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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-KSB

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended August 31, 2006

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from _____ to _____

SILVER BUTTE CO., INC.

(Exact name of small business issuer as specified in its charter)

NEVADA

(State or other jurisdiction of incorporation)

001-05970

(Commission File Number)

82-0263301

(IRS Employer Identification No.)

520 Cedar Street, Sandpoint, ID

(Address of principal executive offices)

83864

(Zip Code)

(208) 263-5154

Issuer's telephone number, including area code

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, \$0.05 par value per share

(Title of Class)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. ☐ Yes ☒ No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☒ Yes ☐ No

The Registrant generated no revenues for its most recent fiscal year.

The aggregate market value of the voting and non-voting stock held by non-affiliates of the Registrant based on the average bid and ask price as of October 26, 2006, was approximately \$3,387,000. For purposes of this disclosure, shares of stock held by persons who hold more than 5% of the outstanding shares of common stock, and shares held by officers and directors of the Registrant have been excluded, because such persons may be deemed to be affiliates.

The number of outstanding shares of the Registrant's par value \$0.001 common stock on October 26, 2006, was 17,743,746.

DOCUMENTS INCORPORATED BY REFERENCE: None.

Transitional Small Business Disclosure Format (Check one): Yes ☐ No ☒

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PART I

ITEM 1. DESCRIPTION OF BUSINESS

Forward-looking statements

This Form 10-KSB contains forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance and underlying assumptions that are not statements of historical facts. This document and any other written or oral statements made by us or on our behalf may include forward-looking statements, which reflect our current views with respect to future events and financial performance. The words “believe,” “expect,” “anticipate,” “intends,” “estimates,” “forecast,” “project” and similar expressions identify forward-looking statements.

The forward-looking statements in this document are based upon various assumptions, many of which are based on management’s discussion and analysis or plan of operations and elsewhere in this report. Although we believe that these assumptions were reasonable when made, these statements are not guarantees of future performance and are subject to certain risks and uncertainties, some of which are beyond our control, and are difficult to predict. Actual results could differ materially from those expressed in forward-looking statements. Readers are cautioned not to place undue reliance on any forward-looking statements, which reflect management’s view only as of the date of this report.

General

Silver Butte Mining Co., Inc. (“SIBM”) was incorporated under the laws of the State of Idaho on January 19, 1965, and was a mining company in the exploration stage from its inception until it decided to abandon its status as an exploration stage enterprise by ceasing all exploration activities in 1994. SIBM was previously engaged in exploring for non-ferrous and precious metals, principally silver and lead. However, SIBM was unable to develop any commercial ore deposits, following many years of extensive exploration through geologic sampling and mapping, core drilling, and tunneling.

During an annual meeting of shareholders held on February 4, 2004, a merger with Silver Butte Company was ratified. Silver Butte Co., Inc. was incorporated in the state of Nevada on March 4, 2004. The merger became effective on March 4, 2004, upon filing the Articles of Merger with the respective states. On that date, the Registrant merged into its wholly-owned Nevada subsidiary and changed its corporate domicile from the state of Idaho to the state of Nevada. Throughout this report reference to “the Registrant” includes the Idaho corporation, prior to the merger, and the Nevada corporation subsequent to the merger.

The Registrant’s purpose is to seek, investigate and, if such investigation warrants, acquire an interest in business opportunities presented to it by persons or firms who or which desire to seek the perceived advantages of a publicly registered corporation. The Registrant will not restrict its search to any specific business, industry, or geographical location and the Registrant may participate in a business venture of virtually any kind or nature.

The Registrant's executive offices are located at 520 Cedar Street, Sandpoint, ID 83864. The mailing address is 520 Cedar Street, Sandpoint, ID 83864.

Employees

The Registrant currently has no full-time employees. The Registrant intends to utilize the services of outside consultants.

