PANTERA SILVER CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED MAY 31, 2024 AND 2023
(Expressed in Canadian Dollars)

Charlton
+Company

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of:
Pantera Silver Corp.

Opinion

We have audited the accompanying consolidated financial statements of Pantera Silver Corp. (the "Company"), which comprise the consolidated statements of financial position as at May 31, 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company's current liabilities exceeded its current assets by $266,486 and the Company's total deficit was $37,020,188. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matters

The consolidated financial statements of the Company for the year ended May 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on September 29, 2023.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, prepared under the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section and the Other Matters section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year ended 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 Melyssa Charlton.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
September 27, 2024

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

	Notes		May 31, 2024		May 31, 2023
ASSETS					
Current assets					
Cash	4	**$**	**8,228**	$	95,564
Accounts receivable			**6,176**		7,771
Prepaid expenses			**1**		1
			14,405		103,336
Non-current assets					
Restricted cash	4, 5		**20,116**		19,113
Exploration and evaluation assets	5		**1**		1
TOTAL ASSETS			**34,522**		122,450
LIABILITIES AND SHAREHOLDERS' DEFICIENCY					
Current liabilities					
Accounts payables and accrued liabilities			**53,871**		81,436
Due to related parties	7		**173,020**		73,748
Provision for environmental rehabilitation			**54,000**		54,000
TOTAL LIABILITIES			**280,891**		209,184
SHAREHOLDERS’ DEFICENCY					
Share capital	6		**34,771,275**		34,531,275
Reserves	6		**2,002,544**		2,002,544
Deficit			**(37,020,188)**		(36,620,553)
TOTAL SHAREHOLDERS’ DEFICENCY			**(246,369)**		(86,734)
TOTAL LIABILITIES AND SHAREHOLDERS’ DEFICENCY		**$**	**34,522**	$	122,450

Nature of operations and going concern (Note 1)
Subsequent event (Note 10)

Approved by the Board:

“Jay Roberge”	***“Ian Graham”***
Director – Jay Roberge	Director – Ian Graham

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

	Notes	For the year ended May 31, 2024	2023
Expenses			
Accounting and audit	7	**$ 36,520**	$ 32,597
Bank charges		**716**	498
Consulting fees	7	**90,000**	95,000
Director fees	7	**22,000**	-
Exploration expenditures	5	**248,890**	-
Filing and share transfer fees		**14,501**	11,326
Legal fees		**-**	12,163
Office and administration		**4,466**	5,866
Shareholders' information		**2,396**	995
Travel		**11,077**	31,055
Loss before other items		**(430,566)**	(189,500)
Other Items			
Interest income		**1,003**	3,140
Impairment of exploration and evaluation assets	5	-	(792,913)
Realized decommissioning liabilities	5	-	(22,000)
Write of accounts payable		**29,928**	-
Net loss and comprehensive loss for the year		**$ (399,635)**	$ (1,001,273)
Loss per share, basic and diluted		**$ (0.01)**	$ (0.03)
Weighted average number of common shares outstanding, basic and diluted		**29,682,876**	29,482,056

PANTERA SILVER CORP.
Consolidated Statements of Shareholders' Deficiency
(Expressed in Canadian dollars)

	Number of Shares		Share Capital		Reserves		Deficit		Shareholder's Deficiency
Balance, May 31, 2023	**29,482,056**	**$**	**34,531,275**	**$**	**2,002,544**	**$**	**(36,620,553)**	**$**	**(86,734)**
Shares issued for exploration and evaluation assets	1,500,000		240,000		-		-		240,000
Net loss for the year	-		-		-		(399,635)		(399,635)
Balance, May 31, 2024	**30,982,056**	**$**	**34,771,275**	**$**	**2,002,544**	**$**	**(37,020,188)**	**$**	**(246,369)**

