

Prince Silver Corp.
(formerly Hawthorn Resources Corp.)

Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the years ended July 31, 2025 and 2024

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Prince Silver Corp. (formerly Hawthorn Resources Corp.)

Opinion

We have audited the accompanying consolidated financial statements of Prince Silver Corp. (formerly Hawthorn Resources Corp.) (the "Company"), which comprise the consolidated statements of financial position as at July 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Key Audit Matters

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

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 6 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was \$6,629,756 as of July 31, 2025. As more fully described in Note 2 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.



Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity.
- Assessing compliance with agreements including reviewing option agreements.
- Evaluating title to ensure mineral rights underlying the E&E Assets are in good standing.

Accounting for the Acquisition of Stampede Metals Corporation

As described in Note 5 of the consolidated financial statements, during the year ended July 31, 2025, the Company completed the acquisition of Stampede Metals Corporation (the "Transaction") for consideration of \$6,507,668. As more fully described in Note 2 to the consolidated financial statements, judgment is required by management to assess whether the Transaction constituted a business combination or an asset acquisition.

The principal considerations for our determination that the Transaction is a key audit matter is that there was judgment made by management in determining if the transaction constituted a business combination or asset acquisition, and the related fair value of consideration, and the net assets acquired, including completeness of such net assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of the completeness and accuracy of the Transaction including the basis of accounting.

Addressing this matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Examining and evaluating the contractual terms identified in the agreements associated with the Transaction.
- Evaluating management's assessment of whether the Transaction constituted an asset acquisition or business combination.
- Evaluating management processes related to the recognition of the acquisition, including estimates of net assets acquired, allocation of such assets and consideration provided in connection with the Transaction.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

November 26, 2025

Prince Silver Corp. (formerly Hawthorn Resources Corp.)

Consolidated Statement of Financial Position

For the years ended July 31, 2025 and 2024

(Expressed in Canadian dollars)

As at	July 31, 2025	July 31, 2024
ASSETS		
Current		
Cash	\$ 3,185,465	\$ 11,613
Receivables and prepaids (Note 4)	<u>99,699</u>	<u>-</u>
	3,285,164	11,613
Reclamation deposit (Note 6)	25,744	-
Exploration and evaluation assets (Note 6)	<u>6,629,756</u>	<u>69,500</u>
	<u>\$ 9,940,664</u>	<u>\$ 81,113</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities (Note 8)	<u>\$ 199,547</u>	<u>\$ 122,787</u>
Shareholders' equity (deficiency)		
Share capital (Note 7)	11,111,652	665,016
Reserves (Note 7)	129,957	18,804
Deficit	<u>(1,500,492)</u>	<u>(725,494)</u>
	<u>9,741,117</u>	<u>(41,674)</u>
	<u>\$ 9,940,664</u>	<u>\$ 81,113</u>

Nature and continuance of operations (Note 1)

Subsequent events (Note 14)

Approved on Behalf of the Board on November 26, 2025

"Ralph Shearing"
Ralph Shearing - Director

"Neil MacRae"
Neil MacRae - Director

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

Prince Silver Corp. (formerly Hawthorn Resources Corp.)**Consolidated Statement of Loss and Comprehensive Loss**

For the years ended July 31, 2025 and 2024

(Expressed in Canadian dollars)

	For the year ended July 31, 2025	For the year ended July 31, 2024
EXPENSES		
Bank charges and interest	\$ 923	\$ -
Exploration expenses (Note 6)	149,840	100,310
Foreign exchange	(59)	-
Impairment of exploration and evaluation asset (Note 6)	172,500	
Investor relations	124,679	-
Management fees (Note 8)	136,545	20,000
Office and rent	4,056	5,941
Professional fees (Note 8)	98,891	57,121
Share-based compensation (Note 7, 8)	29,490	-
Travel and conference	17,067	-
Transfer agent, listing and filing fees	41,066	17,714
Loss and comprehensive loss for the year	\$ (774,998)	\$ (201,086)
Basic and diluted loss per common share	\$ (0.04)	\$ (0.01)
Weighted average number of common shares outstanding – basic and diluted	17,233,577	15,943,288

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

Prince Silver Corp. (formerly Hawthorn Resources Corp.)

