



UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2023 & 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim consolidated financial statements of Argentum Silver Corporation (the "Company") are the responsibility of the management and Board of Directors of the Company.

The unaudited interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting of International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the unaudited interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

“Gary Nassif” (signed)

Chief Executive Officer

“James Fairbairn” (signed)

Chief Financial Officer

NOTICE TO READER

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim consolidated statements for the three- and nine-month periods ended March 31, 2023 and 2022 have not been reviewed by the Company's auditors.

ARGENTUM SILVER CORP.

Unaudited Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

<i>As at,</i>	<i>March 31,</i> <i>2023</i>	<i>June 30,</i> <i>2022</i>
	\$	\$
ASSETS		
Current		
Cash (Note 4)	542,245	756,310
Marketable securities (Note 8)	95,937	214,717
Trade and other receivables (Note 5)	9,742	16,973
Prepaid expenses and deposits	1,197	20,565
Total current assets	649,121	1,008,565
Equipment (Note 6)	18,442	20,684
Total assets	667,563	1,029,249
LIABILITIES AND EQUITY		
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Notes 7 and 9)	58,025	61,948
Total current liabilities	58,025	61,948
Provision for site reclamation and closure (Note 13)	67,665	64,430
Total liabilities	125,690	126,378
EQUITY		
Share capital (Note 10)	12,755,861	12,755,861
Reserves (Note 10)	1,847,592	1,780,592
Accumulated deficit	(14,043,246)	(13,614,636)
Reserve for foreign currency translation	(18,334)	(18,946)
Total equity	541,873	902,871
Total liabilities and equity	667,563	1,029,249

Nature of Operations and Going Concern (Note 1)

Commitments and Contingencies (Note 11)

Approved on behalf of the Board of Directors on May 26, 2023:

“Albert Contardi” (signed)

Director

“Gary Nassif” (signed)

Director

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

ARGENTUM SILVER CORP.**Unaudited Interim Consolidated Statements of Comprehensive Loss**

(Expressed in Canadian dollars)

	Three months ended		Nine months ended	
	March 31,		March 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Exploration and evaluation expenditures, net of recovery (Note 8)	7,625	(393,764)	53,908	(500,764)
Share based payments (Note 9 and 10)	-	-	67,000	370,000
Management and consulting fees (Note 9)	33,750	33,750	101,250	101,250
Office, general and administration	8,028	8,877	27,622	26,548
Professional fees	11,620	13,783	34,270	35,375
Shareholder communication	7,864	13,345	18,667	22,116
Depreciation (Note 6)	1,444	1,050	3,582	3,362
	(70,331)	322,959	(306,299)	(57,887)
Unrealized gain (loss) on marketable securities (Note 8)	(100,506)	(32,403)	(118,780)	(62,872)
Gain on settlement of debt	-	-	-	33,593
Foreign exchange gain (loss)	(631)	1,129	(3,531)	(338)
Net income (loss)	(171,468)	291,685	(428,610)	(87,504)
Other comprehensive income (loss) - items that will not subsequently reclassify into loss				
Exchange on translation of foreign subsidiaries	(1,005)	5,188	612	7,941
Comprehensive income (loss)	(172,473)	296,873	(427,998)	(79,563)
Income (loss) per share - basic and diluted	(0.00)	0.01	(0.01)	(0.00)
Weighted average number of common shares - basic and diluted (000's)	51,599	51,599	51,599	51,599

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

ARGENTUM SILVER CORP.

Unaudited Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)

