



ARGENTA SILVER

Argenta Silver Corp.
(formerly Butte Energy Inc.)

Annual Audited Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Argenta Silver Corp. (formerly Butte Energy Inc.)

Opinion

We have audited the accompanying consolidated financial statements of Argenta Silver Corp. (formerly Butte Energy Inc.) (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, 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 December 31, 2024 and 2023, 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 Mineral Properties

As described in Note 5 to the consolidated financial statements, the carrying amount of the Company's Mineral Property was \$13,669,365 as of December 31, 2024. As more fully described in Notes 2 and 3 to the consolidated financial statements, management assesses the Mineral Property for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the Mineral Property is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the Mineral Property, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate this asset. 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 Mineral Property.



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 Mineral Property through discussion and communication with management.
- Reviewing the Company’s ability to fund future activities including reviewing available budgets for future periods.
- Obtaining, from legal counsel, confirmation of title to ensure mineral rights underlying the Mineral Property are in good standing.

Accounting for the Acquisition of Silex Argentina S.A. (“Silex”)

As described in Note 4 to the consolidated financial statements, during the year ended December 31, 2024, the Company acquired 100% interest of Silex for total consideration of \$5,396,744 (the “Transaction”). As more fully described in Notes 2 and 3, judgement is required by the Company 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 was that it constituted a significant and material event during the year ended December 31, 2024. In addition, there was judgment by management when determining the fair value of the net assets acquired and the consideration paid, as well as the determination that the acquisition was an asset acquisition. This in turn led to a high degree of auditor judgment, subjectivity, and effort were required in performing procedures to evaluate management’s significant judgements in assessing the accounting for the Transaction and the fair value of the assets acquired.

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 whether the Transaction constituted an asset acquisition or business combination.
- Examining and evaluating the contractual terms identified in underlying agreement in connection with the Transaction for consistency with the amounts recorded in the consolidated financial statements.
- Reviewing and assessing fair value of the assets acquired and liabilities assumed on acquisition.
- Assessing the adequacy of the disclosures in the consolidated financial statements.

Assessment of valuation of decommissioning obligations (“ARO Liabilities”)

As described in Note 9 to the consolidated financial statements, the carrying amount of the Company’s ARO Liabilities was \$9,136,066 as of December 31, 2024. As more fully described in Notes 2 and 3 to the consolidated financial statements, management estimates the present value of the ARO Liabilities at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the ARO Liabilities is a key audit matter are that there was judgment made by management when assessing the underlying input costs and discount rate to be used in calculating the ARO Liabilities. 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 the preparation of the estimated ARO Liabilities.

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:

- Assessing of the competencies of those involved in determining the underlying inputs used in the ARO Liabilities.
- Benchmarking the discount and inflation rates used in the calculation of the ARO Liabilities against comparable market data and assessing the appropriateness of the use of these rates.
- Identifying the key assumptions and inputs used within management’s calculation of the ARO Liabilities and assessing them against industry, regulatory and other third party data in order to determine whether the assumptions used are reasonable and can be sufficiently supported.
- Recalculating accretion and ending balances.

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 Carmen Newham.

A handwritten signature in black ink that reads "Davidson & Caspary LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

April 29, 2025

ARGENTA SILVER CORP.

(FORMERLY BUTTE ENERGY INC.)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	December 31, 2024	December 31, 2023
	\$	\$
Assets		
Current Assets		
Cash	9,062,268	146,925
Accounts receivable	75,166	3,521
Prepays	102,104	-
Reclamation deposits (Note 7)	109,623	104,375
	9,349,161	254,821
Non-current Assets		
VAT Receivable	69,467	-
Mineral properties (Note 5)	13,669,365	-
Property and equipment (Note 6)	1,031,829	-
Total Assets	24,119,822	254,821
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	734,971	46,964
Provision for environmental liabilities (Note 8)	28,431	42,018
	763,402	88,982
Non-current Liabilities		
Decommissioning obligations (Note 9)	9,136,066	-
Total Liabilities	9,899,468	88,982
Shareholders' Equity		
Share capital (Note 11(a))	37,605,432	22,457,469
Equity reserve (Note 11(b))	3,160,818	1,351,063
Deficit	(26,785,652)	(23,642,693)
Accumulated other comprehensive income	239,756	-
Total Shareholders' Equity	14,220,354	165,839
Total Liabilities and Shareholders' Equity	24,119,822	254,821

Nature of operations and going concern (Note 1)

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board of Directors:

(signed)

Geir Liland
Director

(signed)

D. Jeffrey Harder
Director

ARGENTA SILVER CORP.

(FORMERLY BUTTE ENERGY INC.)

