ARGENTUM SILVER CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of Argentum Silver Corp. for the six months ended December 31, 2014 have been prepared by the management of the Company and approved by the Company's audit committee.

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

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of the condensed interim consolidated financial statements by an entity's auditor.

ARGENTUM SILVER CORP.
Consolidated Statements of Financial Position
Expressed in Canadian dollars
(Unaudited – Prepared by Management)

	Note	December 31, 2014 $	June 30, 2014 $
ASSETS			
Current			
Cash		4,517	6,893
Receivables	5	6,273	8,330
Prepaid expenses		8,436	9,103
Total current assets		19,226	24,326
Non-current			
Exploration and evaluation assets	6	1,494,060	1,477,922
Total non-current asset		1,494,060	1,477,922
Total assets		1,513,386	1,502,248
LIABILITIES			
Current			
Accounts payable	10	335,734	384,728
Accrued liabilities	10	73,880	204,693
Total current liabilities		409,614	589,421
EQUITY			
Share capital	7	8,363,896	8,188,446
Reserves	7	1,026,592	1,026,592
Deficit		(8,286,816)	(8,302,211)
Total equity		1,103,672	912,827
Total liabilities and equity		1,513,386	1,502,248

See accompanying notes

APPROVED BY THE DIRECTORS:

"Geoff Balderson"	Director	*"David Toyoda"*	Director
Geoff Balderson		David Toyoda	

ARGENTUM SILVER CORP.
Condensed Interim Consolidated Statements of Comprehensive Loss
Expressed in Canadian dollars
(Unaudited – Prepared by Management)

	Note	Three Months Ended December 31		Six Months Ended December 31	
		2014	2013	2014	2013
		$	$	$	$
Expenses					
Depreciation		-	4,263	-	9,718
Director fees		-	10,000	-	20,500
Management fees	10	-	19,967	6,250	83,870
Office and general		8,774	6,581	11,291	33,494
Professional fees	10	25,781	9,810	40,629	19,470
Rent		-	6,984	7,000	14,360
Salaries		-	7,805	-	20,056
Shareholder communication		11,866	4,522	12,759	17,385
Transfer agent and filing fees		11,262	4,013	15,583	5,174
Travel		-	7,145	-	14,993
Loss before other items		(57,683)	(81,090)	(93,512)	(239,020)
Other items					
Interest expense		(1,002)	(270)	(1,100)	(374)
Other income		-	295	-	1,113
Impairment of exploration and evaluation assets		-	-	-	(26,203)
Provision for collectability of sales taxes		-	(1,852)	-	28,082
Recovery of allowance for doubtful account		-	-	76,838	-
Gain on settlement of accounts payable		-	-	27,371	-
Foreign exchange gain (loss)		21,122	(59)	5,798	836
Income (loss) and total comprehensive income (loss) for the period		(37,563)	(82,976)	15,395	(235,566)
Basic and diluted income (loss) per share		(0.01)	(0.02)	0.00	(0.05)
Weighted average number of shares outstanding, basic and diluted		7,457,654	4,601,535	6,055,419	4,601,535

See accompanying notes

ARGENTUM SILVER CORP.
Condensed Interim Consolidated Statements of Cash Flows
Expressed in Canadian dollars
(Unaudited – Prepared by Management)

Six months ended December 31	Note	2014 $	2013 $
Operating activities			
Income (loss) for the period		15,395	(235,566)
Adjustments for:			
Depreciation		-	9,718
Interest expense		-	374
Loss on disposal of assets		-	550
Recovery of allowance for doubtful account		(76,838)	-
Gain on settlement of accounts payable		(27,371)	-
Impairment of exploration and evaluation assets		-	26,203
Changes in non-cash working capital items:			
Receivables		2,057	5,873
Prepaid expenses		667	(22,441)
Trade and other payables		24,140	96,976
Accrued liabilities		(49,738)	49,825
Cash used in operating activities		(111,688)	(68,488)
Investing activities			
Proceeds on sale of equipment		-	15,083
Exploration and evaluation expenditures		(16,138)	(116,843)
Cash used in investing activities		(16,138)	(101,760)
Financing activities			
Shares issued for cash		125,450	-
Interest paid		-	(374)
Cash from (used in) financing activities		125,450	(374)
Decrease in cash		(2,376)	(170,622)
Cash, beginning of period		6,893	179,034
Cash, end of period		4,517	8,412

