



Argenta Silver Corp.
(formerly Butte Energy Inc.)

**Condensed Interim Consolidated
Financial Statements**

For the six months ended June 30, 2025 and 2024

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

NOTICE OF NO AUDITOR REVIEW

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

The accompanying unaudited condensed interim consolidated financial statements of Argenta Silver Corp. have been prepared by and are the responsibility of the Company's management.

ARGENTA SILVER CORP.

(FORMERLY BUTTE ENERGY INC.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION*(Unaudited, expressed in Canadian Dollars)*

	June 30, 2025	December 31, 2024
	\$	\$
Assets		
Current Assets		
Cash	10,035,513	9,062,268
Accounts receivable	61,940	75,166
Prepays	764,248	102,104
Reclamation deposits (Note 5)	112,023	109,623
	10,973,724	9,349,161
Non-current Assets		
VAT Receivable	321,455	69,467
Mineral properties (Note 3)	12,960,675	13,669,365
Property and equipment (Note 4)	950,814	1,031,829
Total Assets	25,206,668	24,119,822
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	954,638	734,971
Provision for environmental liabilities (Note 6)	33,821	28,431
	988,459	763,402
Non-current Liabilities		
Decommissioning obligations (Note 7)	8,848,582	9,136,066
Total Liabilities	9,837,041	9,899,468
Shareholders' Equity		
Share capital (Note 8(a))	43,164,396	37,605,432
Equity reserve (Note 8(b))	3,143,571	3,160,818
Deficit	(30,903,449)	(26,785,652)
Accumulated other comprehensive income	(34,891)	239,756
Total Shareholders' Equity	15,369,627	14,220,354
Total Liabilities and Shareholders' Equity	25,206,668	24,119,822

*Nature of operations and going concern (Note 1)**Subsequent events (Note 14)**See accompanying notes to the condensed interim 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.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the periods ended June 30

<i>(Unaudited, expressed in Canadian Dollars)</i>	Three months ended		Six months ended	
	2025	2024	2025	2024
	\$	\$	\$	\$
Expenses:				
Exploration & evaluation expense (Note 9)	1,495,766	-	2,089,785	-
Wages and salaries	301,615	-	411,228	-
Advisory and consulting	293,382	30,000	371,892	60,000
Marketing and investor relations	213,875	-	323,653	-
Office and administration	203,485	3,408	297,323	6,672
Share-based compensation (Note 11(b) and 14)	248,387	112,577	248,387	112,577
Professional fees	87,934	669	162,381	22,866
Net finance expense (income) (Note 10)	38,704	(1,873)	77,599	(4,680)
Regulatory and transfer agent	21,597	1,872	71,436	6,119
Depreciation (Note 4)	31,761	-	63,358	-
Travel	21,943	-	56,067	-
Loss on provision (Note 6)	5,390	-	5,390	-
Foreign exchange	5,947	-	(60,702)	-
Net loss	(2,969,786)	(146,653)	(4,117,797)	(203,554)
Other comprehensive loss				
Foreign currency translation adjustment	(272,607)	-	(274,647)	-
Comprehensive Loss	(3,242,393)	(146,653)	(4,392,444)	(203,554)
Loss per share – basic and diluted	(0.02)	(0.00)	(0.02)	(0.00)
Weighted average number of common shares outstanding - basic and diluted	188,391,355	65,662,841	179,040,841	65,662,841

See accompanying notes to the condensed interim consolidated financial statements.

ARGENTA SILVER CORP.

(FORMERLY BUTTE ENERGY INC.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended June 30

<i>(Unaudited, expressed in Canadian Dollars)</i>	2025	2024
	\$	\$
Operating Activities		
Net loss	(4,117,797)	(203,554)
Items not affecting cash:		
Share-based compensation	248,387	112,577
Net finance expense (income)	77,599	(4,680)
Depreciation	63,358	-
Unrealized foreign exchange	60,691	-
Loss on provision	5,390	-
Interest earned on reclamation deposits	(2,400)	(2,749)
Net interest income received	114,733	4,680
Change in non-cash working capital (Note 13)	(681,239)	(21,192)
Cash used in operating activities	(4,231,278)	(114,918)
Investing Activities		
Property and equipment additions	(35,445)	-
Cash used in investing activities	(35,445)	-
Financing Activities		
Proceeds from private placement	5,000,000	-
Transaction costs paid on private placement	(67,470)	-
Proceeds on option exercises	336,000	-
Proceeds on warrant exercises	24,800	-
Cash provided by financing activities	5,293,330	-
Net change in cash	1,026,607	(114,918)
Effect of variation in the foreign exchange rate on cash	(53,362)	-
Change in cash	973,245	(114,918)
Cash, beginning of period	9,062,268	146,925
Cash, end of period	10,035,513	32,007

See accompanying notes to the condensed interim consolidated financial statements.