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the years ended December 31

<i>(Expressed in Canadian Dollars)</i>	2024	2023
	\$	\$
Expenses:		
Wages and salaries (Note 14)	75,416	-
Advisory and consulting	379,517	120,000
Professional fees	176,002	32,423
Regulatory and transfer agent	284,517	29,040
Travel	48,055	-
Office and administration	77,410	13,160
Exploration & evaluation expense (Note 12)	251,756	-
Business development expense (Note 11(a))	11,625	-
Depreciation (Note 6)	22,579	-
Share-based compensation (Note 11(b) and 14)	1,407,759	231,192
Net finance expense (income) (Note 13)	424,731	(11,253)
Foreign exchange	(16,408)	-
Net loss	(3,142,959)	(414,562)
Other comprehensive loss		
Foreign currency translation adjustment	239,756	-
Comprehensive Loss	(2,903,203)	(414,562)
Loss per share – basic and diluted	(0.03)	(0.01)
Weighted average number of common shares outstanding - basic and diluted	94,357,258	65,212,868

See accompanying notes to the consolidated financial statements.

ARGENTA SILVER CORP.

(FORMERLY BUTTE ENERGY INC.)

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31

<i>(Expressed in Canadian Dollars)</i>	2024	2023
	\$	\$
Operating Activities		
Net loss	(3,142,959)	(414,562)
Items not affecting cash:		
Share-based compensation	1,407,759	231,192
Business development expense	11,625	-
Depreciation and amortization	22,579	-
Net finance expense (income)	424,731	-
Interest earned on reclamation deposits	(5,248)	(5,025)
Unrealized foreign exchange	13,397	-
Net interest income received	66,462	-
Change in non-cash working capital (Note 17)	368,250	4,660
Cash used in operating activities	(833,404)	(183,735)
Investing Activities		
Cash paid on Acquisition	(4,825,809)	-
Cash acquired on Acquisition	26,297	-
Cash transaction costs on Acquisition	(326,840)	-
Cash used in investing activities	(5,126,352)	-
Financing Activities		
Proceeds from loans	1,600,000	-
Proceeds from private placement, net of converted loan proceeds	14,452,730	247,500
Transaction costs paid on private placement	(403,274)	-
Payments on loans	(782,500)	-
Proceeds on option exercises	14,000	68,000
Cash provided by financing activities	14,880,956	315,500
Net increase in cash	8,921,200	131,765
Foreign exchange on cash	(5,857)	-
Increase in cash	8,915,343	131,765
Cash, beginning of year	146,925	15,160
Cash, end of year	9,062,268	146,925

Supplemental cash flow information (Note 17)

See accompanying notes to the consolidated financial statements.

ARGENTA SILVER CORP.

(FORMERLY BUTTE ENERGY INC.)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

<i>(Expressed in Canadian Dollars)</i>	Number of Common Shares	Share Capital	Equity Reserve	Deficit	AOCI ⁽¹⁾	Total
		\$	\$	\$	\$	\$
Balance at December 31, 2023	65,662,841	22,457,469	1,351,063	(23,642,693)	-	165,839
Shares issued through private placement	101,801,536	15,270,230	-	-	-	15,270,230
Share issuance costs	-	(403,274)	-	-	-	(403,274)
Shares issued for finders fees on Acquisition	1,575,000	244,125	-	-	-	244,125
Shares issued for business name acquisition	75,000	11,625	-	-	-	11,625
Shares issued through option exercise	100,000	25,257	(11,257)	-	-	14,000
Warrants issued	-	-	413,253	-	-	413,253
Share-based compensation	-	-	1,407,759	-	-	1,407,759
Loss for the year	-	-	-	(3,142,959)	-	(3,142,959)
Foreign currency translation adjustment	-	-	-	-	239,756	239,756
Balance at December 31, 2024	169,214,377	37,605,432	3,160,818	(26,785,652)	239,756	14,220,354
Balance at December 31, 2022	64,276,841	22,092,597	1,169,243	(23,228,131)	-	33,709
Shares issued through private placement	1,250,000	250,000	-	-	-	250,000
Share issuance costs	-	(2,500)	-	-	-	(2,500)
Shares issued through option exercise	136,000	117,372	(49,372)	-	-	68,000
Share-based compensation	-	-	231,192	-	-	231,192
Loss for the year	-	-	-	(414,562)	-	(414,562)
Balance at December 31, 2023	65,662,841	22,457,469	1,351,063	(23,642,693)	-	165,839

(1) Accumulated other comprehensive income

See accompanying notes to the consolidated financial statements.

Argenta Silver Corp.

(formerly Butte Energy Inc.)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

1. NATURE OF OPERATIONS AND GOING CONCERN

Argenta Silver Corp. (formerly Butte Energy Inc.) (the “Company”) is incorporated under the Business Corporations Act (British Columbia). The Company’s head office and principal address is 3123 - 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1J1. The Company lists its common shares on Tier 1 of the TSX Venture Exchange (“TSX-V”) under the symbol ‘AGAG’.

The Company is engaged in the acquisition, exploration and development of mineral properties in Argentina. Formally, the Company had been engaged in the acquisition, exploration and development of petroleum and natural gas reserves in Western Canada. In 2017, the Company sold its last remaining asset and has no active operations related to the petroleum and natural gas reserves, other than the completion of reclamation activities on previously abandoned wells. On October 24, 2024, the Company completed the acquisition of a 100% interest in the El Quevar silver project, located in Salta province, Argentina, through the purchase of all of the issued and outstanding shares of Silex Argentina SA (“Silex”) for total consideration of US\$3,500,000 in cash (the “Acquisition”) (Note 4). Concurrent with the Acquisition, the Company changed its name to Argenta Silver Corp. Following completion of the Acquisition, the Company’s common shares were approved for listing on Tier 1 of the TSX-V and commenced trading on October 28, 2024, under the symbol ‘AGAG’. The Company will be engaged in advancing its exploration and evaluation of the 100% owned El Quevar silver project.