	Number of Shares		Share Capital		Reserves		Deficit		Shareholder's Deficiency
Balance, May 31, 2022	**29,482,056**	**$**	**34,531,275**	**$**	**2,002,544**	**$**	**(35,619,280)**	**$**	**914,539**
Net loss for the year	-		-		-		(1,001,273)		(1,001,273)
Balance, May 31, 2023	**29,482,056**	**$**	**34,531,275**	**$**	**2,002,544**	**$**	**(36,620,553)**	**$**	**(86,734)**

(Expressed in Canadian dollars)

	For the year ended May 31, 2024	2023
OPERATING ACTIVITIES		
Net loss for the year	**$ (399,635)**	$ (1,001,273)
Adjustments for non-cash items:		
Shares issued for exploration and evaluation assets	**240,000**	-
Impairment of exploration and evaluation assets	**-**	792,913
Realized decommissioning liabilities	**-**	22,000
Changes in non-cash working capital items:		
Accounts receivable	**1,595**	(2,125)
Accounts payable and accrued liabilities	**(27,565)**	(5,414)
Due to related parties	**99,272**	29,820
Prepaid expenses	**-**	7,500
Net cash used in operating activities	**(86,333)**	(156,579)
INVESTING ACTIVITIES		
Restricted cash	**(1,003)**	(657)
Exploration and evaluation assets	**-**	(17,742)
Net cash used by investing activities	**(1,003)**	(18,399)
Change in cash in the year	**(87,336)**	(174,978)
Cash, beginning of the year	**95,564**	270,542
Cash, ending of the year	**$ 8,228**	$ 95,564

Supplemental disclosure with respect to cash flows (Note 8)

1. NATURE OF OPERATIONS AND GOING CONCERN

Pantera Silver Corp. (formerly Red Oak Mining Corp.) (the "Company") is incorporated in the Province of British Columbia (extra-provincially registered in the Province of Alberta). The Company's registered and record office is located at Pacific Centre 400-725 Granville St, Vancouver, BC V7Y 1G5.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. As at May 31, 2024, the Company had a working capital deficiency of $266,486 (2023 – $105,848) and had not yet achieved profitable operations, has accumulated losses of $37,020,188 (2023 – $36,620,553) since its inception and expects to incur further losses in the development of its business. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing including support from related parties to meet its ongoing levels of corporate overhead, and discharge its liabilities as they come due. These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. At this time the Company is managing its financial resources to minimize expenditures while it determines its future direction.

Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Accordingly, these consolidated financial statements do not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these consolidated financial statements. These adjustments could be material.

Over the past year, global stock markets have experienced volatility and a significant weakening in the aftermath of COVID-19. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. Volatility in financial markets subsequent to May 31, 2024, may have a significant impact on the Company's financial position. The duration and impact of the higher inflationary environment, as well as the effectiveness of government and central bank responses, remains unclear at this time.

2. BASIS OF PRESENTATION

(a) Statement of compliance

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

These consolidated financial statements were approved and authorized for issue by the Board of Directors on September 27, 2024.

(b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out below. All financial information in these consolidated financial statements is presented in Canadian dollars which is the functional currency of the Company. The accounting policies set out below have been applied consistently by the Company.

(c) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiary. The subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtains control and continues to be consolidated until the date such control ceases. Details of the controlled entity are as follows:

2. BASIS OF PRESENTATION (continued)

(c) Basis of consolidation (continued)

		Ownership interest	
Entity:	**Country of**	**May 31, 2024**	May 31, 2023
Pantera Silver Mexico, S.A. de	**Mexico**	**100%**	100%

Inter-company balances and transactions have been eliminated upon consolidation.

(d) Use of estimates and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the reporting date. 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 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 accounting estimates and 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 financial statements are discussed below:

Judgements:

Going concern assumption

The continued use of the going concern assumption is based on the Company's judgments regarding the availability, timing, and costs of obtaining financing. The use of the going concern assumption is also based on the Company's judgments regarding the continued support and patience of related parties and third-party creditors. In applying the going concern assumption, the Company has not taken into account the uncertainty surrounding the timing of receipt of the restricted cash and the uncertainty surrounding the timing of payments of accounts and loans payable in determining the fair values of its financial instruments.