Regulation

Environmental Matters

The Company has owned mineral property interests on certain public and private lands in Idaho. The Company's properties have been subject to a variety of federal and state regulations governing land use and environmental matters. The Company's management has engaged consultants to review the potential environmental impacts of its prior mineral exploration and development activities and believes it has been in substantial compliance with all such regulations, and is unaware of any pending action or proceeding relating to regulatory matters that would affect the financial position of the Company. However, the possibility exists that the Company may be subject to environmental liabilities associated with its prior activities in the unforeseeable future, although the likelihood of such is deemed remote and the amount and nature of the liabilities is impossible to estimate.

ITEM 2. DESCRIPTION OF PROPERTY

As of August 31, 2006, the Registrant held only the mineral rights of 6 patented mining claims covering approximately 165 acres situated in Sections 1, Township 55 North, Range 2 West Boise Meridian, and Sections 5, 6 and 8, Township 55 North, Bonner County, Idaho.

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of the fiscal year ending August 31, 2006.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

- a) Market information. The Registrant's common stock is quoted by the Over The Counter/Bulletin Board (OTC/BB) Quotation System under the symbol SIBM. The following table sets forth the range of high and low bid prices as reported by OTC/BB Quotation System for the periods indicated. These over-the-counter bid prices reflect inter-dealer prices without retail mark-up, mark-down or commission, and may not necessarily represent actual transactions.

	August 31, 2006		August 31, 2005	
	High	Low	High	Low
First Quarter	\$0.15	\$0.09	\$0.11	\$0.08
Second Quarter	0.17	0.10	0.18	0.08
Third Quarter	0.50	0.10	0.18	0.10
Fourth Quarter	0.39	0.24	0.12	0.09

- b) As of October 26, 2006, there were approximately 1,139 holders of record of the Registrant's Common Stock.
- c) The Registrant has paid no dividends and proposes none for the foreseeable future. Accordingly, it has no plans to pay dividends even if funds are available, as to which there is no assurance. There are no restrictions on the Registrant's ability to pay dividends.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

Plan of Operation

The Registrant's purpose is to seek, investigate and, if such investigation warrants, acquire an interest in business opportunities presented to it by persons or firms who or which desire to seek the perceived advantages of a publicly registered corporation. The Registrant will not restrict its search to any specific business, industry, or geographical location and the Registrant may participate in a business venture of virtually any kind or nature.

The Registrant may seek a business opportunity with entities which have recently commenced operations, or wish to utilize the public marketplace in order to raise additional capital in order to expand into new products or markets, to develop a new product or service, or for other corporate purposes. The Registrant may acquire assets and establish wholly owned subsidiaries in various businesses or acquire existing businesses as subsidiaries. Business opportunities may be available in many different industries and at various stages of development, all of which will make the task of comparative investigation and analysis of such business opportunities extremely difficult and complex.

Management of the Registrant, while not especially experienced in matters relating to the new business of the Registrant, will rely primarily upon their own efforts to accomplish the business purposes of the Registrant.

Financial Condition and Liquidity

The Company had a cash balance of \$15,078 and working capital of \$14,995 at August 31, 2006. Operating costs for the ensuing fiscal year is estimated to be \$20,000, and no revenue from operations is anticipated.

During the year ended August 31, 2006, the Company used \$21,480 of cash for operating activities, compared to \$19,985 used for operating activities in the year ended August 31, 2005. During the year ended August 31, 2006, the Company received \$31,000 from the sale of 516,665 common shares, at a price of \$0.06 per share, in a private placement offering.

During the year ended August 31, 2005, the Company sold its one acre of deeded land for \$6,000 and recognized a gain from the sale of \$3,000. The Company also received \$3,500 from the sale of 350,000 shares of its common stock resulting from the exercise of warrants.

Subsequent to the year ended August 31, 2006, during September and October of 2006, the Company had a private placement offering for the sale of 600,000 common shares of the Company's common stock, at a price \$0.06 per share for cash only. No warrants were granted in connection with this offering. As of October 26, 2006, 466,666 shares had been sold for a total of \$28,000. Proceeds from this offering will be used to finance ongoing operations.