Going concern

The Company is in the process of exploring and evaluating its mineral property asset and has not yet determined whether the property contains mineral reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and continuance of operations is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and maintain sufficient working capital, and upon future production or proceeds from the disposition thereof.

The Company’s consolidated financial statements are prepared on a going concern basis, which contemplates that the Company will continue its operations for at least twelve months from December 31, 2024 and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company had an accumulated deficit of \$26,785,652 and working capital of \$8,585,759 at December 31, 2024 (December 31, 2023: \$23,642,693 million and \$165,839, respectively). The Company incurred a loss of \$3,142,959 for the year ended December 31, 2024 (2023: \$414,562). The Company has relied principally upon the issuance of equity securities to raise funds. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company.

The Company has not generated revenue from operations to date and will require additional financing or outside participation to undertake further exploration and subsequent development of its mineral properties. There can be no assurance that the Company will be able to raise sufficient financing on acceptable terms. Future operations of the Company are dependent upon its ability to raise additional equity financing, maintain sufficient working capital and upon future production or proceeds from the disposition of its mineral properties interest.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Management estimates its current working capital will be sufficient to fund its current level of activities for the next twelve months.

Argenta Silver Corp.

(formerly Butte Energy Inc.)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

2. BASIS OF PRESENTATION

(a) Statement of compliance

These consolidated financial statements were prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. The consolidated financial statements have been prepared using the material accounting policy information set out in Note 3.

The consolidated financial statements of the Company for the year ended December 31, 2024, were authorized for issue by the Board of Directors on April 29, 2025.

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except where noted in the accounting policies. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(c) Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its 100% owned subsidiaries:

- (i) Silex Argentina S.A., a company incorporated under the laws of Argentina.
- (ii) 1289087 B.C. Ltd., a company incorporated under the Business Corporations Act (British Columbia).

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries, including entities which the Company controls, are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

(d) Functional and presentation currency

Items included in the consolidated financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company and its Canadian subsidiary is the Canadian dollar. Silex Argentina S.A., the Company's wholly-owned subsidiary in Argentina, uses the United States dollar as its functional currency. The consolidated financial statements are presented in Canadian dollars.

(e) Management Estimates and Judgments

The preparation of the consolidated financial statements requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future years could require a material change in the consolidated financial statements.

Accordingly, actual results may differ from the estimated amounts as future confirming events occur. Significant estimates and judgments made by management in the preparation of these consolidated financial statements are as follows:

Argenta Silver Corp.

(formerly Butte Energy Inc.)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

- (i) The Company's assets are reviewed for the indication of impairment at each reporting date in accordance with IFRS 6 - Exploration for and evaluation of mineral resources. Management applies judgment in evaluating if impairment indicators are considered to exist. Factors considered include if (i) the right to explore the area has expired or will expire in the near future with no expectation of renewal; (ii) Substantive expenditure on further exploration for and evaluation of mineral resources in the area is neither planned nor budgeted; (iii) No commercially viable deposits have been discovered, and the decision had been made to discontinue exploration in the area; and (iv) Sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.
- (ii) Amounts recorded for the provision of environmental liabilities require the use of estimates with respect to the amount and timing of reclamation expenditures for existing wells as part of former oil and gas operations. The ultimate amount and timing of the restoration expenses are uncertain, and cost estimates can vary in response to many factors. Based on a review of the expected timing of future cash flows, it was management's judgment that the time value of money was not material and therefore did not need to present value the expenditures expected to be required to settle the obligation.
- (iii) The Company estimates future remediation costs of mineral properties (referred to as decommissioning obligations) at different stages of development and construction of assets or facilities. In most instances, removal of assets occurs many years into the future. This requires assumptions regarding abandonment date, future environmental and regulatory legislation, the extent of reclamation activities, the engineering methodology for estimating cost, future removal technologies in determining the removal cost and liability-specific discount rates to determine the present value of these cash flows.
- (iv) Tax interpretations, regulations and legislation are subject to change. As such, income taxes are subject to measurement uncertainty. Management assesses deferred income tax assets at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings.
- (v) Going Concern presentation of the consolidated financial statements which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.
- (vi) The determination of whether a set of assets acquired, and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The acquisition with Silex was determined to constitute an acquisition of assets (Note 4).

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all the years presented in these consolidated financial statements and have been applied consistently by the Company.

(a) Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency of the entity by applying exchange rates at the dates of the transactions in the financial statements of each entity in the Company.

Argenta Silver Corp.

(formerly Butte Energy Inc.)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the reporting date exchange rate.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate as at the date that the fair value was determined. Foreign currency differences arising on re-translation are recognized in operations.