	Share Capital		Reserves	Accumulated Deficit	Reserve for Foreign Currency Translation	Total
	Number of shares	Amount				
Balance at June 30, 2021	51,598,543	\$ 12,755,861	\$ 1,410,592	\$ (13,239,107)	\$ (17,823)	\$ 909,523
Share-based payments	-	-	370,000	-	-	370,000
Net loss for the period	-	-	-	(87,504)	-	(87,504)
Other comprehensive income	-	-	-	-	7,941	7,941
Balance at March 31, 2022	51,598,543	\$ 12,755,861	\$ 1,780,592	\$ (13,326,611)	\$ (9,882)	\$ 1,199,960
Net loss for the period	-	-	-	(288,025)	-	(288,025)
Other comprehensive loss	-	-	-	-	(9,064)	(9,064)
Balance at June 30, 2022	51,598,543	\$ 12,755,861	\$ 1,780,592	\$ (13,614,636)	\$ (18,946)	\$ 902,871
Share-based payments	-	-	67,000	-	-	67,000
Net loss for the period	-	-	-	(428,610)	-	(428,610)
Other comprehensive loss	-	-	-	-	612	612
Balance at March 31, 2023	51,598,543	\$ 12,755,861	\$ 1,847,592	\$ (14,043,246)	\$ (18,334)	\$ 541,873

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

ARGENTUM SILVER CORP.

Unaudited Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	2023	2022
For the nine months ended March 31,	\$	\$
Operating activities		
Net loss for the period	(428,610)	(87,504)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share based payments	67,000	370,000
Non-cash sale of property	-	(401,070)
Depreciation	3,582	3,362
Unrealized (gain) loss on marketable securities	118,780	62,872
Gain on settlement of debt	-	(33,593)
Foreign exchange	2,507	6,677
Change in non-cash working capital		
Trade and other receivables	7,231	(1,274)
Prepaid expenses and deposits	19,368	4,482
Accounts payable and accrued liabilities	(3,923)	(39,169)
Cash used in operating activities	(214,065)	(115,217)
Financing activities		
Issuance of share capital, net of costs	-	-
Cash provided from financing activities	-	-
Increase (decrease) in cash	(214,065)	(115,217)
Cash, beginning of period	756,310	1,004,990
Cash, end of period	542,245	889,773
Supplementary Information		
Non-cash financing activities		
Interest received (paid)	-	-
Income tax paid	-	-

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

ARGENTUM SILVER CORP.
Notes to the Unaudited Interim Consolidated Financial Statements
For the three and nine months ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Argentum Silver Corp. (“Argentum”, the “Company”) was incorporated as Silex Ventures Ltd. under the Business Corporations Act (*British Columbia*) on March 21, 2007. Argentum engages in the acquisition, exploration and development of mineral properties. The Company is in the exploration stage and has not yet determined whether any of its properties contain economically recoverable ore reserves.

The Company’s head office and principal place of business is Suite 401 - 217 Queen Street West, Toronto, ON, M5V 0R2.

Its principal business activity is mineral exploration and evaluation in Canada and Peru (see Note 8).

As at March 31, 2023, the Company had working capital of \$591,096 (June 30, 2022 - \$946,617), had not yet achieved profitable operations, had an accumulated deficit of \$14,043,246 (June 30, 2022 - \$13,614,636) and expects to incur further losses in the development of its business.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis, all of which are uncertain. Failure to achieve the above could have a significant impact on the Company’s ability to continue as a going concern.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and evaluation activities, and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, non-compliance with regulatory requirements or aboriginal land claims.

These unaudited interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to meet its obligations. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At March 31, 2023, the Company had no source of operating revenues, had not yet achieved profitable operations, expects to incur further losses in the development of its business, all of which casts significant doubt about the Company’s ability to continue as a going concern.

ARGENTUM SILVER CORP.
Notes to the Unaudited Interim Consolidated Financial Statements
For the three and nine months ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

2. BASIS OF PREPARATION

2.1 Statement of compliance and presentation

These unaudited interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These unaudited interim consolidated financial statements were authorized by the Board of Directors of the Company on May 26, 2023.

2.2 Basis of measurement

These unaudited interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company’s June 30, 2022, annual financial statements.

2.3 Principles of Consolidation

These unaudited interim consolidated financial statements for the three- and nine-month periods ended March 31, 2023 and 2022 include the financial position, financial performance and cash flows of the Company and its subsidiaries detailed below:

		2023	2022	
Subsidiaries	Country of Incorporation	Economic Interest	Economic Interest	Basis of Accounting
Norsemont II Resources SAC	Peru	100%	100%	Full consolidation
Argentum Peru Holdings Limited	Canada	100%	100%	Full consolidation

2.4 Use of management estimates, judgments and measurement uncertainty

The preparation of these unaudited interim consolidated financial statements using accounting policies consistent with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses.

Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below:

Going concern assumption

Going concern presentation of the financial statements 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.

ARGENTUM SILVER CORP.
Notes to the Unaudited Interim Consolidated Financial Statements
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2. BASIS OF PREPARATION (continued)

2.4 Use of management estimates, judgments and measurement uncertainty (continued)

Decommissioning provisions

These are made based on the estimated settlement amounts. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed quarterly and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions on a quarterly basis. Actual rehabilitation costs will ultimately depend on actual future settlement amount for the rehabilitation costs which will reflect the market condition at the time that the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

Functional currency

The Company's management is required to make judgments as to the currency of the primary economic environment in which an entity operates to determine the functional currency of the entity. The Company has determined that the functional currency of the Company is the Canadian dollar, and the functional currency of the subsidiaries is the US Dollar.

Calculation of share-based payments

The Black-Scholes option pricing model is used to determine the fair value for share-based payments and warrants and utilizes subjective assumptions such as expected price volatility and expected life of the option. Discrepancies in these input assumptions can significantly affect the fair value estimate.

2.5 COVID-19 and Ukraine conflict

The COVID-19 outbreak developed rapidly since 2020, with a significant number of infections around the world. During 2022, attempts at containment of COVID-19 have resulted in decreased economic activity, which has adversely affected the broader global economy. The rapid development and fluidity of the situation precludes any prediction as to the ultimate impact of COVID-19; however, the Company seeks to obtain the best possible information to enable the assessment of the risks involved, and implement appropriate measures to respond. The Company has taken a number of measures to safeguard the health of its employees and the local communities where it operates.

In February 2022, a conflict commenced in Ukraine. In response, various countries, including Canada, issued broad-ranging economic sanctions against Russia. The ramifications of the sanctions may not be limited to Russia and Ukraine and may spill over to and negatively impact other regional and global economic markets, sectors, industries and markets for securities and commodities globally. The current circumstances are dynamic and the duration of the conflict and related impact of imposed sanctions on the business cannot be reasonably estimated at this time. While the Company expects any direct impacts of the conflict in Ukraine to the business to be limited, the direct impacts on the economy may negatively affect the business and future operations.

ARGENTUM SILVER CORP.
Notes to the Unaudited Interim Consolidated Financial Statements
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3. FINANCIAL RISK FACTORS

Credit Risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. The Company's current policy is to invest excess cash in interest-bearing deposits issued by its banking institutions. The Company's maximum exposure to credit risk as at March 31, 2023, is the carrying value of cash, and trade and other receivables. The majority of the Company's cash is held in Canadian chartered banks.

Market Risk

Foreign Currency Risk

The Company's exploration and evaluation activities are in Canadian dollars and Peruvian Nuevo Soles. The Company's funds are predominantly kept in Canadian dollars, with a major Canadian financial institution. The Company has minimum foreign currency risk.

Fair Value

The carrying value of cash, trade and other receivables, marketable securities and accounts payable and accrued liabilities approximates fair value due to their short-term nature. Marketable securities are included under level one of the fair value hierarchy.

The fair value hierarchy has the following levels:

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level two includes inputs that are observable other than quoted prices included in level one
- Level three includes inputs that are not based on observable market data.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2023, the Company had current assets of \$649,121 (June 30, 2022 - \$1,008,565) and current liabilities of \$58,025 (June 30, 2022 - \$61,948). The Company's accounts payable and accrued liabilities and receivables are subject to normal trade terms. As at March 31, 2023, the Company had working capital of \$591,096 (June 30, 2022 - \$946,617).

Interest Rate Risk

The Company is not exposed to interest rate risk due to the short-term nature of its financial instruments.