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

For the years ended July 31, 2025 and 2024

(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Reserves	Deficit	Total
Balance, July 31, 2023	11,895,000*	\$ 655,016	\$ 18,804	\$ (524,408)	\$ 149,412
Shares issued as property acquisition costs	150,000	10,000	-		10,000
Loss for the year	-	-	-	(201,086)	(201,086)
Balance, July 31, 2024	12,045,000	\$ 665,016	\$ 18,804	\$ (725,494)	\$ (41,674)
Balance, July 31, 2024	12,045,000*	\$ 665,016	\$ 18,804	\$ (725,494)	\$ (41,674)
Private placement	18,557,315	4,497,975	-	-	4,497,975
Share issuance costs	-	(244,558)	100,332	-	(144,226)
Agent options exercised	259,125	53,219	(18,669)		34,550
Consideration shares issued in connection with acquisition Stampede Metals Corporation	15,000,000	6,000,000	-	-	6,000,000
Finders' shares issued in connection with acquisition Stampede Metals Corporation	350,000	140,000	-	-	140,000
Share-based payments	-	-	29,490	-	29,490
Loss for the year	-	-	-	(774,998)	(774,998)
Balance, July 31, 2025	46,211,440	\$ 11,111,652	\$ 129,957	\$ (1,500,492)	\$ 9,741,117

*During the year ended July 31, 2025, the Company completed a share consolidation on the basis of 1 old share for 0.75 of a new share. All historical share values are retrospectively restated.

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

Prince Silver Corp. (formerly Hawthorn Resources Corp.)

Consolidated Statement of Cash Flows

For the years ended July 31, 2025 and 2024

(Expressed in Canadian dollars)

For the years ended July 31,	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (774,998)	\$ (201,086)
Items not involving cash:		
Share-based payments	29,490	-
Foreign exchange	(297)	-
Impairment of exploration and evaluation asset	172,500	-
Changes in non-cash working capital items:		
Receivables and prepaid expenses	(83,677)	19,806
Accounts payable and accrued liabilities	49,715	56,125
Net cash used in operating activities	(607,267)	(125,155)
CASH FLOWS FROM INVESTING ACTIVITY		
Exploration and evaluation assets	(470,668)	-
Loans to Stampede	(68,420)	-
Cash acquired on Stampede acquisition	34,538	-
Net cash used in investing activity	(504,550)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Private placement	4,497,975	-
Share issuance costs	(144,226)	-
Loan repayment	(102,630)	-
Agent options exercised	34,550	-
Net cash provided by financing activities	4,285,669	-
Change in cash for the year	3,173,852	(125,155)
Cash, beginning of year	11,613	136,768
Cash, end of year	\$ 3,185,465	\$ 11,613

Note 12 – Supplemental disclosures with respect to cash flows.

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

Prince Silver Corp. (formerly Hawthorn Resources Corp.)

Notes to the Consolidated Financial Statements

For the years ended July 31, 2025 and 2024

(Expressed in Canadian dollars)

1 NATURE AND CONTINUANCE OF OPERATIONS

Prince Silver Corp. (formerly *Hawthorn Resources Corp.*) (the “Company” or “Prince Silver”) was incorporated under the laws of the Province of British Columbia and is listed on the Canadian Securities Exchange (“CSE”) under the symbol *PRNC* and on the OTC market under the symbol *PRNCF*. The address of its head office is located at Suite 2500-700W Georgia Street, Vancouver, British Columbia, Canada V7Y 1B3. The Company’s registered and records office is Suite 2500-700W Georgia Street, Vancouver, British Columbia, Canada V7Y 1B3.

On July 11, 2025, the Company completed the acquisition (the “Acquisition”) of all issued and outstanding shares of Stampede Metals Corporation (“Stampede”), a private Nevada-based company, from Stampede Metals Limited, (“Stampede AU”), pursuant to a Share Exchange Agreement, as amended. For more details refer to Note 5.

The Company is currently in the exploration stage and has not yet generated revenues from operations. The continuation of the Company as a going concern is dependent upon its ability to secure additional financing, the continued support of its shareholders, and the successful exploration and development of its mineral properties.

These consolidated financial statements have been prepared on a going concern basis in accordance with IFRS Accounting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company’s ability to continue as a going concern is dependent upon its ability to raise funds primarily through the issuance of shares or achieve profitable operations. The Company has incurred losses since inception and has an accumulated deficit of \$1,500,492. The outcome of these matters cannot be predicted at this time. If the Company is unable to obtain additional financing, management may be required to curtail certain expenses. Based on financings completed during fiscal 2025 and subsequently management estimates it has sufficient funding for the ensuing 12 months.

During the year ended July 31, 2025, the Company completed a share consolidation on the basis of one old share for 0.75 of a new share. All references to the number of shares, per share amounts, and related calculations have been restated retrospectively to reflect this consolidation.

2 BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements are prepared in accordance with the IFRS issued by the International Accounting Standards Board (“IASB”).

Basis of presentation

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

These consolidated financial statements include the accounts of Prince Silver Corp. (the “Company”) and its wholly owned subsidiary, Stampede Metals Corporation, incorporated in the United States of America.

Subsidiaries are entities controlled by the Company. Control exists when the Company has power over the investee, is exposed to or has rights to variable returns from its involvement with the investee, and has the ability to use its power to affect those returns. Control is generally presumed to exist when the Company holds more than one-half of the voting rights of an entity, either directly or indirectly.

Prince Silver Corp. (formerly Hawthorn Resources Corp.)