On consolidation, for subsidiaries with functional currencies other than the Canadian dollar, assets and liabilities are translated into Canadian dollars using the period-end rate and operating expenses are translated using the average rates of exchange. Exchange adjustments arising when the opening net assets and profit or loss are translated into Canadian dollars are taken into a separate component of equity and reported in other comprehensive income or loss.

(b) Mineral properties

The Company defers the cost of acquiring and maintaining its interest in mineral properties until the properties are placed into production, abandoned, sold or considered to be impaired in value. Other exploration and evaluation expenditures are expensed as incurred until the technical feasibility and commercial viability of the project can be established, after which such costs will be capitalized as mineral property development costs within property and equipment. The carrying value will be amortized on a units of production basis and costs of abandoned properties are written-off. Proceeds received on the sale of interests in exploration and evaluation stage mineral properties are credited to the carrying value of the assets, with any excess included in operations. Write-downs due to impairment in value are charged to operations.

The Company is in the process of exploring its mineral properties and has not yet determined the existence of reserves. Management reviews the carrying value of mineral properties every quarter for impairment indicators. For exploration and evaluation assets, these indicators include the current exploration results, the prospect of further work being carried out by the Company and the assessment of future probability of profitable revenues from the property or from the sale of the assets. Amounts shown for the Company's mineral properties represents costs incurred net of any write-downs and recoveries and are not intended to represent present or future values.

(c) Property and equipment

Items of equipment are initially recognized at cost. All items of equipment are subsequently carried at depreciated cost less impairment losses, if any. Depreciation is provided on all items of equipment to write off the carrying value of items over their expected useful lives. It is applied using the following methods and rates:

- Computer equipment and software – 3 years
- Vehicles – 4 years
- Machinery and equipment – 5 to 10 years
- Office equipment and furniture – 5 to 10 years
- Camp installations and facilities – 5 to 10 years

A straight-line basis over the estimated useful lives of each asset or component part of an item or equipment, may be applied depending on which method (and rate) most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Argenta Silver Corp.

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Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

(d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of (i) an assets or cash-generating unit's ("CGU") fair value less costs to sell and (ii) its value in use, determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the asset is tested as part of a larger CGU. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

(e) Financial instruments

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are not offset unless the Company has the current legal right to offset and intends to settle on a net basis or settle the asset and liability simultaneously.

Classification of Financial Assets and Financial Liabilities:

The initial classification of a financial asset depends upon the Company's business model for managing its financial assets and the contractual terms of the cash flows. There are three measurement categories into which the Company classified its financial assets:

- **Amortized Cost:** Includes assets that are held within a business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that represent solely payments of principal and interest;
- **Fair Value through Other Comprehensive Income ("FVOCI"):** Includes assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, where its contractual terms give rise on specified dates to cash flows that represent solely payments of principal and interest; or
- **Fair Value Through Profit or Loss ("FVTPL"):** Includes assets that do not meet the criteria for amortized cost or FVOCI and are measured at fair value through profit or loss. This includes all derivative financial instruments.

The following table shows the measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities:

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<u>Financial Asset/Liability</u>	<u>IFRS 9 classification</u>
Cash	Amortized cost
Accounts receivable	Amortized cost
Reclamation deposits	Amortized cost
Accounts payables and accrued liabilities	Amortized cost

Measurement:

Financial assets at FVOCI

Elected investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company applies the simplified method and measures a loss allowance equal to the lifetime expected credit losses for trade receivables.

The Company recognizes in the statement of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(f) Provisions

A provision is recognized if, due to a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

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Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses.

(g) Decommissioning obligations

The Company's activities give rise to dismantling, decommissioning and site disturbance re-mediation activities. Provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

Asset retirement obligations are measured at the present value of management's best estimate of expenditures required to settle the present obligation at the statement of financial position date. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation.

The increase in the provision due to the passage of time is recognized as finance costs in the statement of loss and comprehensive loss whereas increases/decreases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the asset retirement obligations are charged against the provision to the extent the provision was established.

(h) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

(i) Warrants issued in private placements

The Company uses the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value (typically common shares) and then the residual value, if any, to the less easily measurable component (typically warrants).

(j) Share-based payments

The Company's share option plan allows Company employees, directors, officers, consultants and charitable organizations to acquire shares of the Company. The fair value of options granted is recognized as share-based compensation expense with a corresponding increase in equity reserve.

Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest with a corresponding increase in reserves. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

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(k) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using enacted tax rates or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(l) Per share amounts, basic and diluted

Basic earnings per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share are determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as options granted to employees. Diluted earnings per share do not adjust the earnings attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(m) Acquisitions

Asset acquisitions are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values of assets transferred, liabilities incurred or assumed, and equity instruments issued by the Company at the date of acquisition. The acquiree's identifiable assets and liabilities assumed are recognized at their fair value at the acquisition date, or if the fair values exceed the consideration paid, then the consideration paid is allocated on a pro rata basis to the identifiable assets acquired based on their relative fair values.

