
Drilling	\$ 31,320,353
Salaries and personnel	15,698,072
Resource assaying, estimation and technical services	10,198,228
Equipment and field supplies	5,593,593
Land payments and maintenance	1,737,727
General and administrative	2,105,341
	\$ 66,653,314

7. Long-term payable

The Los Reyes Amended Option Agreement requires the Company to reimburse Vista Gold 90% of the VAT receivable totalling US\$744,828, associated with the Los Reyes Project purchase (notes 4 and 6) when the funds are received. The remaining payable amount of \$762,126 (US\$558,621) requires payment when the VAT receivable is collected.

Collection of the VAT receivable is not expected within twelve months and accordingly the payable is presented as a non-current liability.

PRIME MINING CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and six months ended June 30, 2025 and 2024

(In Canadian dollars) - Unaudited

8. Capital stock**a) Authorized share capital**

Unlimited number of common shares without par value.

b) Issued capital

At June 30, 2025, there were 166,935,658 issued and outstanding common shares (December 31, 2024 – 148,693,707).

The Company had the following common share transactions during the six months ended June 30, 2025:

- The Company issued 15,240,000 common shares for gross proceeds of \$16,764,000 upon exercise of warrants (note 8c).
- The Company issued 2,850,000 common shares for gross proceeds of \$2,706,500 upon exercise of options (note 8d).
- The Company issued 151,951 common shares upon exercise of restricted share units (note 8e).

The Company had the following common share transactions during the six months ended June 30, 2024:

- The Company issued 736,181 common shares for gross proceeds of \$809,799 upon exercise of warrants (note 8c).
- The Company issued 1,525,000 common shares for gross proceeds of \$1,053,500 upon exercise of options.
- The Company issued 117,715 common shares upon exercise of deferred share units.
- Pursuant to an agreement entered in June 2022, the Company issued 64,286 common shares with a fair value of \$133,100 recorded to consulting fees and 64,286 warrants (note 8c) to pay a financial advisory firm fee.

c) Warrants

Warrant transactions and the number of warrants outstanding during the six months ended June 30, 2025, and the year ended December 31, 2024, are summarized as follows:

	Number of warrants	Weighted average exercise price (\$)
Outstanding at December 31, 2023	22,679,064	1.95
Expired	(4,873,125)	5.00
Exercised	(1,716,181)	1.10
Granted	64,286	2.47
Outstanding at December 31, 2024	16,154,044	1.12
Exercised	(15,240,000)	1.10
Expired	(630,000)	1.10
Outstanding at June 30, 2025	284,044	2.30

PRIME MINING CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and six months ended June 30, 2025 and 2024

(In Canadian dollars) - Unaudited

Warrants outstanding at June 30, 2025, and December 31, 2024, are as follows:

Issuance date	Expiry date	Exercise price (\$)	Warrants outstanding at	
			June 30, 2025	December 31, 2024
June 12, 2020	June 12, 2025	1.10	-	15,870,000
December 8, 2023	December 8, 2026	2.04	82,720	82,720
December 22, 2022	December 22, 2025	2.25	74,013	74,013
June 10, 2024	June 10, 2027	2.47	64,286	64,286
June 14, 2023	June 8, 2026	2.52	63,025	63,025

d) Stock options

The Company has a stock option plan by which the directors may grant options to purchase common shares to directors, officers, employees and service providers of the Company on terms that the directors may determine within the limitations set forth in the stock option plan ("the plan"). The maximum number of common shares issuable upon the exercise of options granted pursuant to the plan is set at 10% of the total issued common shares. The board of directors may grant options with a life of up to ten years, however options granted to date have a maximum term of five years. Vesting terms may be set by the board of directors.