Notes to the Consolidated Financial Statements

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(Expressed in Canadian dollars)

When assessing control, the Company considers the existence and effect of potential voting rights that are currently exercisable or convertible. Subsidiaries are fully consolidated from the date control is obtained and are deconsolidated from the date control ceases.

All intercompany transactions, balances, and unrealized gains or losses arising from intercompany transactions have been eliminated in full on consolidation.

Name of subsidiary	Country of incorporation	Proportion of ownership interest	Principal activity
Stampede Metals Corporation	United States of America	100%	Mineral exploration

Use of judgments and estimates

The preparation of these consolidated financial statements 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 the reported expenses during the period. Actual results could differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its estimates and assumptions. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

The key areas of judgment applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- **Going concern**

The assessment of the Company's ability to continue as a going concern and to raise additional funding to cover its ongoing operating expenditures and to meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances (Note 1).

- **Functional currency**

The functional currency of the Company and its subsidiaries is the Canadian dollar; however, determination of the functional currency may involve certain judgments to determine the primary economic environment which are re-evaluated for each entity or if conditions change.

- **Valuation of exploration and evaluation assets**

The recognition of exploration and evaluation assets requires judgment regarding future recoverability and carrying cost. The cost model is utilized and the value of the exploration and evaluation assets is based on the acquisition expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

- **Acquisition of business vs. acquisition of assets**

In determining whether an acquisition should be accounted for as a business combination or as an acquisition of assets, management applies significant judgment in assessing whether the acquired set of activities and assets constitutes a business as defined in IFRS 3 Business Combinations.

This assessment requires consideration of whether the acquired entity includes inputs, substantive processes, and the ability to produce outputs. For the acquisition completed during the year (Note 5), management concluded that the transaction represents an asset acquisition, as the acquired asset did not constitute a

Prince Silver Corp. (formerly Hawthorn Resources Corp.)

Notes to the Consolidated Financial Statements

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(Expressed in Canadian dollars)

business under IFRS 3. In particular, the acquired entity did not include substantive processes necessary to generate outputs, and therefore the set of activities and assets does not meet the definition of a business.

3 MATERIAL ACCOUNTING POLICIES

Exploration and evaluation assets

The Company is in the process of exploring its exploration and evaluation interests and has not yet determined whether these properties contain ore reserves that are economically recoverable.

All costs related to the acquisition of exploration and evaluation assets, including option payments, are capitalized. Amounts received for the sale of exploration and evaluation assets and for receipt of option payments are treated as reductions of the cost of the property, with receipts in excess of capitalized costs recognized in profit or loss. The recoverability of the amounts capitalized for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof. Subsequent recovery of the resulting carrying value depends on successful development or sale of the exploration and evaluation assets. If an exploration and evaluation asset does not prove viable, all unrecoverable costs associated with the project net of any impairment provisions are written off.

Exploration and evaluation expenditures are recognized in profit or loss. Costs incurred before the Company has obtained legal rights to explore on areas of interest are recognized in profit or loss. Expenditures incurred by the Company in connection with the exploration and evaluation of exploration and evaluation assets after the technical feasibility and commercial viability of extracting a mineral resource are demonstrable are capitalized.

Project investigation costs are costs to review potential exploration and evaluation asset acquisitions and are recognized in profit or loss.

Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: fair value through profit or loss, amortized cost or fair value through other comprehensive income. The classification depends on the purpose for

Prince Silver Corp. (formerly Hawthorn Resources Corp.)

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which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded in profit or loss. Transaction costs are expensed in profit or loss.

Amortized cost

Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not classified or designated as fair value through profit and loss: 1) the Company's objective for these financial assets is to collect their contractual cash flows and 2) the asset's contractual cash flows represent 'solely payments of principal and interest'. The Company's cash, receivables and reclamation deposit are recorded at amortized cost.

Fair value through other comprehensive income ("OCI")

For financial assets that are not held for trading, the Company can make an irrevocable election at initial recognition to classify the instruments at fair value through other comprehensive income ("FVOCI"), with all subsequent changes in fair value being recognized in other comprehensive income. This election is available for each separate investment. Under the FVOCI category, fair value changes are recognized in OCI while dividends are recognized in profit or loss. On disposal of the investment the cumulative change in fair value is not recycled to profit or loss, rather transferred to deficit. The Company does not have any financial assets designated as FVOCI.

Financial liabilities

Financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method.

Financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities.

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of shares outstanding in the period. Diluted loss per share is calculated by using the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, diluted loss per share is the same as basic loss per share, as the effects of including all outstanding options and warrants would be anti-dilutive.

Prince Silver Corp. (formerly Hawthorn Resources Corp.)

Notes to the Consolidated Financial Statements

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(Expressed in Canadian dollars)

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

Functional currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its consolidated financial statements. These consolidated financial statements are presented in Canadian dollars, which is the Company's presentation and functional currency.

Transactions in foreign currencies are translated into the functional currency at exchange rates as at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the functional currency exchange rate at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date of acquisition. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to liability.

