



CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 & 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with IFRS Accounting Standards ("IFRS"). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis to ensure that the consolidated financial statements are presented fairly, in all material respects.

The Company maintains systems of internal control that are designed by management to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for financial reporting purposes.

The Board of Directors is responsible for reviewing and approving the 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 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 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

"Marco Guidi" (signed)

Chief Financial Officer

Independent Auditor's Report

To the Shareholders of Argentum Silver Corp.

Opinion

We have audited the consolidated financial statements of Argentum Silver Corp. (the "Group"), which comprise the consolidated statements of financial position as at June 30, 2025 and June 30, 2024 and the consolidated statements of comprehensive loss, changes in equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2025 and June 30, 2024, and its consolidated financial performance and its consolidated 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 Group 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 period. 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. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises:

- 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 identified above 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 the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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 as issued by the International Accounting Standards Board, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group'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 Group'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 Group 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes 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 period 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 Pejman Mahlooji.

Crowe Mackay LLP

Chartered Professional Accountants
Vancouver, Canada
October 28, 2025

ARGENTUM SILVER CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

<i>As at,</i>	<i>June 30,</i> <i>2025</i> \$	<i>June 30,</i> <i>2024</i> \$
ASSETS		
Current		
Cash (Note 5)	64,997	204,395
Marketable securities (Note 6)	-	12,525
Trade and other receivables (Note 7)	9,876	17,067
Prepaid expenses and deposits	7,286	9,468
Total current assets	82,159	243,455
Equipment (Note 8)	6,746	12,436
Total assets	88,905	255,891
LIABILITIES AND EQUITY (DEFICIENCY)		
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Notes 9 and 11)	198,849	109,292
Provision for site reclamation and closure (Note 15)	117,913	-
Total current liabilities	316,762	109,292
Provision for site reclamation and closure (Note 15)	-	98,546
Total liabilities	316,762	207,838
EQUITY (DEFICIENCY)		
Share capital (Note 12)	12,755,861	12,755,861
Reserves (Note 12)	1,847,592	1,847,592
Accumulated deficit	(14,789,270)	(14,524,137)
Reserve for foreign currency translation	(42,040)	(31,263)
Total equity (deficiency)	(227,857)	48,053
Total liabilities and equity (deficiency)	88,905	255,891

Nature of Operations and Going Concern (Note 1)

Commitments and Contingencies (Note 13)

Events After the Reporting Period (Note 17)

Approved on behalf of the Board of Directors on October 28, 2025:

“Dave Donato” (signed)

Director

“Gary Nassif” (signed)

Director

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

ARGENTUM SILVER CORP.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

	2025	2024
For the years ended June 30,	\$	\$
Exploration and evaluation expenditures, net of recovery (Note 10)	31,060	69,948
Management and consulting fees (Note 11)	135,000	135,000
Office, general and administration	29,741	41,706
Professional fees	46,591	63,157
Shareholder communication	22,365	21,367
Depreciation (Note 8)	4,132	4,723
	(268,889)	(335,901)
Unrealized gain on marketable securities (Note 6)	24,464	201,750
Realized loss on marketable securities (Note 6)	(24,052)	(238,588)
Gain on sale of equipment	3,786	-
Foreign exchange loss	(442)	(3,653)
Net loss	(265,133)	(376,392)
Other comprehensive loss		
Exchange on translation of foreign subsidiaries	(10,777)	(12,500)
Comprehensive loss	(275,910)	(388,892)
Loss per share - basic and diluted	(0.00)	(0.01)
Weighted average number of common shares - basic and diluted (000's)	51,599	51,599

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

ARGENTUM SILVER CORP.**Consolidated Statements of Changes in Equity (Deficiency)**

(Expressed in Canadian dollars)