Non-cash transactions			
Trade and other payables	$	(50,000)	$
Share capital		50,000	

See accompanying notes

ARGENTUM SILVER CORP.
Condensed Interim Consolidated Statements of Changes in Equity
Expressed in Canadian dollars
(Unaudited – Prepared by Management)

		Common Stock				
	Notes	Issued Shares #	Amount $	Reserves $	Deficit $	Total $
Balance as at June 30, 2013		4,601,537	8,188,446	1,026,592	(7,677,504)	1,537,534
Loss for the period		-	-	-	(235,566)	(235,566)
Balance as at December 31, 2013		4,601,537	8,188,446	1,026,592	(7,913,070)	1,301,968
Loss for the period		-	-	-	(389,141)	(389,141)
Balance as at June 30, 2014		4,601,537	8,188,446	1,026,592	(8,302,211)	912,827
Debt settlement	7	769,230	50,000	-	-	50,000
Private placement at $0.055	7	2,280,908	125,450	-	-	125,450
Income for the period		-	-	-	15,395	15,395
Balance as at December 31, 2014		7,651,675	8,363,896	1,026,592	(8,286,816)	1,103,672

See accompanying notes

1. Corporate Information

Argentum Silver Corp. ("Argentum") was incorporated as Silex Ventures Ltd. under the Business Corporations Act (*British Columbia*) on March 21, 2007. Argentum and its subsidiaries (collectively, the "Company") engage 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 311 - 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

2. Basis of Presentation

a) Statement of compliance

These condensed interim consolidated financial statements for the six-month period ended December 31, 2014 have been prepared in accordance with *IAS 34 - Interim Financial Reporting* and should be read in conjunction with the Company's June 30, 2014 audited annual financial statements which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the Company's June 30, 2014 audited annual financial statements except for income tax expense which is recognized in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

The Company's audit committee approved the release of these condensed interim consolidated financial statements on February 26, 2015.

b) Basis of measurement

These condensed interim consolidated financial statements have been prepared on an historical cost basis. The condensed interim consolidated financial statements are presented in Canadian dollars.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

c) Going concern

The Company has not generated revenue from operations and recognized an income of $15,395 during the period ended December 31, 2014 and, as of that date, the Company's deficit was $8,286,816. As the Company is in the exploration stage, the recoverability of costs incurred on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

Expressed in Canadian dollars

3. Significant Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited consolidated financial statements as at June 30, 2014. The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended June 30, 2014.

Accounting Standards and Amendments Issued Not Yet Effective

The following new standards and interpretations are not yet effective and have not been applied in preparing these consolidated financial statements. The Company is currently evaluating the potential impacts of these new standards.

- IFRS 9, *Financial Instruments* (effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39 and previous versions of IFRS 9. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39 and uses a three stage general approach for assessment of impairment of financial instruments.

4. Critical Accounting Estimates and Judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim consolidated financial statements within the next financial year are the same as those that applied to the Company's June 30, 2014 annual consolidated financial statements.

5. Receivables

	December 31, 2014 $	June 30, 2014 $
Recoverable sales taxes	6,273	8,330
Receivables	6,273	8,330

6. Exploration and Evaluation Assets

Arco Option

In February 2011, Arco granted the Company the right to earn up to a 100% interest in three of Arco's mineral claim blocks located in the State of Oaxaca, Mexico (the "Oaxaca Properties"). The Oaxaca Properties comprised the Lachiguiri, Silacayoapan and Nino Perdido (relinquished in February 2012) mining claim blocks. This transaction with Arco constituted the Company's qualifying transaction.

In May 2012, the Company accelerated the option agreement and acquired a 100% interest in the Oaxaca Properties in consideration for a cash payment of $285,000. The Company had previously paid $150,000 and issued 2,500,000 common shares in accordance with the option agreement, of which 1,500,000 common shares remained in escrow. Arco also agreed to return the 1,500,000 shares in escrow and the Company returned these shares to treasury. The fair value of the shares cancelled was $225,000 and the excess value over cash paid was applied to reduce option payments otherwise determined. The acceleration of the option agreement was a non-arm's length transaction under the policies of the TSX Venture Exchange ("TSX-V"), as the Company and Arco had a common director and officers.