Share capital

The Company records in share capital proceeds from share issuances, net of issuance costs and any tax effects. Stock options and other equity instruments issued as purchase consideration in non-monetary transactions are recorded at fair value determined by management using the Black-Scholes option pricing model. The Company measures share-based payments made to employees at the fair value of the equity instruments granted on the grant date and recognizes the expense over the vesting period with a corresponding increase in equity. Share-based payments to non-employees are measured at the fair value of the goods or services received, or if that cannot be reliably measured, at the fair value of the equity instruments granted. The measurement date for non-employee awards is the date the goods or services are received. Proceeds from unit placements are allocated between shares and warrants issued according to the residual value method. Under this method, the Company first allocates the proceeds to the share, up to the assessed fair value. The remainder is allocated to the attached warrant.

Prince Silver Corp. (formerly Hawthorn Resources Corp.)

Notes to the Consolidated Financial Statements

For the years ended July 31, 2025 and 2024

(Expressed in Canadian dollars)

Share issuance costs

Costs directly identifiable with the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs are presented as other assets until the issuance of the shares to which the costs relate, at which time the costs charged against the related share capital or charged to profit or loss if the shares are not issued.

New standards adopted

For the year ended July 31, 2025, the Company has reviewed the new and amended International Financial Reporting Standards issued by the IASB that are effective for the current period. Among those, the amendment to IAS 21 — “Lack of exchangeability” — is the only standard that has had a potentially material impact to the Company’s financial statements. The amendment clarifies when a currency is considered non-exchangeable and how a spot rate is estimated in such situations. The Company has considered whether any of its foreign operations are subject to such restrictions and concluded that no material adjustments are required for the period ended July 31, 2025.

New standards not yet adopted

At the date of authorization of these financial statements, the IASB has issued several new standards or amendments that are not yet effective for annual periods beginning on July 31, 2025, and which the Company has not early adopted. These include:

Amendments to IFRS 9 and IFRS 7 — Classification and measurement of financial instruments, including ESG-linked features and settlement of financial liabilities by electronic payment systems (effective January 1, 2026). Management is currently assessing the potential effects of this amendment on the Company’s financial instrument accounting.

IFRS 18 — Presentation and Disclosure in Financial Statements (effective January 1, 2027). This standard will replace IAS 1 and introduce a new structure for the statement of profit or loss and other disclosures.

The Company does not expect early adoption of the above standards, and at this stage it is not able to reasonably estimate the effect of the amendments on its future financial statements.

4 RECEIVABLES AND PREPAID EXPENSES

	July 31, 2025	July 31, 2024
GST receivable	\$ 37,498	\$ -
Prepaid expenses	62,201	-
	\$ 99,699	\$ -

5 ACQUISITION OF STAMPEDE

On July 11, 2025, the Company completed the acquisition of all issued and outstanding shares of Stampede, which holds the rights to the Prince Silver and Stampede Gap projects located in southeastern Nevada, pursuant to a Share Exchange Agreement, as amended. As Stampede did not qualify as a business combination according to the definition in IFRS 3, Business Combination,; rather the transaction was accounted for as an asset acquisition by the issuance of shares of the Company, for the net assets of Stampede.

In connection with the closing of the Acquisition, the Company:

- Issued 15,000,000 units (the “Consideration Units”), each consisting of one common share and 0.56666667 of a contingent value right (“CVR”), to Stampede AU. The CVRs are convertible into up to 8,500,000 common shares if defined resource milestones are achieved within four years. The Company retains the right to accelerate the milestone conversion within the first year, in which case the number of milestone

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shares would be reduced by 20%. If the defined resource milestones is not achieved within four years, the CVRs will expire.

- Issued 350,000 common shares to an arm's length party as finder's consideration at a fair value of \$0.40 per share for \$140,000 in total.

The aggregate purchase consideration for the acquisition consists of the Company issuing 15,000,000 common shares of the Company. The purchase price allocation is as follows:

Shares	\$ 6,000,000
Finders' shares	140,000
Transaction costs	367,668
Total	\$ 6,507,668

Cash	\$ 34,538
Bond	25,447
Prepays	16,022
Exploration and evaluation asset*	6,629,756
Payables and loans**	(198,095)
	\$ 6,507,668

* The purchase consideration has been allocated amongst the acquired properties using a market approach considering the land attributes and exploration stage.

**Prior to the closing of the Acquisition, payables and loans totaled \$198,095, consisting of \$68,420 due to Prince Silver which eliminated upon acquisition, \$102,630 in loans which were non-interest bearing and due on demand, which were repaid subsequent to the closing date, and \$27,045 in accounts payable.