ARGENTA SILVER CORP.

(FORMERLY BUTTE ENERGY INC.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

<i>(Unaudited, expressed in Canadian Dollars)</i>	Number of Common Shares	Share Capital	Equity Reserve	Deficit	AOCI ⁽¹⁾	Total
		\$	\$	\$	\$	\$
Balance at December 31, 2024	169,214,377	37,605,432	3,160,818	(26,785,652)	239,756	14,220,354
Shares issued through private placement	25,000,000	5,000,000	-	-	-	5,000,000
Shares issued for administrative fees on private placement	1,000,000	265,000	-	-	-	265,000
Share issuance costs	-	(332,470)	-	-	-	(332,470)
Shares issued through option exercise	2,100,000	595,037	(259,037)	-	-	336,000
Shares issued through warrant exercise	155,000	31,397	(6,597)	-	-	24,800
Share-based compensation	-	-	248,387	-	-	248,387
Loss for the period	-	-	-	(4,117,797)	-	(4,117,797)
Foreign currency translation adjustment	-	-	-	-	(274,647)	(274,647)
Balance at June 30, 2025	197,469,377	43,164,396	3,143,571	(30,903,449)	(34,891)	15,369,627

Balance at December 31, 2023	65,662,841	22,457,469	1,351,063	(23,642,693)	-	165,839
Share-based compensation	-	-	112,577	-	-	112,577
Loss for the period	-	-	-	(203,554)	-	(203,554)
Balance at June 30, 2024	65,662,841	22,457,469	1,463,640	(23,846,247)	-	74,862

(1) Accumulated other comprehensive income

See accompanying notes to the condensed interim consolidated financial statements.

Argenta Silver Corp.

(formerly Butte Energy Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2025 and 2024

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”). 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 is 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 condensed interim consolidated financial statements are prepared on a going concern basis, which contemplates that the Company will continue its operations for at least twelve months 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 \$30.9 million and working capital of \$10.0 million at June 30, 2025 (December 31, 2024 - \$26.8 million and \$8.6 million, respectively). The Company incurred a loss of \$4.1 million for the six months ended June 30, 2025 (2024 - \$0.2 million). 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 condensed interim 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.

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Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2025 and 2024

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim consolidated financial statements were prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and follow the same accounting policies and methods of application as the Company's most recent annual consolidated financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2024.

These condensed interim consolidated financial statements for the six months ended June 30, 2025, were authorized for issue by the Board of Directors on August 26, 2025.

(b) Basis of measurement

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

(c) Basis of consolidation

These condensed interim 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). This company was dissolved in January 2025.

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 condensed interim 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 these condensed interim 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 condensed interim consolidated financial statements.

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Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2025 and 2024

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 condensed interim consolidated financial statements are as follows:

- (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).

(f) 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

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Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2025 and 2024

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.

3. 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 June 30, 2025, and December 31, 2024:

El Quevar Project

Balance, December 31, 2023	\$ -
Acquisition	13,132,630
Effect of foreign exchange translation	536,735
Balance, December 31, 2024	13,669,365
Effect of foreign exchange translation	(708,690)
Balance, June 30, 2025	\$ 12,960,675

4. 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 June 30, 2025, and December 31, 2024:

	Computer equipment & software	Office equipment & furniture	Vehicles	Machinery & equipment	Camp installations & facilities	Total
Cost						
Balance, December 31, 2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition	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
Additions	35,445	-	-	-	-	35,445
Effect of foreign exchange translation	(1,783)	(608)	(2,533)	(8,567)	(39,611)	(53,102)
Balance, June 30, 2025	40,561	12,332	52,814	168,329	762,715	1,036,751
Accumulated depreciation						
Balance, December 31, 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
Additions	5,871	1,211	6,413	11,604	38,259	63,358
Balance, June 30, 2025	6,292	1,684	8,943	16,098	52,920	85,937
Net book value						
Balance, December 31, 2024	6,478	12,467	52,817	172,402	787,665	1,031,829
Balance, June 30, 2025	\$ 34,269	\$ 10,648	\$ 43,871	\$ 152,231	\$ 709,795	\$ 950,814

Argenta Silver Corp.

(formerly Butte Energy Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2025 and 2024

5. 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.