ITEM 7. FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
Silver Butte Co, Inc.
Sandpoint, Idaho

We have audited the accompanying balance sheets of Silver Butte Co., Inc. as of August 31, 2006 and 2005, and the related statements of operations, changes in stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Silver Butte Co., Inc. as of August 31, 2006 and 2005, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

/s/ LeMaster & Daniels PLLC

Spokane, Washington
October 26, 2006

Silver Butte Co., Inc.
Balance Sheets
August 31, 2006 and 2005

	2006	2005
<i>ASSETS</i>		
Current assets:		
Cash and cash equivalents	\$ 15,078	\$ 5,558
Total assets	<u>\$ 15,078</u>	<u>\$ 5,558</u>
<i>LIABILITES AND STOCKHOLDERS' EQUITY</i>		
Current liabilities:		
Accounts payable	\$ 83	\$ -
Accounts payable to related parties	<u>-</u>	<u>893</u>
Total current liabilities	<u>83</u>	<u>893</u>
Stockholders' equity:		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, none issued or outstanding		
Common stock, \$0.001 par value; 300,000,000 shares authorized; 17,277,080 and 16,760,415 shares issued and outstanding at August 31, 2006 and 2005, respectively	17,277	16,760
Additional paid-in capital	882,992	852,509
Accumulated deficit	<u>(885,274)</u>	<u>(864,604)</u>
Total stockholders' equity	<u>14,995</u>	<u>4,665</u>
Total liabilities and stockholders' equity	<u>\$ 15,078</u>	<u>\$ 5,558</u>

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

Silver Butte Co., Inc.
Statements of Operations
Years ended August 31, 2006 and 2005

	2006	2005
Operating expenses:		
Professional service fees	\$ (18,150)	\$ (15,971)
Professional service fees paid to related parties	(1,381)	(2,075)
Other general and administrative expenses	<u>(1,434)</u>	<u>(1,683)</u>
Total operating expenses	<u>(20,965)</u>	<u>(19,729)</u>
Other income:		
Interest income	295	88
Gain on sale of property	-	3,000
Gain on sale of equipment	<u>-</u>	<u>450</u>
Total other income	<u>295</u>	<u>3,538</u>
Net loss	<u>\$ (20,670)</u>	<u>\$ (16,191)</u>
Loss per common share-basic	<u>Nil</u>	<u>Nil</u>
Weighted average common shares outstanding-basic	<u>17,238,861</u>	<u>16,730,963</u>

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

SILVER BUTTE CO., INC.
Form 10KSB August 31, 2006

Silver Butte Co., Inc.
Statement of Changes in Stockholders' Equity
Years ended August 31, 2006 and 2005

	<u>Common stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-In</u>	<u>Deficit</u>	<u>Stockholders'</u>
			<u>Capital</u>		<u>Equity</u>
Balances, August 31, 2004	16,410,415	\$ 16,410	\$ 849,359	\$ (848,413)	\$ 17,356
Issuance of common stock for cash	350,000	350	3,150		3,500
Net loss				(16,191)	(16,191)
Balances, August 31, 2005	<u>16,760,415</u>	<u>16,760</u>	<u>852,509</u>	<u>(864,604)</u>	<u>4,665</u>
Issuance of common stock for cash	516,665	517	30,483		31,000
Net loss				(20,670)	(20,670)
Balances, August 31, 2006	<u><u>17,277,080</u></u>	<u><u>\$ 17,277</u></u>	<u><u>\$ 882,992</u></u>	<u><u>\$ (885,274)</u></u>	<u><u>\$ 14,995</u></u>

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

Silver Butte Co., Inc.
Statements of Cash Flows
Years ended August 31, 2006 and 2005