(n) Segmented reporting

The Company is engaged in the exploration and development of mineral properties in the country of Argentina. The Company determined that it operates in a single operating segment based on the organization and management of its business activities. As a result, the financial performance of the Company is reported as a single operating segment. Therefore, the information provided in these consolidated financial statements primarily reflects the results of the Company's operations in the single operating segment.

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(o) Accounting standards issued and not yet effective

IFRS 18 – Presentation and Disclosure in Financial Statements

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 has not yet determined the impact of these amendments on its consolidated financial statements.

4. ACQUISITION

On October 24, 2024, the Company purchased all of the issued and outstanding shares of Silex for total consideration of US\$3,500,000 in cash. Silex owns a 100% interest in the El Quevar silver project. The acquired assets also include associated mineral rights, facilities, and mining equipment within the project area, as well as associated liabilities relating to future decommissioning obligations.

The acquisition of Silex constitutes an asset acquisition and has been accounted for under the acquisition method in accordance with the guidance provided in IFRS 3, Business Combinations (“IFRS 3”). The assets acquired did not qualify as a business according to the definition in IFRS 3, and therefore the acquisition did not constitute a business combination, but rather it is treated as payment of cash consideration for the acquisition of Silex and its net assets. The value of the consideration paid after allocation to the other net assets acquired, was allocated to mineral properties, all of which are located in Argentina.

Cash	\$ 26,297
Prepays	6,096
Accounts receivable	12,412
VAT receivable	30,283
Accounts payable and accrued liabilities	(111,745)
Mineral properties (Note 5)	13,132,630
Property and equipment (Note 6)	1,014,977
Decommissioning obligations (Note 9)	(8,714,176)
Total net assets acquired	\$ 5,396,774
<hr/>	
Cash consideration	\$ 4,825,809
Transaction costs	570,965
Total purchase price	\$ 5,396,774

In connection with the Acquisition, the Company issued 1,575,000 common shares as finders' and advisory fees on completion of the Acquisition. The fair value of the common shares issued was \$244,125 utilizing the trading price on the closing date and is included in transaction costs.

5. MINERAL PROPERTIES

Mineral properties comprise all direct costs, including transaction costs, incurred by the Company to acquire its mineral properties and to maintain its ownership rights at the El Quevar silver project. Mineral properties consist of the following amounts as at December 31, 2024 and 2023:

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El Quevar Project	2024	2023
Balance, January 1	\$ -	\$ -
Acquisition (Note 4)	13,132,630	-
Effect of foreign exchange translation	536,735	-
Balance, December 31	\$ 13,669,365	\$ -

6. PROPERTY AND EQUIPMENT

The Company's property and equipment comprise mining equipment as well as facilities and surface infrastructure at the El Quevar silver project. Property and equipment consist of the following amounts as at December 31, 2024 and 2023:

	Computer equipment	Office equipment & furniture	Vehicles	Machinery & equipment	Camp installations & facilities	Total
Cost						
Balance, December 31, 2022 and 2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition (Note 4)	6,646	12,460	53,303	170,294	772,274	1,014,977
Effect of foreign exchange translation	253	480	2,044	6,602	30,052	39,431
Balance, December 31, 2024	6,899	12,940	55,347	176,896	802,326	1,054,408
Accumulated depreciation						
Balance, December 31, 2022 and 2023	-	-	-	-	-	-
Additions	421	473	2,530	4,494	14,661	22,579
Balance, December 31, 2024	421	473	2,530	4,494	14,661	22,579
Net book value						
Balance, December 31, 2023	-	-	-	-	-	-
Balance, December 31, 2024	\$ 6,478	\$ 12,467	\$ 52,817	\$ 172,402	\$ 787,665	\$ 1,031,829

7. RECLAMATION DEPOSIT

In January 2018, the Company was required to provide a security deposit to the Alberta Energy Regulator in order for the Company to proceed with the finalization of the reclamation on previously abandoned wells from former operations in the province of Alberta, Canada. These deposits are refundable upon final acceptance of the reclamation certificates by the Alberta Energy Regulator.

The deposits are held in trust in an interest-bearing bank account. Interest income on the account is recorded in net finance expense (income) in the statement of loss and comprehensive loss.

8. PROVISION FOR ENVIRONMENTAL LIABILITIES

The Company maintains a provision \$28,431 for the completion of reclamation activities on previously abandoned wells on former ownership interest in oil and gas properties in Alberta, Canada (December 31, 2023: \$42,018). Costs associated with obligations in Alberta, Canada are projected to be incurred by December 31, 2025. As at December 31, 2024, funds have been set aside to settle the obligations in Alberta, Canada (see Note 7).

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9. DECOMMISSIONING OBLIGATIONS

The Company's decommissioning obligations result from ownership interests in mineral properties in Argentina. The Company estimates the total uninflated, undiscounted amount of cash flows required to settle its decommissioning obligation at December 31, 2024, to be \$15.7 million (US\$11.1 million) (December 31, 2023 - \$nil). Costs associated with obligations in Argentina are not projected to be incurred until 2054 and forward. As such, the balance of decommissioning obligations related to mineral properties in Argentina are recorded as a non-current liability given that there is no anticipated obligation expected to be incurred by December 31, 2025. The decommissioning obligations have been estimated using existing technology at current prices.