	<u>Share Capital</u>				Reserve for	
	Number of	Amount	Reserves	Accumulated	Foreign	Total
	shares			Deficit	Currency	
					Translation	
Balance at June 30, 2023	51,598,543	\$ 12,755,861	\$ 1,847,592	\$ (14,147,745)	\$ (18,763)	\$ 436,945
Net loss for the year	-	-	-	(376,392)	-	(376,392)
Other comprehensive loss	-	-	-	-	(12,500)	(12,500)
Balance at June 30, 2024	51,598,543	\$ 12,755,861	\$ 1,847,592	\$ (14,524,137)	\$ (31,263)	\$ 48,053
Net loss for the year	-	-	-	(265,133)	-	(265,133)
Other comprehensive loss	-	-	-	-	(10,777)	(10,777)
Balance at June 30, 2025	51,598,543	\$ 12,755,861	\$ 1,847,592	\$ (14,789,270)	\$ (42,040)	\$ (227,857)

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

ARGENTUM SILVER CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	2025	2024
For the years ended June 30,	\$	\$
Operating activities		
Net loss for the year	(265,133)	(376,392)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	4,132	4,723
Unrealized gain on marketable securities	(24,464)	(201,750)
Realized loss on marketable securities	24,052	238,588
Gain on sale of equipment	(3,786)	-
Increase for site reclamation and closure	20,000	-
Foreign exchange	(12,445)	(8,732)
Change in non-cash working capital		
Trade and other receivables	7,191	(2,043)
Prepaid expenses and deposits	2,182	(2,885)
Accounts payable and accrued liabilities	89,557	46,000
Cash used in operating activities	(158,714)	(302,491)
Investing activities		
Proceeds from sale of marketable securities	12,937	133,375
Proceeds from sale of equipment	6,379	-
Cash provided by investing activities	19,316	133,375
Decrease in cash	(139,398)	(169,116)
Cash, beginning of year	204,395	373,511
Cash, end of year	64,997	204,395
Supplementary Information		
Interest received (paid)	-	-
Income tax paid	-	-

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

ARGENTUM SILVER CORP.
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(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.

As at June 30, 2025, the Company had a working capital deficiency of \$234,603 (June 30, 2024 - \$134,163), had not yet achieved profitable operations, had an accumulated deficit of \$14,789,270 (June 30, 2024 - \$14,524,137) 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.

During the year ended June 30, 2025, the Company lost interest in the Cochavara property as the concessions were not renewed. The Company is currently evaluating strategic alternatives to determine the Company’s future direction.

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 consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), 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 June 30, 2025, 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 these factors comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, tariffs, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges, such as the risk of higher inflation and energy crises, may create further uncertainty with respect to the prospects of the Company’s business.

ARGENTUM SILVER CORP.
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

2. BASIS OF PREPARATION

2.1 Statement of compliance and presentation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were approved and authorized by the Board of Directors of the Company on October 28, 2025.

2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The Company's reporting and functional currency is the Canadian dollar. The functional currency of its subsidiaries is the US Dollar.

2.3 Principles of Consolidation

These consolidated financial statements for the years ended June 30, 2025 and 2024 include the financial position, financial performance and cash flows of the Company and its subsidiaries detailed below:

		2025	2024	
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 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 consolidated 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 consolidated 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 consolidated financial statements are outlined below:

Going concern assumption

Going concern presentation of the consolidated 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 Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiaries, Argentum Peru Holdings Limited, and Norsemont II Resources SAC, a company operating in Peru.

All inter-company transactions, balances, income, and expenses are eliminated on consolidation.

3.2 Mineral properties

All acquisition and exploration costs, net of incidental revenues, except for those acquired through a business combination are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into "mines under construction" after assessing for impairment. On the commencement of commercial production, all assets included in "mines under construction" are transferred to "producing mines" and depletion of each mining property will be provided on a unit-of-production basis using estimated resources as the depletion base.

All exploration and evaluation expenditures acquired through a business combination are capitalized as intangible assets. They are subsequently measured at cost less accumulated impairment.

ARGENTUM SILVER CORP.
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.3 Decommissioning, restoration, and similar liabilities

A legal or constructive obligation to incur restoration, rehabilitation, and environmental costs may arise when environmental disturbance is caused by the Company's exploration and evaluation activities. Discount rates using a pretax rate that reflects the risk and the time value of money are used to calculate the net present value. These costs are charged against profit or loss as exploration and evaluation expenditures and the related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

3.4 Equipment

Equipment is measured at cost less accumulated depreciation and any impairment losses. Depreciation is recognized in net loss and is calculated straight line over their estimated useful lives as follows:

Office equipment	4-10 years
Exploration equipment	5-10 years

3.5 Share-based payments

Share-based payment transactions

Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

Share-based payment transactions involving non-employees are measured at the estimated fair value of the goods or services received. In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the estimated fair value of the share-based payment.