	2006	2005
Cash flows from operating activities:		
Net loss	\$ (20,670)	\$ (16,191)
Non-cash elements included in net loss:		
Gain on sale of property	-	(3,000)
Gain on sale of equipment	-	(450)
Changes in assets and liabilities:		
Increase in accounts payable	83	-
Decrease in accounts payable to related parties	(893)	(344)
Net cash used by operating activities	<u>(21,480)</u>	<u>(19,985)</u>
Cash flows from investing activities:		
Proceeds from sale of property	-	6,000
Proceeds from the sale of equipment	-	450
Net cash provided by investing activities	<u>-</u>	<u>6,450</u>
Cash flows from financing activities:		
Proceeds from sale of common stock	31,000	3,500
Net cash provided by financing activities	<u>31,000</u>	<u>3,500</u>
Net change in cash and cash equivalents	9,520	(10,035)
Cash and cash equivalents, beginning of year	<u>5,558</u>	<u>15,593</u>
Cash and cash equivalents, end of year	<u>\$ 15,078</u>	<u>\$ 5,558</u>

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

Silver Butte Co., Inc.

Notes to Financial Statements

1. Description of Business

Silver Butte Co., Inc. was incorporated in the state of Nevada on March 4, 2004, and is the successor of Silver Butte Mining Company, an Idaho corporation incorporated on January 19, 1965. Throughout this report reference to “the Company” may include the Idaho corporation, prior to the merger, and the Nevada corporation subsequent to the merger.

The Company was originally organized to explore, acquire, and develop mineral properties and rights primarily in Idaho. However, the Company’s exploration activities never developed any commercial ore deposits, and the Company decided to abandon or sell its mineral properties and rights, and favorably position itself to seek other profitable business opportunities.

2. Summary of Significant Accounting Policies

Cash Equivalents

Highly liquid short-term investments with a remaining maturity when purchased of three months or less are classified as cash equivalents. The Company deposits its cash and cash equivalents in high quality financial institutions.

Mineral Properties

Costs of exploring, acquiring and developing mineral properties are capitalized by the project area. Costs to maintain mineral rights and leases are expensed as incurred. When a property reaches the production stage, the related capitalized costs are amortized using the units-of-production method on the basis of periodic estimates of ore reserves. Mineral properties are periodically assessed for impairment of value, and any subsequent losses are charged to operations at the time of impairment. If a property is abandoned or sold, its capitalized costs are charged to operations.

Environmental Matters

The Company has owned mineral property interests on certain public and private lands in Idaho. The Company’s properties have been subject to a variety of federal and state regulations governing land use and environmental matters. The Company’s management has engaged consultants to review the potential environmental impacts of its prior mineral exploration and development activities and believes it has been in substantial compliance with all such regulations, and is unaware of any pending action or proceeding relating to regulatory matters that would affect the financial position of the Company. However, the possibility exists that the Company may be subject to environmental liabilities associated with its prior activities in the unforeseeable future, although the likelihood of such is deemed remote and the amount and nature of the liabilities is impossible to estimate.

Income Taxes

The Company accounts for income taxes using the liability method, which requires that deferred income taxes be recognized for temporary differences between the financial statement and income tax bases of assets and liabilities, as well as for net operating loss carryforwards which may result in the recognition of income tax benefits in future years. A valuation allowance is established for deferred tax assets when it is more likely than not that some or all of these deferred tax assets will not be realized.

Silver Butte Co., Inc.
Notes to Financial Statements, continued:

2. Summary of Significant Accounting Policies, continued :

Net Loss Per Share

Basis loss per share is calculated by dividing net loss by the weighted-average number of common shares outstanding during the year, and does not include the impact of any potentially dilutive common stock equivalents. Potential common shares are not included in the computation of loss per share, if their effect is antidilutive. At August 31, 2006 and 2005, the Company had no potential common shares, and only basic loss per share is reported for the years then ended.

Fair Values of Financial Instruments

The carrying amounts of financial instruments, including cash and cash equivalents and payables approximated their fair values as of August 31, 2006 and 2005.