6 EXPLORATION AND EVALUATION ASSETS

Broken Handle Property

On December 15, 2020, the Company entered into an option agreement (the "Broken Handle Agreement") with Origen Resources Inc. (the "Optionor"), as subsequently amended, to acquire a 75% right, title and interest (the "Acquired Interest") to certain claims (the "Broken Handle Project") subject to a 1.5% net smelter return ("NSR") royalty on the Acquired Interest (the "Optionor 1.5% NSR") and a 1% NSR ("1% NSR") payable to an arm's-length private company. The Company will have the right to purchase from Origen 1% of the Optionor 1.5% NSR within one year of commencement of commercial production, at a cost of \$1,000,000.

Under the terms of the agreement, the Company could acquire the interest by:

- a) paying an aggregate of \$263,000 and issuing an aggregate of 900,000 shares to Origen as follows:
 - i. \$15,000 upon signing of the Broken Handle Agreement (paid);
 - ii. \$25,000 and issuing 150,000 shares within 15 days of acceptance of the National Instrument ("NI") 43-101 report by a recognised Canadian Stock Exchange and approval to list the shares to trade ("Exchange Approval Date")(paid and issued with a fair value of \$19,500);
 - iii. Issuing 200,000 shares on or before February 22, 2024 (issued with a fair value of \$10,000);
 - iv. \$10,000 on or before October 22, 2024 (paid);
 - v. \$50,000 on or before November 15, 2024 (paid);
 - vi. \$43,000 on or before February 22, 2025 (paid);

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- vii. \$40,000 and issuing 150,000 shares on or before August 22, 2025; and
 - viii. \$80,000 and issuing 400,000 shares on or before August 22, 2026.
- b) incurring \$530,000 in exploration expenditures as follows:
- i. \$100,000 on or before February 22, 2024 (completed);
 - ii. \$400,000 on or before August 22, 2026; and
 - iii. \$30,000 of additional exploration expenditures required by October 1, 2025 to maintain the claims in good standing for a further year.

On September 29, 2025, subsequent to the year-end, the Company notified Origen Resources Inc. of its decision to relinquish all rights and interests under the Broken Handle Agreement and recorded an impairment of \$172,500 (2024 - \$nil)

Prince

On February 10, 2023 (the "Execution Date"), and subsequently amended, the Company's subsidiary Stampede entered into a mineral exploration lease and option to purchase agreement (the "Prince Agreement") with Prince Mine, LLC (the "Owner") an arms-length third party. The Owner holds certain mining claims in the Ely Mining District, Lincoln County, in the State of Nevada (the "Prince Mine").

Lease

Under the terms of the Prince Agreement, Stampede is granted a mineral exploration lease (the "Lease") to enter upon and occupy the Prince Mine for mineral exploration, evaluation of project feasibility and all other reasonable purposes. The Lease commenced on March 31, 2023 (the "Lease Commencement Date") and continues for 8 years unless terminated, extended, cancelled, or until the Prince Options are exercised. The Lease payments by making the following payments:

- US\$25,000 due 15 days after the Execution Date (paid);
- US\$25,000 due 15 days after March 31, 2023 (the "Lease Commencement Date") (paid);
- US\$80,000 due on or before March 31, 2024 (paid);
- US\$80,000 due on or before March 31, 2025 (paid);
- US\$80,000 due on or before March 31, 2026;
- US\$100,000 due on or before March 31, 2027;
- US\$100,000 due on or before March 31, 2028;
- US\$100,000 due on or before March 31, 2029;
- US\$100,000 due on or before March 31, 2030 and every year thereafter if the Owner allows further extensions of the Lease term.

Option

Under the terms of the Prince Agreement, the Company is granted two exclusive options (the "Prince Options") to purchase up to a 100% interest in the Prince Mine, in up to 2 tranches.

Option 1:

The Company has the right and option to acquire the Prince Mine exclusive of the Bullion Belcher No 1 claims ("Option 1") on or after the Lease Commencement Date until March 31, 2030 and so long thereafter if the Owner allows further extensions of the Lease term. To exercise Option 1, the Company must:

- Provide written notice to the Owner of intent to exercise Option 1;
- Pay US\$2,750,000 to the Owner less any payments made under the Lease.

Option 2:

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If the Company exercises Option 1, the Company has the right and the option to acquire the Bullion Belchor No. 1 claims ("Option 2") on or after Option 1 has been exercised for a term of 36 months thereafter. To exercise Option 2, the Company must:

- Exercise Option 1;
- Provide the Owner 1 year's advance notice of the Company's intent to exercise option 2;
- Pay US\$1,040,000 to the Owner

Lucky Boy

On May 10, 2022, (the "Effective Date") and subsequently amended on October 6, 2023, Stampede entered into a mineral exploration lease and option to purchase agreement (the "Lucky Boy Agreement") with Mile Wide Land & Cattle L.L.C. (the "Seller") a non-arms-length third party. The Seller holds certain mining claims in Lincoln County, in the State of Nevada ("Lucky Boy"). Under the terms of the Lucky Boy Agreement, the Company has the right to enter upon and occupy Lucky Boy for mineral exploration, mining, extraction and processing of minerals for a lease term of 50 years with an option to extend for an additional 10 years. The Lucky Boy Agreement also grants the Company the sole, exclusive and irrevocable option (the "Lucky Boy Option") to purchase Lucky Boy for 50 years from the Effective Date. Under the terms of the Lucky Boy Agreement, the Company agrees to:

- a) Pay US\$92,000 to the Seller on or before the Effective Date (paid);
- b) Pay US\$1,000 to the Seller per year, credited towards any future royalties;
- c) Reimburse any costs to the Seller in the acquisition and maintenance of Lucky Boy during the lease period.