Property title

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. Such claims may be subject to prior agreements or transfer and title may be affected by undetected defects.

Functional currency

The functional currency of the parent company and its subsidiary is the Canadian Dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The determination of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment.

Estimates:

Provision for environmental rehabilitation

Provisions for environmental rehabilitation are based on the Company's best estimate of the probable outflow to complete reclamation work. The final costs of the currently recognized environmental rehabilitation provision may be higher or lower than currently provided for.

2. BASIS OF PRESENTATION (continued)

(d) Use of estimates and judgments (continued)

Impairment of evaluation and exploration assets

The assessment of exploration and evaluation assets requires judgment to determine whether indicators of impairment and reversal of impairment exist, including factors such as the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and evaluation of the results of exploration and evaluation activities up to the reporting date. Management assessed impairment indicators for the Company's exploration and evaluation assets and concluded that there were impairment indicators during the year ended May 31, 2023 (Note 5).

Income taxes

Provisions for income taxes requires judgement and estimates as to the future taxable profit and interpretation of tax laws. The final tax outcome could be materially different from tax amounts initially recorded and such differences will impact the current and deferred tax provisions in the period in which the tax outcome is determined.

(e) Adoption of new accounting pronouncements

Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued Amendments to IAS 1 and IFRS Practice Statement 2 to provide guidance to help entities apply materiality judgment to accounting policy disclosure. The amendments require disclosure of material accounting policy information rather than disclosing significant accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2023. The Company adopted these amendments, which have resulted in the disclosure of only material accounting policy information, but did not impact the measurement, recognition of presentation of any items in the Company's consolidated financial statements.

(f) New accounting standards and interpretations issued but not yet adopted

Amendments to IAS 1, Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current

In January 2020 and October 2022, the IASB issued amendments to clarify the requirements for classifying liabilities current or non-current. The amendments specify that the conditions that exist at the end of a reporting period are those that will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2024, with early adoption permitted, and the amendments are to be applied retrospectively. The Company does not anticipate there will be a material impact on its consolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Exploration and evaluation assets

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option.

Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(a) Exploration and evaluation assets (continued)

Exploration and evaluation expenditures are capitalized. The Company capitalizes costs to specific blocks of claims or areas of geological interest. Government tax credits and grants received are recorded as a reduction to the cumulative costs.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

(b) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period. Diluted earnings (loss) per common share is computed by dividing the income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. Diluted earnings (loss) per share excludes all dilutive potential equity instruments if their effect is anti-dilutive.

(c) Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company records all share-based payments at their fair value. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received, or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured. The corresponding amount is charged to reserves. The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized immediately that the employees earn the options. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

(d) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in income except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive loss/income. Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the period end date.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(d) Income taxes (continued)

Deferred tax assets and liabilities are recognized when the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred income tax asset to be recovered.

(e) Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of mining properties and other assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

The Company's estimates are reviewed annually for changes in regulatory requirements, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the year. The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provision as incurred.

(f) Agent warrants and warrants

When warrants are issued to an agent or broker in connection with an equity financing are recorded at fair value using the Black-Scholes option pricing model and charged to share issue costs associated with the offering with an offsetting credit to reserves in shareholders' deficiency.

Warrants included in units offered to subscribers in connection with financings are valued using the residual value method. The residual value method first allocates the value to the more easily measurable component based on fair value and then the residual value, if any, to the less measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

(g) Impairment of non-financial instruments

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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 is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(g) Impairment of non-financial instruments (continued)

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, but to an amount that 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. A reversal of an impairment loss is recognized immediately in profit or loss.

(h) Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial instruments:

Financial assets/liabilities	Classification
Cash	FVTPL
Restricted cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

(ii) Measurement

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

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. MATERIAL ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

(iv) Derecognition Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss.

(i) Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currencies are as follows:

Entity	Functional Currency
Pantera Silver Corp.	Canadian Dollar
Pantera Silver Mexico, S.A. de C.V.	Canadian Dollar

Transactions in currencies other than the functional currency are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the year.