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Property

On February 2, 2005, the Company sold its one acre of deeded land for \$6,000 in cash, which was the fair market price of the property as of the date of sale, and recognized a gain of \$3,000 on the sale. The Company currently owns mineral rights of six patented mining claims and various mining equipment, all of which has been fully written down, or fully depreciated, in prior years.

4. Income Taxes

At August 31, 2006 and 2005, the Company had deferred tax assets of approximately \$199,000 and \$190,000, respectively, arising from net operating loss carryforwards. Management has determined that it is more likely than not that these deferred tax assets will not be realized, and therefore a valuation allowance equal to the full amount of the deferred tax asset has been established at both August 31, 2006 and 2005. For the years presented, the effective income tax rate differed from the expected rate because of the effects of annual changes in the deferred income tax asset valuation allowance. Changes in the valuation allowance relate only to the corresponding change in the deferred income tax asset for those years. At August 31, 2006, the Company has tax basis net operating loss carryforwards totaling approximately \$475,000, which expire in the years 2007 through 2026.

5. Related Party Transactions

At August 31, 2005, accounts payable to related parties is comprised of accounting services of \$350, respectively, owed to a company owned by Delaine Hess Gruber (a former director and stockholder). During the years ended August 31, 2006 and 2005, professional service fees is comprised of accounting services paid or accrued to Ms Gruber of \$1,381 and \$1,962, respectively.

Silver Butte Co., Inc.
Notes to Financial Statements, continued:

6. *Equity*

Common Stock

The Company has 300,000,000 authorized shares of \$0.001 par value common stock.

Preferred Stock

The Company has 10,000,000 authorized shares of \$0.001 par value preferred stock. No shares of preferred stock had been issued at August 31, 2006 or 2005.

Warrants

During the year ended August 31, 2005, the Company received \$3,500 from the exercise of outstanding warrants to purchase 350,000 shares of common stock at \$0.01. No warrants remain outstanding.

Private Placement

In September 2005, the Company offered 833,884 shares of the Company's common stock for sale in a private placement, at a price of \$0.06 per share, of which 516,665 shares were sold for total proceeds of \$31,000. No warrants were granted in connection with this offering. Proceeds will be used to finance ongoing operations.

2006 Private Placement

Subsequent to year end, in September 2006, the Company had a private placement offering for the sale of 600,000 shares of the Company's common stock, at a price of \$0.06 per share for cash only. No warrants were granted in connection with this offering. As of October 26, 2006, 466,666 shares had been sold for total proceeds of \$28,000. Proceeds from this offering will be used to finance ongoing operations.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 8A. CONTROLS AND PROCEDURES

An evaluation was performed by The Company's President and Secretary/ Treasurer of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the president and secretary/treasurer concluded that disclosure controls and procedures were effective as of August 31, 2006, in ensuring that all material information required to be filed in this annual report has been made known to them in a timely fashion.

There has been no change in our internal control over financial reporting during the year ended August 31, 2006, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 8B. OTHER INFORMATION

None.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

(a) Identification of Directors and Executive Officers are as follows:

Name	Age	Affiliation with Registration	Expiration of Term
Terry McConnaughey	71	President, Director	Annual meeting
Joseph Zinger	66	Vice President, Director	Annual meeting
Robert J. Evans	81	Secretary/Treasurer, Director	Annual meeting
Wayne Hohman	66	Director	Annual meeting
Edward C. Wert	60	Director	Annual meeting

Business Experience of Directors and Executive Officers

John T. (Terry) McConnaughey: Mr. McConnaughey was Sagle Fire District Commissioner from 1998 to 2000. In 2001, he was appointed to Sandpoint Airport Advisory as Director for a four (4) year term. Mr. McConnaughey became a member of the board of directors of Silver Butte in 1996, and was elected President in March 2001.

Elmer J. (Joe) Zinger, Vice President: Mr. Zinger has been employed as a construction foreman at Hidden Lakes Golf Course since 1991. Mr. Zinger was appointed to the Board of Directors of Silver Butte in 1992, and elected Vice President in 2001.