Equity-settled transactions

The costs of equity-settled transactions with employees are measured by reference to the estimated fair value of the equity instruments using the Black-Scholes option pricing model at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in reserves. The amount for expired equity-settled transactions remain in equity.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

ARGENTUM SILVER CORP.
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.5 Share-based payments (continued)

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

3.6 Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.6 Taxation (continued)

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity which intends to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

3.7 Income (loss) per share

The basic income (loss) per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted income (loss) per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. Diluted income (loss) per share assumes that the proceeds upon the exercise of the options and warrants are used to repurchase common shares at the average market price during the year.

3.8 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition. A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets and collect contractual cash flows, its contractual terms give rise on specified dates that are solely payments of principal and interest on the principal amount outstanding, and it is not designated as FVTPL. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument-by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise. The Company's marketable securities are classified as FVTPL.

ARGENTUM SILVER CORP.
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.8 Financial assets (continued)

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI 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). There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. None of the Company's financial assets are classified as FVTOCI.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. The Company's financial assets at amortized cost comprise cash.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss.

3.9 Financial liabilities

The Company classifies its financial liabilities as subsequently measured at amortized cost which include accounts payable and accrued liabilities. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or they expire.

3.10 Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured 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 loss allowance is measured for the financial asset at an amount equal to twelve-month expected credit losses. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

ARGENTUM SILVER CORP.
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3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.11 Impairment of non-financial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less disposal costs and value in use. 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive loss, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

3.12 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprises cash on hand at banks and demand deposits that are subject to an insignificant risk of change in value.

3.13 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

3.14 Related-party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence; related parties may be individuals or corporate entities. A transaction is considered to be a related-party transaction when there is a transfer of resources or obligations between related parties. Related-party transactions that are in the normal course of business and have commercial substance are measured at fair value.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.15 Foreign currency transactions

Functional and presentation currency

Items included in the 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 is the Canadian dollar and each of its subsidiaries is the US dollar. The presentation currency of the Company is the Canadian dollar.

Transactions and balances

Foreign currency transactions are recorded at the rate of exchange existing on the transaction date. Foreign currency monetary assets and liabilities are translated at the rate of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items measured at historical cost continued to be carried at the exchange rates at the dates of the transactions. Non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of such an item.

Group companies

The results and financial position of all the consolidated entities that have a functional currency different from the Company's presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the exchange rate on the date of the statement of financial position;
- income and expenses for each statement of comprehensive loss are translated at the average exchange rate in effect during the reporting period; and
- all resulting exchange differences are recognized in accumulated other comprehensive income.

3.16 New accounting policies

Adoption of New Accounting Standards

During the year ended June 30, 2025, the Company adopted amendments IAS 1 – classification of liabilities as current or non-current. The amendments provide a more general approach to the classification of liabilities based on contractual arrangements in place at the reporting period date. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

New Accounting Standards Issued but Not Yet Effective

IFRS 18 Presentation and Disclosure in Financial Statements was issued by the International Accounting Standards Board in April 2024, with mandatory application of the standard in annual reporting periods beginning on or after January 1, 2027. The Company has not yet assessed the impact of IFRS 18 on the Company's financial statements.

On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. The amendments are effective January 1, 2027 and January 1, 2026, respectively, and the Company has not yet assessed the impact of these amendments on the Company's financial statements.

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4. 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 June 30, 2025, is the carrying value of cash. 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, 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 June 30, 2025, the Company had current assets of \$82,159 (June 30, 2024 - \$243,455) and current liabilities of \$316,762 (June 30, 2024 - \$109,292). The Company's accounts payable and accrued liabilities and receivables are subject to normal trade terms. As at June 30, 2025, the Company had a working capital deficiency of \$234,603 (June 30, 2024 - \$134,163).