(j) Cash and cash equivalents

The Company considers cash to include amounts held in banks. The Company places its cash with major financial institutions in Canada. As at May 31, 2024 and 2023, the Company did not have any cash equivalents.

4. FINANCIAL INSTRUMENTS, RISK MAMAGEMENT AND CAPITAL DISCLOSURES

(a) Fair value of financial instruments

IFRS requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. IFRS establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value.

A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS prioritizes the inputs into three levels that may be used to measure fair value:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

(Expressed in Canadian dollars)

4. FINANCIAL INSTRUMENTS, RISK MAMAGEMENT AND CAPITAL DISCLOSURES (continued)

(a) Fair value of financial instruments (continued)

	Level 1	Level 2	Level 3	Total
May 31, 2024				
Cash	**$ 8,228**	**$ -**	**$ -**	**$ 8,228**
Restricted cash	**20,116**	**-**	**-**	**20,116**
	$ 28,344	**$ -**	**$ -**	**$ 28,344**
May 31, 2023				
Cash	$ 95,564	$ -	$ -	$ 95,564
Restricted cash	19,113	-	-	19,113
	$ 114,677	$ -	$ -	$ 114,677

The fair value of cash and restricted cash are determined based on Level 1 inputs which consist of quoted prices in active markets for identical assets. As at May 31, 2024, the Company believes that the carrying values of its accounts payable and accrued liabilities and due to related parties approximate their fair values because of their nature and relatively short term to maturity or duration.

(b) Risk management

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk with respect to its cash and restricted cash. To minimize this risk, cash and restricted cash is placed with major Canadian financial institutions. The Company considers this risk to be minimal as of May 31, 2024.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company does not have operating cash flow and therefore has relied primarily on equity financing and loans from related parties to meet its capital requirements. As at May 31, 2024, the Company has a working capital deficiency of $266,486 (2023 – $105,848). The Company will need to obtain additional financing to meet the obligations as they come due.

Commodity Price Risk

The Company's ability to raise capital to find exploration or development activities is subject to risk associated with fluctuations in the market prices of resource commodities.

Interest Rate Risk

The Company is not exposed to significant interest rate risk due to the relatively short-term maturity of its monetary assets and liabilities.

(c) Capital management

The Company manages its capital, consisting of share capital and working capital, in a manner consistent with the risk characteristic of the assets it holds. All sources of financing are analyzed by management and approved by the Board of Directors.

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern. The Company is meeting its objective of managing capital through preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity. The Company is not subject to any externally imposed capital restrictions.

4. FINANCIAL INSTRUMENTS, RISK MAMAGEMENT AND CAPITAL DISCLOSURES (continued)

(c) Capital management (continued)

There were no changes in the Company's approach to capital management during the year. The Company is not subject to any external restrictions on its capital.

5. EXPLORATION AND EVALUATION ASSETS

Provost Property, Alberta

In February 2003, the Company acquired a 100% interest in an oil well (16-28) and an 18% interest in a shut-in gas well (02/13-17) located in the Provost area of Alberta.

During the year ended May 31, 2010, the Company abandoned the oil well and determined that it would be required to perform additional reclamation work. As at May 31, 2024, the estimate to perform the reclamation work is $54,000 (2023 – $54,000) based on quotations obtained by third party consultants. The Company previously deposited $16,000 with the Alberta Energy Resources Conservation Board ("AECB"), which amount is shown as restricted cash on the statement of financial position. The $16,000 deposit plus interest will be refunded once the AECB is satisfied that the Company has performed all necessary decommissioning activities.

The balance of restricted cash after accumulated interest as at May 31, 2024 is $20,116 (2023 – $19,113).

During the year ended May 31, 2024, the Company has spent $nil (2023 – $nil) on reclamation work.

Nuevo Taxco Silver-Gold Project, Mexico

On November 12, 2020, the Company entered into a property acquisition agreement with Impact Silver Corp. ("Impact Silver") whereby the Company may earn a 100% interest in the Nuevo Taxco Silver-Gold Project (the "Property") located approximately 80 km south west of Mexico City and west of the municipality of Tetipac within the Pregones Silver- Gold District (the "Transaction").