Stock option transactions and the number of stock options outstanding during the six months ended June 30, 2025, and the year ended December 31, 2024, are summarized as follows:

	Number of stock options	Weighted average exercise price (\$)
Outstanding at December 31, 2023	11,190,000	1.77
Granted	991,626	1.83
Forfeited	(75,000)	3.86
Exercised	(3,350,000)	0.63
Outstanding at December 31, 2024	8,756,626	2.19
Granted	875,823	1.44
Exercised	(2,850,000)	0.95
Forfeited	(30,000)	3.08
Outstanding at June 30, 2025	6,752,449	2.61
Exercisable at June 30, 2025	5,215,542	2.91

PRIME MINING CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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(In Canadian dollars) - Unaudited

Stock options outstanding and exercisable at June 30, 2025, are as follows:

Outstanding				Exercisable		
Exercise price (\$)	Number of options	Weighted average exercise price (\$)	Weighted average remaining life of options (years)	Number of options exercisable	Weighted average exercise price (\$)	Remaining life of options (years)
1.08	200,000	1.08	3.25	200,000	1.08	3.25
1.44	875,823	1.44	4.69	-	1.44	4.69
1.65	300,000	1.65	0.25	300,000	1.65	0.25
1.83	991,626	1.83	3.57	330,542	1.83	3.57
1.92	400,000	1.92	0.09	400,000	1.92	0.09
1.97	655,000	1.97	2.62	655,000	1.97	2.62
2.05	875,000	2.05	2.13	875,000	2.05	2.13
3.53	400,000	3.53	1.75	400,000	3.53	1.75
4.18	2,055,000	4.18	1.24	2,055,000	4.18	1.24
	6,752,449	2.61	2.25	5,215,542	2.91	1.68

The fair value of stock options recognized during the six months ended June 30, 2025, included in share-based compensation expense was \$326,792 (six months ended June 30, 2024 - \$498,556).

The following are the weighted average assumptions used for the Black-Scholes option pricing model valuation of share options granted during the six months ended June 30, 2025 and 2024:

	Six months ended	
	June 30, 2025	June 30, 2024
Risk-free interest rate	2.69%	3.52%
Expected life of options	5 years	5 years
Annualized volatility	67.0%	71.0%
Common share price	\$1.50	\$1.81
Forfeiture rate	-	-
Dividend rate	-	-
Grant-date fair value per option	\$0.88	\$1.10

The risk-free rate of periods within the expected life of the share option is based on the Canadian government bond rate. The annualized volatility and forfeiture rate assumptions are based on historical results.

e) Restricted share units

The Company has a restricted share unit ("RSU") plan by which the directors may grant RSUs to acquire common shares to directors, officers, and employees of the Company on terms that the directors may determine within the limitations set forth in the RSU plan. The maximum number of common shares issuable upon the vesting of RSUs granted pursuant to the RSU plan combined with other share-based compensation arrangements is set at 10% of the total issued common shares. The board of directors may grant RSUs with a life of up to ten years. Vesting terms may be set by the board of directors.

During the six months ended June 30, 2025, the Company granted 608,317 RSUs to officers and employees of the Company with a fair market value of \$912,476. The RSUs vest in equal tranches on the first, second and third anniversary of the grant approval date.

PRIME MINING CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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	Number of RSUs
Outstanding at December 31, 2023	266,667
Granted	455,846
Outstanding at December 31, 2024	722,513
Granted	608,317
Settled	(151,951)
Outstanding at June 30, 2025	1,178,879

The fair value of the RSUs recognized during the six months ended June 30, 2025, included in share-based compensation expense was \$351,100 (six months ended June 30, 2024 - \$334,020).

f) Deferred share units

The Company has a deferred share unit ("DSU") plan by which the directors may grant DSUs to acquire common shares to directors, officers, and employees of the Company on terms that the directors may determine within the limitations set forth in the DSU plan. The maximum number of common shares issuable upon the vesting of DSUs granted pursuant to the DSU plan combined with other share-based compensation arrangements is set at 10% of the total issued common shares. The board of directors may grant DSUs with a life of up to ten years. Vesting terms may be set by the board of directors. Following the vesting date, DSUs may be redeemed by holders on occurrence of certain triggering events as defined by the DSU plan.

During the six months ended June 30, 2025, the Company granted 840,282 DSUs to directors of the Company with a fair market value of \$1,260,423 which vested immediately.