Interest Rate Risk

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

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 year ended June 30, 2025 would have been approximately \$1,000 higher/lower. If the Peruvian Nuevo Sol rose or fell in relation to the Canadian dollar by 5% with all other variables held constant, net loss for the year ended June 30, would have been approximately \$1,000 higher/lower.

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5. CASH

The balance at June 30, 2025, consists of cash on deposit with banks in Canada and Peru in general accounts totaling \$64,997 (June 30, 2024 - \$204,395).

6. MARKETABLE SECURITIES

As at June 30, 2025, the Company holds nil shares of Ares Strategic Mining Inc. valued at \$nil (June 30, 2024 – 83,500 shares with value of \$12,525).

During the year ended June 30, 2025, the Company sold 83,500 shares (2024 – 830,189) of Ares Strategic Mining Inc. for proceeds of \$12,937 (2024 - \$133,375) resulting in a realized loss on disposal of marketable securities of \$24,052 (2024 - \$238,588 loss) for the year ended June 30, 2025. The Company recognized an unrealized gain of \$24,464 (2024 - \$201,750) representing the reversal of previously recognized unrealized gains.

7. TRADE AND OTHER RECEIVABLES

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

	As at,	
	June 30, 2025	June 30, 2024
GST/HST receivable	\$ 9,876	\$ 17,067
Total trade and other receivables	\$ 9,876	\$ 17,067

At June 30, 2025, the Company anticipates full recovery of these amounts and therefore no impairment provision has been recorded against these receivables.

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8. EQUIPMENT

	Office Equipment	Exploration Equipment	Total
	\$	\$	\$
Cost			
As at June 30, 2024	16,793	27,935	44,728
Foreign exchange	(356)	(593)	(949)
As at June 30, 2024	16,437	27,342	43,779
Disposals	-	(14,406)	(14,406)
Foreign exchange	(1,143)	(987)	(2,130)
As at June 30, 2025	15,294	11,949	27,243
Accumulated depreciation			
As at June 30, 2023	9,971	17,176	27,147
Depreciation expense	1,531	3,192	4,723
Foreign exchange	(292)	(235)	(527)
As at June 30, 2024	11,210	20,133	31,343
Depreciation expense	2,319	1,813	4,132
Disposals	-	(11,813)	(11,813)
Foreign exchange	(2,169)	(996)	(3,165)
As at June 30, 2025	11,360	9,137	20,497
Net book value			
As at June 30, 2024	5,227	7,209	12,436
As at June 30, 2025	3,934	2,812	6,746

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	As at, June 30, 2025	June 30, 2024
Accounts payable	\$ 168,849	\$ 79,292
Accrued liabilities	30,000	30,000
Total accounts payable and accrued liabilities	\$ 198,849	\$ 109,292

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.

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10. EXPLORATION AND EVALUATION EXPENDITURES

Exploration and evaluation asset expenditures during the years ended June 30, 2025 and 2024, by nature are detailed as follows:

	2025	2024
Acquisition costs and taxes	\$ -	\$ 32,484
Increase for site reclamation and closure	20,000	-
Consulting	-	25,631
Field expenses and other	11,060	11,833
Total	\$ 31,060	\$ 69,948

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 one concession totalling 1,000 hectares located in the department of La Libertad in northern Peru, approximately 70 kilometres east of the city of Trujillo.

During the year ended June 30, 2025, the Company lost its interest and did not renew its mining concession in the Cochavara property.

11. 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,	June 30, 2025	June 30, 2024
Amount included in trade and other payables, due to companies controlled by directors and/or officers	\$ 68,322	\$ -

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 year ended June 30,	2025	2024
Short-term benefits	\$ 135,000	\$ 135,000
Total compensation paid to key management	\$ 135,000	\$ 135,000

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12. 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, 2023, June 30, 2024 and June 30, 2025	51,598,543	\$ 12,755,861

Activity during the year ended June 30, 2025:

There were no transactions during the year ended June 30, 2025.

Activity during the year ended June 30, 2024:

There were no transactions during the year ended June 30, 2024.