On October 28, 2021 and on October 30, 2023, the Company amended the payment and exploration expenditures.

Under the agreement and amendments, the Company may earn a 100% interest in the Property by making certain staged cash payments, issuing common shares in the capital of the Company to Impact Silver and making exploration expenditures over a 3-year period as follows:

i. $1,000 in cash upon execution of the letter of intent in respect of the Transaction (paid);
ii. $49,000 in cash (paid) and 500,000 common shares upon TSXV approval of the Transaction and closing of the Financing (the "Closing Date") (issued);
iii. $100,000 in cash (paid) and 1,000,000 common shares on or before March 20, 2022 (issued);
iv. $200,000 in exploration expenditures on or before March 20, 2022 (completed);
v. $400,000 in exploration expenditures on or before March 20, 2023 (waived);
vi. 1,500,000 common shares on or before October 31, 2023 (issued in lieu of $150,000 cash payment);
vii. 2,000,0000 common shares on or before October 20, 2024, or at the option of the Vendor for $150,000 (in lieu of 1,500,000 common shares) and 500,000 common shares; and
viii. $800,000 in exploration expenditures on or before October 30, 2025.

The Company paid a finder's fee with regards to the property acquisition equal to 10% of the value consideration for year one of the Agreement satisfied in common shares of the Company at the same price per share as the Transaction, being 100,000 common shares with a value of $10,000.

Impact Silver will retain a 1% net smelter return royalty with the Company retaining the right to acquire 100% of the royalty for a cash payment of $1,000,000.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (Continued)

During the year ended May 31, 2023, the Company did not meet the requirements of the agreement and therefore assessed the carrying value and impaired the property to $1.

Mineral Property Interests		**Nuevo Taxco Silver-Gold**
Balance at May 31, 2022	$	**775,173**
Logistics		8,291
Travel and Accommodation		9,450
Impairment		(792,913)
Balance at May 31, 2023 and 2024	**$**	**1**

During the year ended May 31, 2024, the Company issued 1,500,000 (2023 – nil) common shares with a fair value of $240,000 (2023 – $nil) as consideration under the property acquisition agreement for the Nuevo Taxco Silver-Gold project (Note 6), and incurred $8,890 (2023 - $nil) in exploration expenditures on the property.

6. SHARE CAPITAL

Authorized

Unlimited common shares without par value.

Issued share capital during the year ended May 31, 2024

On April 12, 2024, the Company issued 1,500,000 common shares with a fair value of $0.16 per share, totalling $240,000, in relation to the property acquisition agreement with Impact Silver Corp for the Nuevo Taxco Silver-Gold project (Note 5).

Issued share capital during the year ended May 31, 2023

No common shares were issued during the year ended May 31, 2023.

Share purchase warrants

As at May 31, 2024, the Company had the following warrants outstanding:

Date Issued	**Expiry Date**	**Exercise Price**		**Number of warrants outstanding**
March 11, 2021	March 11, 2025*	$	0.20	10,298,500
March 11, 2021	March 11, 2025*	$	0.20	1,500,000
				11,798,500

* In March 2024, these share purchase warrants were extended for another 12 months to March 11, 2025.

As at May 31, 2024, the weighted average remaining life of the warrants was 0.78 years.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

The following is a summary of the Company's warrant activities:

	May 31, 2024			May 31, 2023		
	Number of Common Shares Issuable	Weighted Average Exercise Price		Number of Common Shares Issuable	Weighted Average Exercise Price	
Warrants outstanding, beginning	11,798,500	$	0.20	11,798,500	$	0.20
Warrants outstanding, ending	11,798,500	$	0.20	11,798,500	$	0.20

Stock options

The Company has a stock option plan in place under which it is authorized to grant options of up to 10% of its outstanding shares to officers, directors, employees and consultants. The stock options plan limits the number of incentive stock options which may be granted to any one individual to not more than 5% of the total issued shares of the Company in any 12-month period. The number of incentive stock options granted to any one consultant or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued shares of the Company.The exercise price of each option is to be determined by the Board of Directors and at prices equal to or greater than the closing market price on the day preceding the date the options were granted. Each option should have a maximum term of five years.