The Company regularly reviews the carrying value of its exploration and evaluation assets. While the Company continues to maintain its Lachiguiri and Silacayoapan properties, it has reduced its land holdings to the most prospective areas. In view of the uncertain outlook for exploration and for obtaining funding, the Company has fully impaired the carrying value of the Oaxaca Properties.

Soltoro Option

In April 2011, the Company signed an option agreement with Soltoro Ltd. ("Soltoro") which was later approved by the TSX-V. Under the option agreement, Soltoro granted the Company the right to earn a 100% interest in Soltoro's Victoria and Coyote silver-gold projects (the "Jalisco Properties") in exchange for cash payments of $255,000 (including a $35,000 due diligence payment), issuing Soltoro an aggregate of 5,000,000 common shares of the Company and spending a total of $1,100,000 on exploration on the Jalisco Properties over two years. The option agreement provided the Company the right to accelerate exercise of the option by making all cash and share issuances to Soltoro and by spending a total of $750,000 in exploration on the Jalisco Properties before July 28, 2012.

The Company is also obliged to make advance royalty payments originally contracted by Soltoro to various landowners in connection with the Jalisco Properties. These payments totaled US$65,000 in 2011, US$100,000 in 2012, US$25,000 in 2013 and between US$25,000 and US$30,000 from fiscal 2014 until 2017. Soltoro retains a 3% net smelter return ("NSR") in each project, which the Company has the right to purchase 1% of each NSR for US$1.5 million to a maximum of 2% for each project. In connection with closing the Soltoro option, the Company paid finder's fees of $120,250 in cash in accordance with TSX-V policies.

In July 2012, the Company fulfilled all of the option agreement requirements and elected to accelerate the exercise of the Soltoro option and acquired a 100% interest in the Jalisco Properties. Under the terms of the option, the Company did not have to pay additional shares or cash to Soltoro but is now responsible for the continuing advanced royalty payments and NSRs disclosed above.

Expressed in Canadian dollars

6. Exploration and Evaluation Assets (continued)

Soltoro Option (continued)

The Company intends to move ahead with further exploration and then development of the Coyote and Victoria properties, but the Company does not currently have funds to do so. Furthermore, the Company's market capitalization has been adversely affected by the weak market for junior exploration companies in general and specific factors relating to the Company's outlook. Accordingly, any costs incurred relating to the exploration and evaluation assets fully impaired in 2013, have been expensed during the year ended June 30, 2014.

The following is an analysis of exploration and evaluation assets investment by property:

	June 30, 2014 $	Deferred exploration expenditures $	Impairment $	December 31, 2014 $
Coyote	1,477,922	16,138	-	1,494,060
Victoria	-	-	-	-
Lachiguiri	-	-	-	-
Silacayoapan	-	-	-	-
Total	1,477,922	16,138	-	1,494,060

	June 30, 2013 $	Deferred exploration expenditures $	Impairment $	June 30, 2014 $
Coyote	1,402,311	75,611	-	1,477,922
Victoria	-	26,644	(26,644)	-
Lachiguiri	-	15,584	(15,584)	-
Silacayoapan	-	10,619	(10,619)	-
Total	1,402,311	128,458	(52,847)	1,477,922

Expressed in Canadian dollars

6. Exploration and Evaluation Assets (continued)

Analysis of exploration and evaluation assets investment by type of expenditure:

	June 30, 2014 $	Additions $	December 31, 2014 $
Acquisition	2,015,641	-	2,015,641
Deferred exploration expenditures			
Claims and maintenance	162,668	11,528	174,196
Drilling	871,073	-	871,073
Engineering	27,870	-	27,870
Equipment rental	29,542	-	29,542
Field labour and supplies	337,712	-	337,712
Geological consultants	715,404	-	715,404
Geophysical surveys	199,081	-	199,081
Maps and reports	7,458	-	7,458
Office and administrative	39,314	4,610	43,924
Reclamation and remediation	6,109	-	6,109
Transportation	142,711	-	142,711
	4,554,583	16,138	4,570,721
Impairment	(3,076,661)	-	(3,076,661)
Total	1,477,922	16,138	1,494,060