Robert J. Evans, Secretary/Treasurer: Mr. Evans has been a director of the Company for the past 21 years and secretary/treasurer of the Company for the past 13 years.

Wayne A. Hohman, Director: Mr. Hohman retired from teaching in 1996 after twenty-nine years, and then became involved in land and timber management. He was appointed to the Board of Directors in 1996.

Edward C. Wert Mr. Wert was appointed as a director on March 1, 2006. Mr. Wert was a school teacher for 27 years at West Valley School District, and is presently retired and living in Sagle, Idaho. Mr. Wert has also served on the Schweitzer Mountain Ski Patrol for the last 30 years.

Delaine Hess Gruber Ms. Hess resigned as a director on December 15, 2005.

The Board of Directors has no standing audit, nominating or compensation committees. The entire board performs the function of each of these committees.

Section 16(a) Beneficial Ownership Reporting Compliance

Officers, directors, and beneficial owners of 10% or more of the Company's common stock are required to timely file the reports required by section 16(a) of the Exchange Act. To the Company's knowledge, the required Forms 3, 4, and 5 have been filed, although not all have been filed on a timely basis.

ITEM 10. EXECUTIVE COMPENSATION

The following table sets forth, for the fiscal years ended August 31, 2006, 2005, and 2004 compensation paid by the Company to executives for work performed for the benefit of the Company. The Company has provided no stock options, warrants, or stock appreciation rights. There are no other employment contracts or incentive pay agreements with the officers and/or directors, who are paid on an hourly basis for work performed according to the terms and rates approved by the Board of Directors.

Name/Title	Year	Annual Compensation		Long Term Compensation				All Other Compensation
		Salary	Bonus	Other Annual Compensation	Restricted Stock Awards	Options SARS (#)	LTIP payouts (\$)	
Terry McConnaughey, Pres, Dir.	2004	---	---	---	---	---	---	
Terry McConnaughey, Pres, Dir.	2005	---	---	---	---	---	---	
Terry McConnaughey, Pres, Dir	2006	---	---	---	---	---	---	
E. Joseph Zinger, Vice Pres, Dir.	2004	---	---	---	---	---	---	
E. Joseph Zinger, Vice Pres, Dir	2005	---	---	---	---	---	---	
E. Joseph Zinger, Vice Pres, Dir.	2006	---	---	---	---	---	---	
Robert J. Evans, Sec/Treas, Dir.	2004	---	---	---	---	---	---	
Robert J. Evans, Sec/Treas, Dir	2005	---	---	---	---	---	---	
Robert J. Evans, Sec/Treas, Dir.	2006	---	---	---	---	---	---	
Wayne Hohman, Director	2004	---	---	---	---	---	---	
Wayne Hohman, Director	2005	---	---	---	---	---	---	
Wayne Hohman, Director	2006	---	---	---	---	---	---	
Delaine Hess Gruber, Director	2004	---	---	---	---	---	---	448[1]
Delaine Hess Gruber, Director	2005	---	---	---	---	---	---	8,205[2]
Delaine Hess Gruber, Director	2006	---	---	---	---	---	---	1,962[2]
								1,381[2]

[1] Columbia Stock Transfer was paid \$448 during the four month period ended December 31, 2003. The president of Columbia Stock Transfer was Delaine Hess Gruber until December 31, 2003.

[2] The Company paid or accrued Delaine Hess Gruber C.P.A. accounting firm \$1,381, 1,962, and \$8,205, for services during the years ended August 31, 2006, 2005, and 2004, respectively.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

- (a) Security ownership of certain beneficial owners: Two persons of record own more than 5% of the Company's Common Stock as follows:

Title of Class	Name of Beneficial Owner	Amount of Beneficial	Percent of Class (1)
		Ownership	
Common Stock	Terrence Dunne	2,600,000	14.65%
Common Stock	Patrick Power	1,840,000	10.37%