Upon exercise of the Lucky Boy Option, the Company will grant the seller a 1.0% net return royalty. The Company retains the right of first refusal to match any offer to buy the Sellers 1.0% net return royalty.

The Company may elect to exercise the Lucky Boy Option at any time following the first anniversary of the Effective Date by giving written notice of its election to the Seller. Upon exercise of the Lucky Boy Option, the Company must pay US\$95,000 within 30 days of the option exercise net of the execution date payment of US\$92,000.

Manhattan

On April 20, 2021 (the "Effective Date"), Stampede entered into an option to purchase agreement (the "Manhattan Gap Agreement") with Renaissance Exploration Inc. (the "Optionor") an arms-length third party. The Manhattan Gap Agreement grants the Company the option (the "Manhattan Gap Option") to acquire 100% interest in certain mining claims in Lincoln County, in the State of Nevada ("Manhattan Gap Project"). In order to maintain the Manhattan Gap Option in good standing, the Company must:

- a) Pay US\$18,243 in cash to the Optionor within 5 business days of the Effective Date (paid);
- b) Perform exploration work on the Manhattan Gap Project:
 - A minimum of 500 meters of drilling on the Manhattan Gap Project on or before the first anniversary of the Effective Date (completed);
 - An aggregate of 7,500 meters of drilling the Manhattan Gap Project on or before the sixth anniversary of the Effective Date;
 - If the Company has a shortfall in the amount of drilling by the sixth anniversary of the Effective Date, the Company can make a cash payment of US\$500,000 to the Optionor to maintain the Manhattan Gap Option on or before the sixth anniversary of the Effective Date.
- c) Upon commencement of commercial production on the Manhattan Gap Project, the Company will pay the Optionor US\$2.50 per ounce of gold equivalent based on JORC (2012) mineral reserves estimates in a feasibility study at the time of commencement.

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Upon exercise of the Manhattan Gap Option, the Company will grant a 1.5% net smelter return royalty to the Optionor with no buydown rights.

As at July 31, 2025 the Company has the following exploration and evaluation assets:

	Stampede project	Prince Silver Project	Broken Handle Project
Acquisition costs, July 31, 2023	\$ -	\$ -	\$ 59,500
Additions – shares	-	-	10,000
Acquisition costs, July 31, 2024	-	-	69,500
Additions:			
Acquisition costs	2,209,919	4,419,837	103,000
Deductions:			
Impairment of property	-	-	(172,500)
Acquisition costs, July 31, 2025	\$ 2,209,919	\$ 4,419,837	\$ -

During the years ended July 31, 2025, and 2024, the Company incurred the following exploration expenses:

	July 31, 2025	July 31, 2024
Assaying	\$ -	\$ 36,387
Metallurgical test work	22,461	-
Camp costs	-	5,296
Communication	-	3,699
Field equipment rental	-	4,305
Field supplies	10,084	1,068
Field and General Operations	22,723	-
Geological consulting and services	62,888	46,781
Mobilization/demobilization	-	1,127
Project investigation	21,424	-
Reporting	10,260	-
Vehicle rental	-	1,647
	\$ 149,840	\$ 100,310

7 SHARE CAPITAL**(a) Authorized**

Unlimited number of common shares without par value.

(b) Issued and outstanding

During the year ended July 31, 2025, 259,125 agent options were exercised, resulting in cash proceeds of \$34,550. Upon exercise, the corresponding amount previously recorded in contributed surplus related to these options of \$18,669 was reclassified to share capital.

During the year ended July 31, 2025, the Company closed a non-brokered private placement financing and issued 3,750,000 common shares at a price of \$0.13 per common share for aggregate gross proceeds of \$500,000. The Company paid \$22,800 as finders' fees and recorded \$9,876 in other share issuance costs.

The Company completed a subscription receipt financing and issued 14,807,315 subscription receipts at a price of \$0.27 per receipt for total gross proceeds of \$3,997,975. Upon satisfaction of the escrow release conditions related to the Acquisition, each subscription receipt automatically converted into one common share and one-half of one common share purchase warrant, resulting in the issuance of 14,807,315 common shares and 7,403,650 warrants. Each whole warrant entitles the holder to acquire one common share at an exercise price of \$0.40 per share until December 23, 2026. The warrants are subject to accelerated expiry if the Company's post-consolidation common shares trade at or above \$0.60 for ten consecutive trading days.