At December 31, 2024, a US inflation rate of 2.4% and a US risk-free rate of 4.34% were used in the valuation of the liabilities. For decommissioning obligations in Argentina, settlement of the obligations is anticipated to be invoiced in US dollars and settled in Argentine pesos. Changes to decommissioning obligations for the years ended December 31, 2024 and 2023, were as follows:

	2024	2023
Balance, January 1	\$ -	\$ -
Recognition of obligation on Acquisition (Note 4)	8,714,176	-
Accretion expense (Note 13)	77,940	-
Effect of foreign exchange translation	343,950	-
Balance, December 31	\$ 9,136,066	\$ -

10. LOANS

During the year ended December 31, 2024, the Company received unsecured, non-interest-bearing, one-year term convertible loans totaling \$675,000 (US\$500,000) and additional loans totaling \$925,000 from certain arm's-length parties. In October 2024, \$817,500 of these loans were settled through the issuance of 5,450,000 common shares of the Company which shares are included in the 101,801,536 common shares issued under and on the same terms as the Financing (defined below - see Note 11(a)). The remaining \$782,500 of the loans balance was repaid in cash. As of December 31, 2024, there was no outstanding loan balance remaining.

Additionally, in consideration of the loans, the Company issued 9,800,000 share purchase warrants to the lenders, exercisable at \$0.16 per share for a period of one year (see Note 11(b)). The fair value of the warrants of \$413,253 is included in net finance expenses (income) on the statement of comprehensive loss (see Note 13).

11. SHARE CAPITAL

(a) Common shares

The Company is authorized to issue an unlimited number of common shares, without nominal or par value, with holders of common shares entitled to one vote per share and to dividends, if declared. Outstanding common shares as at December 31, 2024 are as follows:

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	Common shares	Amount
Balance, December 31, 2022	64,276,841	\$ 22,092,597
Shares issued through private placement, net of costs	1,250,000	247,500
Exercise of share options	136,000	117,372
Balance, December 31, 2023	65,662,841	22,457,469
Shares issued through private placement, net of costs	101,801,536	14,866,956
Shares issued for finders fees on Acquisition (Note 4)	1,575,000	244,125
Shares issued through business name acquisition	75,000	11,625
Exercise of share options	100,000	25,257
Balance, December 31, 2024	169,214,377	\$ 37,605,432

On September 20, 2024, the Company closed a non-brokered private placement for gross proceeds of \$15,270,230 (the "Financing"). The Company issued 101,801,536 common shares at a price of \$0.15 per share. Share issuance costs of \$403,274 were incurred in relation to this private placement.

On October 24, 2024, the Company issued 1,575,000 common shares valued at \$244,125 as finders and advisory fees in connection with the Acquisition (Note 4).

On October 24, 2024, the Company issued 75,000 common shares valued at \$11,625 to a third-party holding rights to the name "Argenta Metals Corp." under an asset purchase agreement between the Company and the counterparty dated October 4, 2024, pursuant to which the Company was able to reserve, and ultimately change its name to "Argenta Silver Corp." This issuance was treated as a business development expense during the year ended December 31, 2024.

On October 30, 2024, 100,000 common shares were issued pursuant to the exercise of 100,000 share options for gross proceeds of \$14,000 at an exercise price of \$0.14 per option. As a result of the exercise, \$11,257 as attributed fair value of these share options was reclassified from equity reserve to share capital.

On May 8, 2023, the Company closed a non-brokered private placement for gross proceeds of \$250,000. The Company issued 1,250,000 units at a price of \$0.20 per unit consisting of 1,250,000 common shares and 1,250,000 share purchase warrants (Note 11(b)). The share purchase warrants were exercisable at a price of \$0.30 per share for a period of one year from the date of issuance, expiring May 8, 2024. The fair value of the share purchase warrants issued was determined to be \$nil using the residual value approach. Share issuance costs of \$2,500 were incurred in relation to this private placement.

On February 8, 2023, 136,000 common shares were issued pursuant to the exercise of 136,000 share options for proceeds of \$68,000.

On March 9, 2023, the Company consolidated its outstanding share capital on the basis of five (5) pre-consolidated shares for one (1) post-consolidation share. All equity amounts have been adjusted to reflect the consolidation.

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(b) Equity reserve

Warrants

A summary of the changes in share purchase warrants is presented below:

	Warrants	Weighted average exercise price (\$)
Balance, December 31, 2022	-	0.00
Issued	1,250,000	0.30
Balance, December 31, 2023	1,250,000	0.30
Issued	9,800,000	0.16
Expired	(1,250,000)	0.30
Balance, December 31, 2024	9,800,000	0.16

In consideration of the loans received in during the year ended December 31, 2024 (Note 10), the Company issued 9,800,000 share purchase warrants exercisable at a price of \$0.16 per share. For the warrants issued, 5,800,000 of the warrants expire on September 13, 2025, and 4,000,000 of the warrants expire on August 30, 2025. The fair value of the share purchase warrants issued was determined to be \$413,253, or \$0.04 per warrant, using the Black-Scholes option pricing model. The following weighted average assumptions were used for the valuation of the warrants: risk-free interest rate of 3.12%, life of approximately 1 year, annualized volatility of 75%, and dividend rate of 0.00%. The issuance of the share purchase warrants was treated as a financing transaction cost and included within net financing expense (income) on the statements of comprehensive loss.