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Notes to the Unaudited Interim Consolidated Financial Statements
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3. FINANCIAL RISK FACTORS (continued)

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over the next 12-month period:

- (i) Interest rate risk is limited to cash balances, primarily held in Canadian and US dollars in Canada and Peru.
- (ii) The Company's subsidiaries hold financial assets and liabilities in US dollars and Peruvian Nuevo Soles that give rise to foreign exchange risk. If the US dollar rose or fell in relation to the Canadian dollar by 5% with all other variables held constant, net loss for the nine-month period ended March 31, 2023, would have been approximately \$1,000 higher/lower. If the Peruvian Nuevo Sole rose or fell in relation to the Canadian dollar by 5% with all other variables held constant, accumulated other comprehensive loss for the nine-month period ended March 31, 2023, would have been approximately \$100 higher/lower.

4. CASH

The balance at March 31, 2023, consists of cash on deposit with banks in Canada and Peru in general accounts totaling \$542,245 (June 30, 2022 - \$756,310 cash).

5. TRADE AND OTHER RECEIVABLES

The Company's trade and other receivables arise from government and harmonized sales tax ("GST/HST") due from the Canadian government.

	As at,	
	March 31,	June 30,
	2023	2022
GST/HST receivable	\$ 9,742	\$ 16,973
Total trade and other receivables	\$ 9,742	\$ 16,973

At March 31, 2023, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables.

ARGENTUM SILVER CORP.
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6. EQUIPMENT

	Office Equipment	Exploration Equipment	Total
	\$	\$	\$
Cost			
As at June 30, 2021	13,986	46,235	60,221
Disposals	-	(19,621)	(19,621)
Foreign exchange	2,790	1,293	4,083
As at June 30, 2022	16,776	27,907	44,683
Foreign exchange	(213)	(355)	(568)
As at March 31, 2023	16,563	27,552	44,115
Accumulated depreciation			
As at June 30, 2021	4,711	26,975	31,686
Disposals	-	(14,467)	(14,467)
Depreciation expense	2,307	2,044	4,351
Foreign exchange	1,975	454	2,429
As at June 30, 2022	8,993	15,006	23,999
Depreciation expense	2,172	1,410	3,582
Foreign exchange	(1,693)	(215)	(1,908)
As at March 31, 2023	9,472	16,201	25,673
Net book value			
As at June 30, 2022	7,783	12,901	20,684
As at March 31, 2023	7,091	11,351	18,442

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities of the Company consist of the following:

	As at,	
	March 31, 2023	June 30, 2022
Accounts payable	\$ 43,025	\$ 41,948
Accrued liabilities	15,000	20,000
Total accounts payable and accrued liabilities	\$ 58,025	\$ 61,948

Trade payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities. The usual credit period allowed for trade purchases is between 30 to 90 days.

ARGENTUM SILVER CORP.
Notes to the Unaudited Interim Consolidated Financial Statements
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(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION EXPENDITURES

The exploration and evaluation expenses for the Company are summarized as follows:

Nine months ended March 31,	2023	2022
Cochavara Project	\$ 53,908	\$ 46,367
Vanadium Ridge Project	-	(547,131)
Exploration and evaluation expenditures (recovery)	\$ 53,908	\$ (500,764)

Exploration and evaluation asset expenditures during the nine months ended March 31, 2023 and 2022, by nature are detailed as follows:

Nine months ended March 31,	2023	2022
Cash received on sale of Vanadium Ridge	\$ -	\$ (150,000)
Shares received on sale of Vanadium Ridge	-	(401,070)
Consulting	25,942	2,800
Field expenses and other	27,966	47,506
Total	\$ 53,908	\$ (500,764)

Cochavara – Peru

On January 15, 2020, the Company acquired all of the issued and outstanding shares of Norsemont II Resources Inc. (“Norsemont”). Norsemont owns a 100-per-cent interest in the Cochavara silver-lead-zinc project in northern Peru.

The Cochavara project consists of six concessions totalling 3,479 hectares located in the department of La Libertad in northern Peru, approximately 70 kilometres east of the city of Trujillo.

Vanadium Ridge Project – British Columbia

On July 2, 2018, the Company entered into a mining claim acquisition agreement with Lithium Energy Products Inc. (the “Vendor”) pursuant to which the Company agreed to purchase 80% of the Vendor’s right, title and interest in the Vanadium Ridge Property (the “Property”).