	June 30, 2013 $	Additions $	June 30, 2014 $
Acquisition	2,015,641	-	2,015,641
Deferred exploration expenditures			
Claims and maintenance	121,020	41,648	162,668
Drilling	871,073	-	871,073
Engineering	27,870	-	27,870
Equipment rental	29,542	-	29,542
Field labour and supplies	281,473	56,239	337,712
Geological consultants	693,293	22,111	715,404
Geophysical surveys	199,081	-	199,081
Maps and reports	7,458	-	7,458
Office and administrative	34,136	5,178	39,314
Reclamation and remediation	6,109	-	6,109
Transportation	139,429	3,282	142,711
	2,410,484	128,458	4,554,583
Impairment	(3,023,814)	(52,847)	(3,076,661)
Total	1,402,311	75,611	1,477,922

Expressed in Canadian dollars

7. Share Capital

Authorized

Unlimited common shares without par value

Issued

On August 12, 2014 the Company approved a common share consolidation on the basis of ten pre-consolidation common shares for one post-consolidation common share of the Company. The consolidation was made effective on August 25, 2014. All references to the number of shares and per share amounts have been retroactively restated as if the consolidation had occurred July 1, 2012.

On September 23, 2014 the Company issued 769,230 common shares at a deemed price of $0.065 per share to settle debt of $50,000.

On October 2, 2014, the Company issued 1,905,908 units at $0.055 each for gross proceeds of $104,825. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable into one common share of the Company for $0.10 per share until October 2, 2016.

On November 12, 2014, the Company issued 375,000 units at $0.055 each for gross proceeds of $20,625. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable into one common share of the Company for $0.10 per share until November 12, 2016.

Reserves

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

Share-Based Payments

The Company has a 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 five years and vest according to conditions set by the Company's board of directors at the time the options are granted.

A summary of stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price $
June 30, 2013	390,875	2.20
Forfeited	(34,000)	2.50
June 30, 2014	356,875	2.20
Forfeited	(321,875)	2.20
December 31, 2014	35,000	2.05

Expressed in Canadian dollars

7. Share Capital (continued)

Share-Based Payments (continued)

A summary of the Company's outstanding and exercisable stock options at December 31, 2014 is presented below:

	Outstanding Options			Exercisable Options	
Exercise Price	Number	Weighted Average Remaining Life	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
$2.00	31,760	2.70 years	$ 2.00	31,760	$ 2.00
$2.50	3,240	1.59 years	$ 2.50	3,240	$ 2.50
	35,000	2.60 years	$ 2.05	35,000	$ 2.05

There were no stock options granted during the six month period ended December 31, 2014.

Share Purchase Warrants

A summary of share purchase warrants activity is as follows:

	Number of Warrants	Weighted Average Exercise Price $
June 30, 2014	-	-
Issued	2,280,908	0.10
December 31, 2014	2,280,908	0.10

As at December 31, 2014, the following share purchase warrants are outstanding:

Number of Warrants	Exercise Price $	Expiry Date
1,905,908	0.10	October 2, 2016
375,000	0.10	November 12, 2016
2,280,908		

8. Capital Management

The Company considers its management of capital to include all components of debt and shareholders' equity. Its objectives are to ensure that the Company continues to operate as a going concern in order to pursue the development of its mineral properties, to sustain future development and growth as well as to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, seek debt financing, or acquire or dispose of assets. The Company, with approval from its board of directors, makes changes to its capital structure as it deems appropriate under specific circumstances. The Company is not subject to any externally imposed capital requirements and did not make any changes in capital management compared to the prior period.

9. Financial Instruments – Risk Management

Fair value of financial instruments

The Company's financial instruments include cash, receivables, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values because of their short-term nature.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable marker data (unobservable inputs).

The Company does not hold any financial instruments subject to Level 1, 2 or 3 fair value measurements.