On May 8, 2023, the Company issued 1,250,000 share purchase warrants as part of a private placement (Note 11(a)). The share purchase warrants are exercisable at a price of \$0.30 per share for a period of one year from the date of issuance. The fair value of the share purchase warrants issued was determined to be \$nil using the residual value approach. The warrants expired on May 8, 2024.

Share options

The Company has established a rolling Share Option Plan (the "Plan"). Under the Plan, the number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding shares and, to any one optionee, may not exceed 5% of the issued shares on a yearly basis. The maximum term of each option shall not be greater than ten years. The exercise price of each option shall not be less than the market price of the Company's shares at the date of grant. Options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than 1/4 of such options vesting in any three-month period. All other options vest at the discretion of the Board of Directors.

A summary of the changes in share options is presented below:

	Share options	Weighted average exercise price (\$)
Balance, December 31, 2022	1,950,000	0.47
Granted	1,000,000	0.29
Exercised	(136,000)	0.50
Balance, December 31, 2023	2,814,000	0.40
Granted	11,500,000	0.16
Exercised	(100,000)	0.14
Balance, December 31, 2024	14,214,000	0.21

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On October 24, 2024, the Company granted 10,500,000 incentive share options to certain directors, officers, and consultants at a price of \$0.16 per share, exercisable until October 24, 2034. Using the Black-Scholes valuation model, the grant date fair value was \$1,295,182, or \$0.12 per option. The following weighted average assumptions were used for the valuation of the options: risk-free interest rate of 3.13%, option life of 10 years, annualized volatility of 75%, and dividend rate of 0.00%.

On May 6, 2024, the Company granted 1,000,000 incentive share options to certain directors, officers, and consultants at a price of \$0.14 per share, exercisable until May 6, 2034. Using the Black-Scholes valuation model, the grant date fair value was \$112,577, or \$0.11 per option. The following weighted average assumptions were used for the valuation of the options: risk-free interest rate of 3.60%, option life of 10 years, annualized volatility of 75%, and dividend rate of 0.00%.

On May 15, 2023, the Company granted 1,000,000 incentive share options to certain directors, officers, and consultants at a price of \$0.29 per share, exercisable until May 15, 2033. Using the Black-Scholes valuation model, the grant date fair value was \$231,192, or \$0.23 per option. The following weighted average assumptions were used for the valuation of the options: risk-free interest rate of 2.94%, option life of 10 years, annualized volatility of 75%, and dividend rate of 0.00%.

The following table summarizes information about the share options outstanding and exercisable at December 31, 2024:

Outstanding and exercisable	Exercise prices (\$)	Expiry date	Weighted average term to expiry (years)
1,364,000	0.50	October 8, 2030	5.77
450,000	0.35	July 13, 2032	7.54
1,000,000	0.29	May 15, 2033	8.38
900,000	0.14	May 6, 2034	9.35
10,500,000	0.16	October 24, 2034	9.82
14,214,000			9.23

12. EXPLORATION AND EVALUATION EXPENSE

The components of exploration and evaluation expense for the years ended December 31, 2024 and 2023, from continuing operations, are as follows:

	2024	2023
Wages and salaries	\$ 77,011	\$ -
Field costs, surveys and other	109,947	-
Transportation and meals	28,164	-
Consulting and professional fees	12,758	-
Security	3,012	-
Licenses, property taxes and fees	20,864	-
Total exploration and evaluation expense	\$ 251,756	\$ -

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13. NET FINANCE EXPENSE (INCOME)

The components of net finance expense (income) for the years ended December 31, 2024 and 2023, are as follows:

	2024	2023
Interest income	\$ (77,595)	\$ (11,970)
Bank fees	11,133	717
Accretion on decommissioning obligations	77,940	-
Financing transaction cost (Note 11(b))	413,253	-
Total net finance expense (income)	\$ 424,731	\$ (11,253)

14. RELATED PARTY TRANSACTIONS

Key management personnel are those people who have authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Senior management personnel include the Company's executive officers and members of the Board of Directors. Key management personnel compensation during the years ended December 31, 2024 and 2023, is as follows:

	2024	2023
Salaries and benefits	\$ 49,735	\$ -
Share-based compensation	452,088	92,477
Total	\$ 501,823	\$ 92,477

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value Measurement

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

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Unobservable inputs that are supported by little or no market activity, therefore requiring an entity to develop its own assumptions about the assumption that market participants would use in pricing.

The Company's financial instruments consist of cash, accounts receivable, reclamation deposits and accounts payable and accrued liabilities. Their carrying values approximate fair value due to the short-term nature of these instruments.