Pursuant to the terms of the agreement, the Company agreed to purchase the interest in the Property, in exchange for the payment of \$150,000 (paid) and the issuance of 1,250,000 common shares (issued with a value of \$262,500 at a price of \$0.21 per share) of the Company to the Vendor on the date the TSX Venture Exchange granted approval of the transaction (July 26, 2018).

The Vanadium Ridge Project is located at the southern end of the Quesnel Trough approximately 50 km north of Kamloops, British Columbia. The property consists of 20 mining claims covering 2,151 hectares near the town of Barriere.

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8. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Sale transaction:

On April 16, 2021, the Company entered into a mining claim acquisition agreement with Imbue Capital (“Imbue”) pursuant to which the Company has agreed to sell its 80% right, title, and interest in the Vanadium Ridge Property north of Kamloops, British Columbia.

Pursuant to the terms of the agreement, Argentum has agreed to sell its interest in the Property, in exchange for total consideration of \$600,000, consisting of \$200,000 in cash and \$400,000 in stock. More specifically, the payment schedule for the sale of the Property is as follows:

- (i) On signing of the agreement, Imbue pays to Argentum \$50,000 in cash (received) and issues \$50,000 worth of Ares Strategic Mining Inc. (“Ares”) common shares (received), the number of which to be based on the previous 10-day volume-weighted average price (“VWAP”) of the Ares share price;
- (ii) Within three months of signing, Imbue pays Argentum \$150,000 in cash (received) and issues \$200,000 worth of Ares common shares (received), the number of which to be based on the previous 10-day VWAP of the Ares share price; and,
- (iii) Within six months of signing, Imbue issues Argentum \$150,000 worth of Ares common shares (received), the number of which to be based on the previous 10-day VWAP of the Ares share price.

Marketable Securities Balances:

During the year ended June 30, 2022, the Company received 835,564 shares in settlement of the remaining share commitments due, with a value of \$401,070.

As at March 31, 2023, the value of the 913,689 Ares shares held was \$95,937 (June 30, 2022 – 913,689 shares with value of \$214,717). During the nine-month period ended March 31, 2023, the Company recognized an unrealized loss of \$118,780 (2022 - \$62,872 loss) as the market value of the shares decreased (2022 – decreased).

9. RELATED-PARTY DISCLOSURES

Certain corporate entities and consultants that are related to the Company’s officers and directors provide consulting and other services to Argentum. All transactions were conducted in the normal course of operations and are measured as follows:

As at,	March 31, 2023	June 30, 2022
Amount included in trade and other payables, due to companies controlled by directors and/or officers	\$ -	\$ 2,228

Amounts due to companies controlled by directors and officers are unsecured, non-interest bearing and have no set terms of repayment.

Compensation of Key Management Personnel

Transactions during the nine-months ended March 31,	2023	2022
Short-term benefits	\$ 101,250	\$ 101,250
Share-based compensation	55,000	309,000
Total compensation paid to key management	\$ 156,250	\$ 410,250

ARGENTUM SILVER CORP.
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10. SHARE CAPITAL

Argentum's authorized share capital consists of an unlimited number of common shares and with no par value.

The issued and outstanding common shares are as follows:

	Number of Shares	Stated Value
Balance, June 30, 2021, June 30, 2022 and March 31, 2023	51,598,543	\$ 12,755,861

Activity during the nine-month period ended March 31, 2023:

There were no transactions during the nine-month period ended March 31, 2023.

Activity during the year ended June 30, 2022:

There were no transactions during the year ended June 30, 2022.

Reserves

Reserves comprise the cost of shares cancelled for no consideration and the fair value of stock option grants and broker warrants prior to exercise.

Share-Based Payments

The Company has a rolling stock option plan (the "Plan") under which it is authorized to grant options to directors, officers, consultants and employees of the Company. The number of options granted under the Plan is limited to 10% in the aggregate of the number of issued and outstanding common shares of the Company at the date of the grant of the options. The exercise price of options granted under the Plan may not be less than the closing price of the Company's common shares on the TSX-V on the trading day immediately before the date the options are granted, less the discount permitted under the TSX-V's policies, subject to a minimum exercise price of \$0.10. Options granted under the Plan have a maximum life of ten years and vest according to conditions set by the Company's board of directors at the time the options are granted.