As at May 31, 2024, the Company had the following options outstanding and exercisable:

Date Issued	Expiry Date	Exercise Price		Number of Options Outstanding	Number of Options Exercisable
November 3, 2021	March 10, 2026	$	0.20	2,200,000	2,200,000
				2,200,000	2,200,000

The following is a summary of the Company's stock option activities:

	May 31, 2024			May 31, 2023		
	Number of Options	Weighted Average Exercise Price		Number of Options	Weighted Average Exercise Price	
Options outstanding, beginning	2,200,000	$	0.20	2,400,000	$	0.20
Options forfeited	-		-	(200,000)		0.20
Options outstanding, end	2,200,000	$	0.20	2,200,000	$	0.20

As at May 31, 2024, 2,200,000 options were exercisable. The weighted average life and weighted average exercise price of exercisable options are 1.78 years and $0.20 respectively.

7. RELATED PARTY TRANSACTIONS

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

During the year ended May 31, 2024, the Company entered into the following transactions with the related parties:

(a) Accrued accounting fees of $19,400 (2023 – $14,490) with Jin Passage Consulting Inc. (a company controlled by the CFO of the Company).

(Expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS (continued)

(b) Incurred and accrued consulting fees of $90,000 (2023 – $90,000) with Tehama Venture and Tehama Capital Corp. (companies controlled by the director, President and CEO of the Company).

(c) Incurred and accrued director fees of $11,000 (2023 – $nil) with a director of the Company.

(d) Incurred and accrued director fees of $11,000 (2023 – $nil) with JTG Investment and Marketing Consulting (a company controlled by a director of the Company).

(e) As at May 31, 2024, $173,020 (2023 – $73,748) was owing to companies controlled by directors and officers of the Company. The amounts are unsecured, non-interest bearing and due on demand.

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the years ended May 31, 2024 and 2023, there were no non-cash financing or investing activities. During the year ended May 31, 2024, the Company paid interest and taxes of $nil (2023 – $nil).

9. INCOME TAXES

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

		2024		2023
Loss for the year	**$**	**(399,635)**	$	(1,001,273)
Expected income tax recovery (2024: 27%, 2023: 27%)		**(108,000)**		(270,000)
Change in other items		**8,000**		-
Items not deductible and deducted for income tax purposes		**1,000**		2,000
Losses for which tax benefits not recognized		**99,000**		268,000
Deferred income tax recovery	**$**	**-**	$	-

The significant components of the Company's unrecognized deferred income tax assets are as follows:

		2024		2023
Deferred income tax assets				
Non-capital losses carry forward	**$**	**2,270,000**	$	2,172,000
Share issue costs		**-**		1,000
Equipment		**5,000**		5,000
Resource properties		**5,310,000**		5,308,000
Total unrecognized deferred tax assets	**$**	**7,585,000**	$	7,486,000

The Company has non-capital losses of approximately $8,407,000 (2023 - $8,046,000) which are available to reduce taxable income of future years starting to expire in 2028 to 2044.

10. SUBSEQUENT EVENT

Subsequent to the year ended May 31, 2024, the Company completed a non-brokered private placement, issuing 11,428,333 units at a price of $0.12 per unit, for aggregate gross proceeds of $1,372,700. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder there of to acquire one common share in the capital of the Company at an exercise price of $0.20 per share for a period of two years following the date of issuance.

The Company paid cash finder's fees of $9,800 and issued 81,667 non-transferable finder's warrants (the "Finder Warrants") to arm's length finders in connection with this initial closing tranche. Each Finder Warrant entitles the holder thereof to acquire one common share in the capital of the Company at an exercise price of $0.20 per share for a period of two years following the date of issuance.