Financial Risk Factors

(a) Credit Risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company is exposed to credit risk on cash and accounts receivable. The Company reduces its credit risk on cash by

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maintaining its bank account with a large international financial institution. Furthermore, the majority of the Company's receivables relate to tax receivable due from the Government of Canada and the Argentine Republic.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due and describes the Company's ability to access cash. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient cash resources to finance operations, fund capital expenditures, and to repay debt and other liabilities of the Company as they come due without incurring unacceptable losses or risking harm to the Company's reputation. The Company's processes for managing liquidity risk include preparing and monitoring capital and operating budgets, coordinating and authorizing project expenditures, and authorization of contractual agreements. The Company seeks additional financing based on the results of these processes (See also Note 2). The budgets are updated when required as conditions change.

The Company currently has cash and cash equivalents of \$9,062,268 and current liabilities of \$763,402.

(c) Market Risk

Market risk is the risk or uncertainty that changes in price, such as commodity prices, foreign exchange rates, and interest rates will affect the Company's net earnings and the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. From time to time, the Company may utilize financial derivative contracts to manage market risks in accordance with the risk management policy that has been approved by the Board of Directors. There were no financial derivative contracts or embedded derivatives outstanding at December 31, 2024, and December 31, 2023.

Interest Rate Risk

The Company is nominally exposed to interest rate risk. The Company's cash earns interest at variable rates. Interest rate exposure is considered to be insignificant.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign currency exchange rates. Some of the Company's business transactions and commitments occur in currencies other than the Canadian dollar. A portion of the Company's mining activities in Argentina transact in Argentine Peso (ARS\$) or US dollars. In addition, a portion of the Company's administrative costs will be based and paid in ARS\$. Therefore, the Company is exposed to the risk of fluctuations in foreign exchange rates between Canadian dollars, US dollars, and ARS\$.

The impact to the net loss and comprehensive loss for the year ended December 31, 2024, had the ARS\$ to Canadian dollar exchange rate changed by 1%, would amount to approximately \$2,000 (\$nil – December 31, 2023), while the impact to the net loss and comprehensive loss for the year had the Canadian dollar to US dollar exchange rate changed by 1% would amount to nominal change (\$nil – December 31, 2023).

As at December 31, 2024, the Company had not entered into any foreign currency derivatives to manage its exposure to currency fluctuations, nor were there any foreign currency derivatives as at the previous year ended December 31, 2023.

Price Risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in

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the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Capital Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions, business opportunity and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or return capital to its shareholders. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis. There was no change in the Company's management of capital policies during the periods presented.

16. INCOME TAX

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2024	2023
Loss for the year	\$ (3,142,959)	\$ (414,562)
Tax Rate	27.00%	27.00%
Expected income tax (recovery)	(849,000)	(112,000)
Increase (decrease) in taxes:		
Change in statutory, foreign tax, foreign exchange and other	(985,000)	(10,000)
Permanent differences	1,350,000	62,000
Impact of acquisition	(315,000)	-
Share issue cost	(109,000)	(1,000)
Change in unrecognized deductible temporary differences	908,000	61,000
Total income tax expense (recovery)	\$ -	\$ -

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	2024	2023
Deferred tax assets (liabilities)		
Exploration and evaluation assets	\$ 1,628,000	\$ 1,628,000
Property and equipment	53,000	53,000
Share issuance costs	87,000	1,000
Non-capital loss carryforwards	4,202,000	3,380,000
	5,970,000	5,062,000
Unrecognized deferred tax assets	(5,970,000)	(5,062,000)
Net deferred tax assets	\$ -	\$ -

Argenta Silver Corp.

(formerly Butte Energy Inc.)

Notes to the Consolidated Financial Statements**For the years ended December 31, 2024 and 2023**

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

	2024	Expiry date range	2023	Expiry date range
Temporary Difference				
Share issue costs	\$ 324,000	2045 to 2048	\$ 2,000	2044 to 2047
Property and equipment	195,000	No expiry date	195,000	No expiry date
Mineral properties	6,030,000	No expiry date	6,030,000	No expiry date
Non-capital loss carryforwards				
Canada	13,489,000	2026 to 2044	12,519,000	2026 to 2043
Argentina	\$ 2,243,000	No expiry date	\$ -	No expiry date

17. SUPPLEMENTAL CASH FLOW INFORMATION

Information regarding changes in non-cash working capital for the years ended December 31, 2024 and 2023 is as follows:

	2024	2023
Accounts receivable	\$ (71,645)	\$ (997)
Prepays	(102,104)	-
VAT receivable	(69,467)	-
Accounts payable and accrued liabilities	688,007	5,657
Provision for environmental liabilities	(13,587)	-
Adjustment for acquired non-cash working capital	(62,954)	-
Change in non-cash working capital	368,250	4,660
Relating to:		
Operating activities	368,250	4,660
Change in non-cash working capital	\$ 368,250	\$ 4,660

Information regarding non-cash investing and financing activities for the years ended December 31, 2024, and 2023 is as follows:

	2024	2023
Shares issued for finders fees on Acquisition	\$ 244,125	\$ -
Fair value reversal on exercise of stock options	\$ 11,257	\$ 49,372