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Upon conversion of the subscription receipts into units, the Company paid cash finder's fees of \$101,550 to eligible registrants and issued 369,111 broker warrants valued at \$100,332 at the time of issuance. Each broker warrant entitles the holder to acquire one common share at a price of \$0.40 per share until December 23, 2026.

As consideration for all outstanding shares of Stampede, the Company issued 15,000,000 common shares at a fair value of \$0.40 per share.

In connection with the acquisition of Stampede, the Company also issued 350,000 common shares to an arm's length party as finder's consideration, at a fair value of \$0.40 per share for \$140,000 in total.

During the year ended July 31, 2024, the Company issued 150,000 common shares with a fair value of \$10,000 as property acquisition costs (note 6).

(c) Escrowed shares

As at July 31, 2025, the Company had 558,000 common shares subject to escrow release restrictions based on time such that 279,000 shares will be released on August 22, 2025 and February 22, 2026.

(d) Stock options and agent options

The Company has adopted an incentive stock option plan, which provides that the Company may grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company's issued and outstanding common shares at the time the options are granted. Vesting of stock options is at the discretion of the Board of Directors.

During the year ended July 31, 2025, the Company granted 225,000 stock options (2024 – nil) at an exercise price of \$0.17 (2024 - \$nil) per stock option to an officer of the Company. All stock options vested upon grant and expire five years after the grant date. During the year ended July 31, 2025, the Company recognized \$29,490 (2024 - \$nil) in share-based compensation in the statement of loss and comprehensive loss related to the stock options. This amount was also recorded as reserves on the statement of financial position.

The following weighted average assumptions were used for the valuation of stock options:

	July 31, 2025
Risk-free interest rate	3.08%
Expected life of options	5 years
Annualized volatility	100.00%
Dividend rate	0.00%
Forfeiture rate	0.00%

The following is a summary of the Company's stock options and agent options activity:

	Stock options		Agent options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, July 31, 2023 and 2024	-	\$ -	262,500	\$ 0.13
Granted	225,000	0.17	-	-
Exercised/Expired *	-	-	(262,500)	0.13
Exercisable, July 31, 2025	225,000	\$ 0.17	-	\$ -

*During the period ended July 31, 2025, 259,125 agent options were exercised for gross proceeds of \$34,550. The remaining 3,375 agent options expired unexercised.

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As of July 31, 2025, the Company has stock options outstanding and exercisable to acquire common shares of the Company as follows:

	Expiry date	Exercise Price \$	Remaining life (years)	Number of options outstanding	Number of options exercisable
Stock Options	November 28, 2029	0.17	4.33	225,000	225,000

(e) Warrants

The changes in warrants issued are as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding Warrants, July 31, 2023, 2024	-	-
Issued	7,772,761	\$0.40
Expired	-	-
Outstanding Warrants, July 31, 2025	7,772,761	\$0.40

At July 31, 2025, warrants enabling the holders to acquire common shares as follows:

Expiry Date	Weighted Average Exercise Price	Number of Warrants	Weighted Average Remaining Contractual Life in Years
December 23, 2026	\$0.40	7,772,761	1.40
Weighted average of exercise price and remaining contractual life	\$0.40	7,772,761	1.40

The fair value of the finders' warrants issued was estimated at the grant date based on the Black-Scholes valuation model with the following weighted average assumptions:

	July 30, 2025	July 31, 2024
Risk-free interest rate	2.74%	n/a
Expected dividend yield	0.00%	n/a
Share price	\$0.40	n/a
Expected stock price volatility	162.84%	n/a
Average expected warrant life	1.45 years	n/a
Fair value of warrants granted	\$0.27	n/a

8 RELATED PARTY TRANSACTIONS

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer, Chief Financial Officer and President.

During the year ended July 31, 2025, the Company entered into the following transactions with related parties, not disclosed elsewhere in these consolidated financial statements:

	July 31, 2025	July 31, 2024
Professional fees	\$ 16,500	\$ 18,000
Management fees	64,000	-
Share-based compensation	29,490	-
	\$ 109,990	\$ 18,000

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As at July 31, 2025, \$16,800 (July 31, 2024 - \$18,900) was included in accounts payable and accrued liabilities owing to officers and directors of the Company in relation to management fees and reimbursement of expenses.