(1) based upon 17,743,746 total common shares outstanding as of October 26, 2006

- (b) Security ownership of management:

Title of Class	Name of Beneficial Owner	Amount of Beneficial	Percent of Class (1)
		Ownership	
Common Stock	Terry McConnaughey	823,122	4.64%
Common Stock	Joseph Zinger	632,333	3.56%
Common Stock	Robert J. Evans	507,333	2.86%
Common Stock	Wayne Hohman	627,167	3.53%
Common Stock	Edward C. Wert	130,878	0.74%
Common Stock	Directors and Executive Officers as a Group	2,720,833	15.33%

(1) based upon 17,743,746 total common shares outstanding as of October 26, 2006

- (c) None.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In addition to the related transactions described in the preceding section of the document, see Note 5 to the Financial Statements.

ITEM 13. EXHIBITS

Exhibit

- 31.1: Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, McConnaughey
- 31.2: Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Evans

- 32.1: Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, McConnaughey
- 32.2: Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Evans

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

The aggregate fees billed for professional services rendered by the Company's principal accountant for the audit of the Company's annual financial statements for the fiscal years ended August 31, 2006 and 2005 and the review for the financial statements included in the Company's quarterly reports on Form 10-QSB during those fiscal years were \$14,800 and \$13,300, respectively.

Audit Related Fees

The Company incurred no fees during the last two fiscal years for assurance and related services by the Company's principal accountant that were reasonably related to the performance of the audit or review of the Company's financial statements, and not reported under "Audit Fees" above.

Tax Fees

The Company incurred no fees during the last two fiscal years for professional services rendered by the Company's principal accountant for tax compliance, tax advice and tax planning.

All Other Fees

The Company incurred no other fees during the last two fiscal years for products and services rendered by the Company's principal accountant.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SILVER BUTTE CO., INC.
(Formerly Silver Butte Mining Company)
(Registrant)

By: /s/Terry McConnaughey
Terry McConnaughey, President and Director

Date: October 31, 2006

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By /s/ Robert J. Evans
Robert J. Evans, Secretary/Treasurer and Director

Date: October 31, 2006

Exhibit 31.1 - CERTIFICATIONS

I, Terry McConnaughey, certify that:

1. I have reviewed this annual report on Form 10-KSB of Silver Butte Co., Inc.
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this annual report.
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - b) [Not required].
 - c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report my conclusion about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting.
5. I have disclosed, based on my most recent evaluation, to the Registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

By: /s/Terry McConnaughey
Terry McConnaughey, President and Director
Date: November 3, 2006

Exhibit 31.2 - CERTIFICATIONS

I, Robert J. Evans, certify that:

1. I have reviewed this annual report on Form 10-KSB of Silver Butte Co., Inc.
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this annual report.
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - b) [Not required].
 - c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report my conclusion about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting.
5. I have disclosed, based on my most recent evaluation, to the Registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

By /s/ Robert J. Evans

Robert J. Evans, Secretary/Treasurer and Director

Date: November 3, 2006

Exhibit 32.1 -

CERTIFICATION PURSUANT TO THE SARBANES-OXLEY ACT
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Terry McConnaughey, director and president of Silver Butte Co., Inc. (the “Registrant”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge::

1. This Annual Report on Form 10-KSB of the Registrant for the fiscal year ended August 31, 2006, as filed with the Securities and Exchange Commission (the “report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

By: /s/Terry McConnaughey
Terry McConnaughey, President and Director

Date: November 3, 2006

Exhibit 32.2 -

CERTIFICATION PURSUANT TO THE SARBANES-OXLEY ACT
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Robert J. Evans, director and secretary/treasurer of Silver Butte Co., Inc. (the “Registrant”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge::

1. This Annual Report on Form 10-KSB of the Registrant for the fiscal year ended August 31, 2006, as filed with the Securities and Exchange Commission (the “report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

By /s/ Robert J. Evans
Robert J. Evans, Secretary/Treasurer and Director

Date: November 3, 2006