As at March 31, 2023, the Company had 159,854 (June 30, 2022 – 1,559,854) options available for issuance under the Plan.

A summary of stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price \$
June 30, 2021	1,650,000	0.24
Cancelled	(450,000)	0.24
Granted (i)	2,400,000	0.175
June 30, 2022	3,600,000	0.20
Granted (ii)	1,400,000	0.06
March 31, 2023	5,000,000	0.16

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10. SHARE CAPITAL (continued)

- (i) On December 14, 2021, the Company granted 2,400,000 options to certain officers, directors and consultants of the Company under its stock option plan. All options are exercisable at \$0.175 per common share and expire in 5 years. The resulting fair value of \$370,000 was estimated using the Black-Scholes option pricing model with the following assumptions: share price on grant date of \$0.175, expected dividend yield of 0%; expected annualized volatility of 137% based on the volatility of companies in the same industry with similar size and transactions; a risk-free interest rate of 1.31%, and an expected average life of 5 years. The options vested immediately.
- (ii) On December 9, 2022, the Company granted 1,400,000 options to certain officers, directors and consultants of the Company under its stock option plan. All options are exercisable at \$0.06 per common share and expire in 5 years. The resulting fair value of \$67,000 was estimated using the Black-Scholes option pricing model with the following assumptions: share price on grant date of \$0.06, expected dividend yield of 0%; expected annualized volatility of 112% based on the Company's trading price; a risk-free interest rate of 3.07%, and an expected average life of 5 years. The options vested immediately.

Options to purchase common shares carry exercise prices and terms to maturity as follows:

Exercise price ⁽ⁱ⁾ Outstanding	Number of options Outstanding	Exercisable	Expiry Date	Remaining contractual life (years) ⁽ⁱ⁾
\$				
0.24	1,200,000	1,200,000	July 11, 2023	0.28
0.175	2,400,000	2,400,000	December 14, 2026	3.71
0.06	1,400,000	1,400,000	December 9, 2027	4.70
0.16	5,000,000	5,000,000		3.16

(i) Total represents weighted average.

Share Purchase Warrants

A summary of share purchase warrants activity is as follows:

	Number of Warrants	Weighted Average Exercise Price \$
June 30, 2021 and June 30, 2022	400,000	0.25
Warrants expired	(400,000)	0.25
March 31, 2023	-	-

As at March 31, 2023, there are no warrants outstanding.

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11. COMMITMENTS AND CONTINGENCIES

The Company's activities are subject to environmental regulation (including regular environmental impact assessments and permitting) in the jurisdiction in which its mineral properties are located. Such regulations cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour relations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors, and employees.

The Company has recorded provision for such costs as described in note 13.

12. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of mineral properties. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include all components of shareholders' equity. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the nine-month period ended March 31, 2023.

The Company considers its capital to be equity, which is comprised of share capital, reserves and accumulated deficit, which as at March 31, 2023, totaled \$541,873 (June 30, 2022 – \$902,871).

The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to obtain corporate and administrative functions necessary to support organizational functioning and to obtain sufficient funding to further the identification of mineral deposits.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

The Company invests all capital that is surplus to its immediate operational needs in interest bearing accounts with a Canadian financial institution.

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13. PROVISION FOR SITE RECLAMATION AND CLOSURE

The Company's determination of the environmental rehabilitation provision arising from its activities at the Cochavara project at March 31, 2023, was \$67,665 (USD \$50,000) (June 30, 2022: \$64,430 USD \$50,000). The Company is not able to reliably estimate the timing of the rehabilitation activities at this time, and as such considers the present value of the provision at March 31, 2023, to be equal to the total future undiscounted cash flows to settle the provision for reclamation, being \$67,665 (USD \$50,000) (June 30, 2022: \$64,430 (USD \$50,000)).