6. PROVISION FOR ENVIRONMENTAL LIABILITIES

The Company maintains a provision of \$33,821 for the completion of reclamation activities on previously abandoned wells on former ownership interest in oil and gas properties in Alberta, Canada (December 31, 2024 - \$28,431). Costs associated with obligations in Alberta, Canada are projected to be incurred by June 30, 2026. As at June 30, 2025, funds have been set aside to settle the obligations in Alberta, Canada (see Note 5).

During the six months ended June 30, 2025, the Company recorded a loss on provision of \$5,390 (2024 - \$nil).

7. 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 June 30, 2025, to be \$16.0 million (US\$11.1 million) (December 31, 2024 - \$15.7 million). 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 is recorded as a non-current liability given that there is no obligation expected to be incurred within the next 12 months. The decommissioning obligations have been estimated using existing technology at current prices.

At June 30, 2025, 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 were as follows:

Balance, December 31, 2023	\$ -
Recognition of obligation on Acquisition	8,714,176
Accretion expense	77,940
Effect of foreign exchange translation	343,950
Balance, December 31, 2024	9,136,066
Accretion expense	192,332
Effect of foreign exchange translation	(479,816)
Balance, June 30, 2025	\$ 8,848,582

8. 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 June 30, 2025 are as follows:

Argenta Silver Corp.

(formerly Butte Energy Inc.)

Notes to the Condensed Interim Consolidated Financial Statements**For the six months ended June 30, 2025 and 2024**

	Common shares	Amount
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	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
Shares issued through private placement, net of costs	25,000,000	4,667,530
Shares issued for administrative fees on private placement	1,000,000	265,000
Exercise of share options	2,100,000	595,037
Exercise of warrants	155,000	31,397
Balance, June 30, 2025	197,469,377	\$ 43,164,396

On May 1, 2025, the Company closed a non-brokered private placement wherein the Company issued 25,000,000 common shares and 5,200,000 share purchase warrants for gross proceeds of \$5,000,000. The share purchase warrants are exercisable at a price of \$0.26 per share for a period of five years from the date of issuance, expiring May 1, 2030. The fair value of the share purchase warrants issued was determined to be \$nil using the residual value approach. Share issuance costs of \$332,470 in relation to this private placement consisted of paid transaction costs of \$67,470 and 1,000,000 common shares at a fair value of \$265,000 issued for administrative fees on the private placement.

During the six months ended June 30, 2025, 2,255,000 common shares were issued pursuant to the exercise of 2,100,000 share options for proceeds of \$336,000 and the exercise of 155,000 warrants for proceeds of \$24,800.

(b) Equity reserve**Warrants**

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

	Warrants	Weighted average exercise price (\$)
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
Issued	5,200,000	0.26
Exercised	(155,000)	0.16
Balance, June 30, 2025	14,845,000	0.16

On May 1, 2025, the Company issued 5,200,000 share purchase warrants as part of a private placement (Note 8(a)). The share purchase warrants are exercisable at a price of \$0.26 per share for a period of five years from the date of issuance, expiring May 1, 2030. The fair value of the share purchase warrants issued was determined to be \$nil using the residual value approach.

As at June 30, 2025, for warrants outstanding and exercisable, 4,000,000 of the warrants expire on August 30, 2025, 5,645,000 of the warrants expire on September 13, 2025, and 5,200,000 of the warrants expire on May 1, 2030.

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Notes to the Condensed Interim Consolidated Financial Statements**For the six months ended June 30, 2025 and 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, 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
Granted	5,199,000	0.30
Exercised	(2,100,000)	0.16
Balance, June 30, 2025	17,313,000	0.24

On May 16, 2025, the Company granted 5,199,000 incentive share options to certain directors, officers, and consultants at a price of \$0.30 per share, exercisable until May 16, 2030. Using the Black-Scholes valuation model, the grant date fair value was \$0.16 per option. The following weighted average assumptions were used for the valuation of the options: risk-free interest rate of 2.77%, option life of 5 years, annualized volatility of 75%, and dividend rate of 0%. Of the options granted, 4,599,000 options vest over 3 years with one quarter vesting immediately and one quarter vesting on each of the 1st, 2nd, and 3rd anniversaries of the grant date, respectively. The remaining 600,000 options will vest in one-quarter tranches on each of the three-, six-, nine-, and twelve-month anniversaries of the grant date, respectively.