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. 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 June 30, 2025, the Company had 1,359,854 (June 30, 2024 – 1,359,854) 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, 2023	5,000,000	0.16
Expired	(1,200,000)	0.24
June 30, 2024 and June 30, 2025	3,800,000	0.13

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12. SHARE CAPITAL (continued)

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

Exercise price ⁽ⁱ⁾	Number of options		Expiry	Remaining
Outstanding	Outstanding	Exercisable	Date	contractual
\$				life (years) ⁽ⁱ⁾
0.175	2,400,000	2,400,000	December 14, 2026	1.45
0.06	1,400,000	1,400,000	December 9, 2027	2.44
0.13	3,800,000	3,800,000		1.82

(i) Total represents weighted average.

13. 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 15.

14. 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 year ended June 30, 2025.

The Company considers its capital to be equity, which is comprised of share capital, reserves and accumulated deficit, which as at June 30, 2025, totaled a deficit of \$227,857 (June 30, 2024 – \$48,053 equity).

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.

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14. CAPITAL MANAGEMENT (continued)

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.

15. PROVISION FOR SITE RECLAMATION AND CLOSURE

The Company's determination of the environmental rehabilitation provision arising from its activities at the Cochavara project at June 30, 2025, was \$117,913 (USD \$87,000) (June 30, 2024: \$98,546 (USD \$72,000)). The Company is not able to reliably estimate the timing of the rehabilitation activities at this time, and as such considers the provision at June 30, 2025, to be current as a result of the Company abandoning the concession in the 2025 fiscal year, and equal to the total future undiscounted cash flows to settle the provision for reclamation, being \$117,913 (USD \$87,000) (June 30, 2024: \$98,546 (USD \$72,000)).

The provision is based on certain key assumptions including updating expected labor costs based on prevailing labor and construction rates experienced in Peru, and an inflation rate applied to other costs that are included in the estimate.

16. INCOME TAXES

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rates for the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Statutory income tax rate	27%	27%
Income taxes (recovery) computed at statutory rates	\$ (72,000)	\$ (102,000)
Rate difference in other jurisdiction	(2,000)	(3,000)
Non-deductible expenses and other	-	2,000
Operating losses expired	63,000	10,000
Other movements	42,000	22,000
Change in unrecognized deferred tax asset	(31,000)	71,000
Income tax expense/(recovery)	\$ -	\$ -

The Canadian statutory income tax rate of 27% (2024 – 27%) is comprised of the federal income tax rate at approximately 15% (2024 – 15%) and the provincial income tax rate of approximately 12% (2024 – 12%).

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16. INCOME TAXES (continued)

The primary differences which give rise to the deferred income tax assets at June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
	\$	\$
Share issuance costs and investments	-	-
Deferred exploration expenditures	3,752,000	3,752,000
Non-capital losses carried forward and other losses	3,011,000	3,065,000
Marketable securities	-	25,000
Capital assets	12,000	12,000
Capital losses carried forward	263,000	239,000
	<u>7,038,000</u>	<u>7,093,000</u>
Less : unrecognized deductible temporary differences	<u>(7,038,000)</u>	<u>(7,093,000)</u>
	<u>-</u>	<u>-</u>

The Company has available for carry forward non-capital losses in Canada of \$2,456,000 (2024 - \$2,408,000) that may be carried forward to reduce taxable income derived in future years, which expire in various amounts from 2037 to 2045. The Company has available for carry forward capital losses in Canada of \$263,000 (2024 - \$239,000). The Company also has losses of \$557,000 (2024 - \$656,000) in Peru that may be carried forward to reduce taxable income derived in future years, which expire between 2026 and 2029.

The Company also had Canadian exploration expenditures of \$3,752,000 (2024 - \$3,752,000) as at June 30, 2025, which under certain circumstances, may be utilized to reduce taxable income in future years which do not expire.

The deductible temporary differences relating to capital assets, marketable securities, and capital losses, do not expire.

As at June 30, 2025, the Company has unrecognized deferred tax liabilities of approximately \$119,000 (2024 - \$119,000) due to temporary differences arising on the initial recognition of the acquisition of Norsemont.

17. EVENTS AFTER THE REPORTING PERIOD

On September 15, 2025, the Company received a loan in the form of a promissory note from Golden Planet Mining Corp. for \$50,000.

The promissory note is payable on demand and bears an interest rate of 15% per annum payable upon repayment of the promissory note.