	Number of DSUs
Outstanding at December 31, 2023	372,634
Granted	749,617
Settled	(117,715)
Outstanding at December 31, 2024	1,004,536
Granted	840,282
Outstanding at June 30, 2025	1,844,818

The fair value of the DSUs recognized during the six months ended June 30, 2025, included in share-based compensation expense was \$1,260,423 (six months ended June 30, 2024 - \$1,302,082).

PRIME MINING CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and six months ended June 30, 2025 and 2024

(In Canadian dollars) - Unaudited

9. Related party transactions and balances

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes both executive and non-executive directors, officers, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

Key management compensation includes:

		June 30, 2025	Six months ended June 30, 2024
Salaries, personnel and benefits ⁽¹⁾	\$	639,188	\$ 930,163
Directors' fees		166,250	169,242
Consulting fees		66,000	46,904
Share-based compensation		1,887,901	2,046,521
	\$	2,759,339	\$ 3,192,830

⁽¹⁾ Salaries, personnel and benefits includes salaries of \$161,438 (six months ended June 30, 2024 - \$157,500) included in exploration and evaluation expenditures (note 6b).

Trade payables and accruals include \$27,083 (December 31, 2024 - \$664,430) owed to directors and officers of the Company.

10. Segmented information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At June 30, 2025 and December 31, 2024, all exploration and evaluation asset and equipment were located in Canada and Mexico.

	June 30, 2025	December 31, 2024
Canada	\$ 62,948	\$ 86,726
Mexico	12,882,529	12,861,597
	\$ 12,945,477	\$ 12,948,323

11. Supplemental disclosure with respect to cash flows

	June 30, 2025	Six months ended June 30, 2024
Grant date fair value of options exercised	\$ 1,859,587	\$ 745,336
Grant date fair value of RSUs exercised	275,031	-
Grant date fair value of DSUs exercised	\$ -	\$ 216,527

PRIME MINING CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and six months ended June 30, 2025 and 2024

(In Canadian dollars) - Unaudited

12. Financial instruments and risk management**a) Interest rate risk**

The Company's interest rate risk mainly arises from changes in the interest rates on cash. Cash generates interest based on market interest rates. At June 30, 2025, the Company was not subject to significant interest rate risk.

b) Credit risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations.

The Company manages its credit risk by investing only in high quality financial institutions.

Non-current value added tax receivable consists of a tax payment relating to the Los Reyes project acquisition paid by the Company in Mexico. Such VAT payments are considered to be refundable from the Mexican government, however it involves a complex application process, and the timing and success of collection is uncertain.

The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and receivables.

c) Currency risk

Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. At June 30, 2025, the Company has activities in other countries which exposes the Company to foreign exchange risk.

With other variables unchanged, a 10% increase (decrease) in the Canadian dollar would have the following effect on loss for the period:

		June 30, 2025		December 31, 2024
US dollar	\$	(96,398)	\$	(157,258)
Mexican peso	\$	96,348	\$	86,821

The Company's financial assets and liabilities denominated in foreign currencies are as follows:

		June 30, 2025		December 31, 2024
Cash	\$	383,142	\$	135,363
VAT Receivable		846,807		893,110
Payables and accruals		468,329		929,039
Long-term payable	\$	762,126	\$	803,799

PRIME MINING CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and six months ended June 30, 2025 and 2024

(In Canadian dollars) - Unaudited

d) Liquidity risk

The Company manages liquidity risk by maintaining adequate cash balances. If necessary, the Company may raise funds through the issuance of debt, equity or sale of non-core assets. The Company attempts to ensure that there is sufficient capital to meet its obligations by continuously monitoring and reviewing actual and forecasted cash flows and matching the maturity profile of financial assets to development, capital and operating needs.

e) Fair value hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

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

The carrying value of cash, receivables, trade payables and accruals, and lease liabilities approximates their fair value due to the relatively current nature of those financial instruments.

13. Subsequent events

On July 28, 2025, the Company announced it had entered into a definitive agreement with Torex Gold Resources Inc. ("Torex"), pursuant to which Torex will acquire all issued and outstanding common shares of Prime pursuant to a plan of arrangement (the "Transaction"). Shareholders will receive 0.060 Torex common shares per Prime common share. The Transaction remains subject to shareholder and regulatory approvals.