The following table summarizes information about the share options outstanding and exercisable at June 30, 2025:

Outstanding	Exercisable	Exercise prices (\$)	Expiry date	Weighted average term to expiry (years)
1,364,000	1,364,000	0.50	October 8, 2030	5.27
450,000	450,000	0.35	July 13, 2032	7.04
1,000,000	1,000,000	0.29	May 15, 2033	7.87
900,000	900,000	0.14	May 6, 2034	8.85
8,400,000	8,400,000	0.16	October 24, 2034	9.32
5,199,000	1,149,750	0.30	May 16, 2030	4.88
17,313,000	13,263,750			7.50

9. EXPLORATION AND EVALUATION EXPENSE

The components of exploration and evaluation expense for the three and six months ended June 30, 2025 and 2024, from continuing operations, are as follows:

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Notes to the Condensed Interim Consolidated Financial Statements**For the six months ended June 30, 2025 and 2024**

	Three months ended		Six months ended	
	2025	2024	2025	2024
Wages and salaries	\$ 340,061	\$ -	\$ 622,779	\$ -
Field costs, surveys and other	878,207	-	996,323	-
Transportation and meals	137,933	-	263,929	-
Consulting and professional fees	88,804	-	155,993	-
Licenses, property taxes and fees	50,761	-	50,761	-
Total exploration and evaluation expense	\$ 1,495,766	\$ -	\$ 2,089,785	\$ -

10. NET FINANCE EXPENSE (INCOME)

The components of net finance expense (income) for the three and six months ended June 30, 2025 and 2024, are as follows:

	Three months ended		Six months ended	
	2025	2024	2025	2024
Interest income	\$ (67,254)	\$ (1,998)	\$ (132,724)	\$ (4,931)
Bank fees	11,032	125	17,991	251
Accretion on decommissioning obligations	94,926	-	192,332	-
Total net finance expense (income)	\$ 38,704	\$ (1,873)	\$ 77,599	\$ (4,680)

11. RELATED PARTY TRANSACTION

The Company incurred consulting fees under the terms of a service agreement from a corporation affiliated with an officer of the Company. For the six months ended June 30, 2025, the Company recognized \$148,469 in expenses for services rendered by the consultant in the period (2024 - \$nil).

Compensation of Key Management

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.

For the six months ended June 30, 2025, key management personnel compensation included salaries and benefits of \$232,500 (2024 - \$nil) and share-based compensation of \$70,929 (2024 - \$112,577).

12. 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

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- 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 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 1). The budgets are updated when required as conditions change.

The Company currently has cash and cash equivalents of \$10,035,513 and current liabilities of \$988,459.

(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 June 30, 2025, and December 31, 2024.

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\$.

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As at June 30, 2025, 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, 2024.

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 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.

13. SUPPLEMENTAL CASH FLOW INFORMATION

Information regarding changes in non-cash working capital for the six months ended June 30, 2025 and 2024, is as follows:

	2025	2024
Accounts receivable	\$ 13,226	\$ 1,736
Prepays	(662,144)	-
VAT receivable	(251,988)	-
Accounts payable and accrued liabilities	219,667	(22,928)
Change in non-cash working capital	(681,239)	(21,192)
Relating to:		
Operating activities	(681,239)	(21,192)
Change in non-cash working capital	\$ (681,239)	\$ (21,192)

14. SUBSEQUENT EVENTS

Bought-Deal Private Placement

In August 2025, the Company closed a bought-deal private placement with Red Cloud Securities Inc. ("Red Cloud"), as sole underwriter and bookrunner, pursuant to which Red Cloud purchased for resale 37,500,000 units of the

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Company (each, a "Unit") at a price of \$0.40 per Unit (the "Offering Price") for gross proceeds of approximately \$15,000,000 (the "Offering"). Each Unit consists of one common share of the Company and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.60 at any time on or before August 12, 2028. As consideration for their services under the Offering, Red Cloud received aggregate cash fees of \$801,180 and 2,002,950 non-transferable common share purchase warrants (the "Broker Warrants"). Each Broker Warrant is exercisable into one Common Share at the Offering Price at any time on or before August 12, 2028.

In August 2025, Company announced that a Company shareholder, in light of the Offering, elected to exercise its pro-rata equity participation rights under an investor rights agreement, purchasing 6,250,000 Units at \$0.40 per Unit for a total investment of \$2,500,000. Under the same terms as the Offering, each Unit consists of one common share of the Company and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.60 at any time on or before August 12, 2028.

Option and Warrant Exercise

Subsequent to June 30, 2025, warrant holders have exercised 5,295,000 warrants resulting in the issuance of 5,295,000 common shares. Based on the exercise price of warrants exercised, approximately \$847,200 in gross proceeds was received by the Company.

Additionally, subsequent to June 30, 2025, share option holders have exercised 3,150,000 share options resulting in the issuance of 3,150,000 common shares. Based on the exercise price of share options exercised, approximately \$593,500 in gross proceeds was received by the Company.