Credit Risk

The Company is exposed to credit risk with respect to amounts receivable if a creditor fails to meet its contractual obligations. The Company undertakes credit evaluations on creditors as necessary and has monitoring processes intended to mitigate credit risks and maintain appropriate provisions for potential credit losses.

The Company is exposed to credit risk with respect to cash and amounts receivable. The Company fully impairs the carrying value of Mexican value-added taxes until received. The carrying amount of assets included on the balance sheet represents the maximum credit exposure.

9. Financial Instruments – Risk Management (continued)

Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulties in meeting obligations associated with financial liabilities. The Company's growth strategy requires additional cash that the Company expects to raise from the issuance of equity. As at December 31, 2014, the Company was holding cash of $4,517 (June 30, 2014 - $6,893). The Company does not have sufficient cash to meet its obligations for at least 12 months from the end of the reporting period. The Company plans to undertake further share capital or debt financings but there can be no guarantee that management's efforts to raise additional funds will be successful (see Note 2).

Interest Rate Risk

The Company is not exposed to significant interest rate risks arising from financial instruments.

Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices of precious minerals. The Company expects the risk exposure to fluctuating market prices and trends will have a significant impact on its ability to secure financing.

Currency Risk

The Company is exposed to foreign exchange risk as its financial statements are expressed in Canadian dollars and it finances its operations in Canadian dollars but undertakes a large proportion of its operations in Mexican pesos and United States dollars. The Company does not engage in any form of derivative or hedging instruments.

The Company's Canadian dollar-equivalent holdings of balances denominated in foreign currencies were:

December 31, 2014	United States Dollars	Mexican Pesos
	$	$
Cash	94	2,355
Accounts payable	-	138,141

June 30, 2014	United States Dollars	Mexican Pesos
	$	$
Cash	228	2,417
Accounts payable	-	157,510

Expressed in Canadian dollars

10. Related Party Transactions

The Company incurred the following charges by directors and officers of the Company, companies owned by an officer of the Company or a law firm in which a director of the Company is an associate counsel for the six month period ended December 31, 2014 and 2013:

Six months ended December 31,	2014 $	2013 $
Key management personnel compensation		
Short-term employment benefits	6,250	111,699
Legal fees	12,491	-
	18,741	111,699

Included in the above is compensation paid through companies:

	2014 $	2013 $
Equity One Capital Group [1]	6,250	-
S2 Management Inc. [2]	-	13,500
Reflex Law Corp. (formerly 0937334 B.C. Ltd.)[3]	-	7,174
Buena Tierra Developments Ltd. [4]	-	3,000

Except as noted, all related party compensation was charged to operations.

1 Beneficially owned by the Company's former CFO. The CFO was appointed April 2014 and resigned September 2014.

2 Beneficially owned by the Company's former CFO. The fees included related administrative and secretarial services provided by another employee of S2 Management Inc. The CFO resigned April 2014.

3 Beneficially owned by the Company's former Vice President and Corporate Secretary. The Vice President and Corporate Secretary resigned September 2014.

4 Beneficially owned by the Company's Vice President of Exploration. These fees were capitalized as exploration and evaluation asset expenditures.

Trade and other payables and accrued liabilities at December 31, 2014 included $72,475 due to current and former related parties (June 30, 2014 - $221,383).

Effective July 17, 2014, the employment agreement with its former CEO was terminated upon his resignation and a mutual release agreement was signed for the release and discharge of amounts owing to the former CEO.

Expressed in Canadian dollars

11. Segment Information

The Company operates in Canada and Mexico, with operations in the mineral resource sector. The Company's assets are allocated to each country as follows:

December 31, 2014	Canada $	Mexico $	Total $
Cash and cash equivalents	2,161	2,356	4,517
Amounts receivable	6,273	-	6,273
Prepaid expenses	-	8,436	8,436
Exploration and evaluation assets	-	1,494,060	1,494,060
	8,434	1,504,852	1,513,286

June 30, 2014	Canada $	Mexico $	Total $
Cash	4,476	2,417	6,893
Amounts receivable	8,330	-	8,330
Prepaid expenses	546	8,557	9,103
Exploration and evaluation assets	-	1,477,922	1,477,922
	13,352	1,488,896	1,502,248