9 INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes for the years ended July 31, 2025 and 2024 are as follows:

	July 31, 2025	July 31, 2024
Loss before income taxes	\$ (774,998)	\$ (201,086)
Expected income tax (recovery)	\$ (209,000)	\$ (54,000)
Change in statutory, foreign tax, foreign exchange rates and other	12,000	-
Permanent differences	8,000	-
Share issue costs	(39,000)	-
Change in unrecognized deductible temporary differences	228,000	54,000
Income tax recovery	\$ -	\$ -

The significant components of the Company's deferred tax assets are as follows:

	July 31, 2025	July 31, 2024
Deferred tax assets		
Exploration and evaluation assets	\$ 103,000	\$ 29,000
Share issue costs	43,000	18,000
Non-capital losses	307,000	178,000
	453,000	225,000
Unrecognized deferred tax assets	(453,000)	(225,000)
Net deferred tax assets	\$ -	\$ -

The significant components of the Company's unrecognized temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	2025	Expiry Date Range	2024	Expiry Date Range
Share issue costs	\$ 159,000	2026-2029	\$ 66,000	2025-2027
Exploration and evaluation assts	\$ 392,000	No expiry date	\$ 109,000	No expiry date
Non-capital losses	\$ 1,138,000	2041-2045	\$ 661,000	2041-2044
Canada	\$ 1,135,000	2041-2045	\$ 661,000	2026 to 2042
USA	\$ 4,000	indefinite	-	indefinite

Tax attributes are subject to review, and potential adjustment, by tax authorities.

10 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**Financial instruments**

Cash, accounts payable, reclamation deposit and accrued liabilities are carried at amortized cost. The Company considers that the carrying amount of these financial assets and liabilities measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments.

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Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and reclamation deposit. The Company limits its exposure to credit loss by placing its cash in a major Canadian bank.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. As at July 31, 2025, the Company had a positive working capital of \$3,085,617 (July 31, 2024 – deficiency of \$111,174). The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year.

Interest rate risk

The Company's financial asset exposed to interest rate risk consists of cash. As at July 31, 2025, the Company maintained all of its cash balance on deposit with a major Canadian bank. The Company does not have interest-bearing debt and does not rely on interest income for its operational forecast.

Foreign currency risk

The Company may at times be exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities, denominated in a US Dollar. A 10% fluctuation between the Canadian dollar and the US Dollar would impact profit or loss by approximately \$4,931 (July 31, 2024 - \$Nil).

Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

11 CAPITAL MANAGEMENT

The Company's capital management objective is to maintain financial capacity that is strong to sustain the future development of the business.

The Company's capital structure includes shareholders' equity. The Company manages its capital structure to maximize its financial flexibility to adjust to changes in economic conditions. The Company is not subject to externally imposed capital requirements. There were no changes to the Company's management of capital for the year ended July 31, 2025.

12 SUPPLEMENT DISCLOSURES WITH RESPECT TO CASH FLOWS

During the year ended July 31, 2025, the Company reclassified \$18,669 from reserves to share capital in connection with the exercise of 259,125 agent options and issued finder's warrants of \$100,332.

During the year ended July 31, 2024, the Company issued 150,000 common shares with a fair value of \$10,000 as property acquisition costs (Note 6).

13 SEGMENTED INFORMATION

The Company operates in one reportable segment, being the acquisition, exploration and evaluation of mineral resources. The Company's exploration and evaluation assets are located in Canada and the United States as follows:

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	July 31, 2025	July 31, 2024
Exploration and evaluation assets		
Canada	-	69,500
United States	6,629,756	-
	\$ 6,629,756	\$ 69,500

Reclamation bonds are posted in the United States.

14 SUBSEQUENT EVENTS**Stock Option Grant**

On August 5, 2025, the Company granted 3,150,000 incentive stock options to directors, officers, and consultants. The options are exercisable at \$0.51 per common share for a period of five years from the date of grant. The options will vest over 24 months, with one quarter vesting six months from the date of grant and one quarter vesting every six months thereafter.

On November 4, 2025, the Company has granted an aggregate of 950,000 incentive stock options to directors, employees and advisors. The options are exercisable at a price of \$0.45 per common share for a period of five years from the date of grant, subject to approval by the Canadian Stock Exchange. The options will vest over 24 months, with one quarter vesting six months from the date of grant and remainder vesting in equal quarterly installments every six months thereafter.

Private Placement – September 12, 2025

On September 12, 2025, the Company closed a non-brokered private placement for total gross proceeds of \$1,250,000 through the issuance of 3,125,000 units at a price of \$0.40 per unit. Each unit consists of one common share and one-half common share purchase warrant, with each whole warrant exercisable to acquire one common share at a price of \$0.60 for a period of 12 months from the date of issuance. In connection with the private placement, the Company paid aggregate cash finders' fees of \$16,695.

Private Placement – First Tranche Closing – October 27, 2025

On October 27, 2025, the Company closed the first tranche of a non-brokered private placement for gross proceeds of \$1,475,040 through the issuance of 2,304,750 units at a price of \$0.64 per unit. Each unit consists of one common share and one-half common share purchase warrant, with each whole warrant exercisable to acquire one additional common share at a price of \$0.95 for a period of 18 months from the date of issuance. Finder's fees of \$47,242 were paid in connection with the financing.

Warrants Exercise

On October 28, 2025, the Company issued 9,259 common shares upon the exercise of warrants at \$0.40 for total proceeds of \$3,703.60.