FINANCIAL REVIEW

Fiscal Year Ended December 31, 2023

RADIUS GOLD INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in Canadian Dollars)

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF RADIUS GOLD INC.

Opinion

We have audited the consolidated financial statements of Radius Gold Inc. and its subsidiaries (the "Company"), which comprise:

- the consolidated statements of financial position as at December 31, 2023 and 2022;
- the consolidated statements of income (loss) and comprehensive income (loss) for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023 and 2022, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("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 *Auditors' 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

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 for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no other key audit matters to communicate in our auditors' report.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. 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.

Auditors' 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 auditors' 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.

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- 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 auditors' 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 auditors' 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 Company 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 period and are therefore the key audit matters. We describe these matters in our auditors' 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 auditors' report Michelle Chi Wai So.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia

April 25, 2024

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RADIUS GOLD INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at December 31		**2023**		**2022**
ASSETS				
Current assets				
Cash and cash equivalents (Note 5)	$	910,755	$	1,420,114
Equity investments (Note 6)		1,009,900		1,868,883
Receivables (Notes 7 and 16)		190,286		80,183
Prepaid expenses and deposits (Note 16)		83,548		53,467
Total current assets		2,194,489		3,422,647
Non-current assets				
Long-term deposits (Note 16)		63,000		123,098
Property and equipment (Note 8)		43,048		6,970
Right-of-use asset (Note 9)		60,630		121,097
Mineral property and royalty interests (Note 11)		1		37,402
Total non-current assets		166,679		288,567
TOTAL ASSETS	**$**	**2,361,168**	**$**	**3,711,214**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Note 16)	$	89,938	$	100,059
Current portion of lease liability (Note 9)		81,942		72,689
		171,880		172,748
Non-current liabilities				
Lease liability (Note 9)		-		81,942
Total liabilities		171,880		254,690
Shareholders' equity				
Share capital (Note 13)		58,776,806		56,728,904
Obligation to issue shares (Note 16)		-		120,625
Other equity reserve (Note 13)		7,562,565		7,260,439
Accumulated other comprehensive loss		(4,326,829)		(3,467,846)
Deficit		(59,823,254)		(57,185,598)
Total shareholders' equity		2,189,288		3,456,524
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**2,361,168**	**$**	**3,711,214**

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS AND AUTHORIZED FOR ISSUE ON APRIL 25, 2024 BY:

"Bruce Smith", Director
Bruce Smith

"William Katzin", Director
William Katzin

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

RADIUS GOLD INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
For the years ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

	2023	2022
Exploration expenditures (Note 16)	$ 1,572,144	$ 732,140
Write-off of mineral property interests (Note 11)	309,223	-
	1,881,367	732,140
General and administrative expenses		
Amortization (Note 8)	8,839	2,232
Depreciation of right-of-use asset (Note 9)	60,467	60,467
Interest expense on lease liability (Note 9)	11,646	18,158
Legal and audit fees	58,910	51,626
Management fees (Note 16)	64,000	66,000
Office and miscellaneous (Notes 12 and 16)	35,233	16,630
Salaries and benefits (Note 16)	160,787	149,330
Share-based compensation (Notes 14 and 16)	308,631	46,875
Shareholder communications (Note 16)	69,172	44,859
Transfer agent and regulatory fees (Note 16)	23,793	18,936
Travel and accommodation (Note 16)	46,106	47,567
	847,584	522,680
Loss from operations	(2,728,951)	(1,254,820)
Investment income	13,502	9,954
Foreign currency exchange (loss) gain	(28,409)	63,570
Gain on reclassification as equity investment (Notes 6 and 10)	-	1,350,913
Gain from mineral property option agreements (Note 11)	106,202	894,097
Gain on disposal of equipment (Note 8)	-	12,440
Net (loss) income for the year	**$ (2,637,656)**	**$ 1,076,154**
Other comprehensive income (loss)		
Items that will not be reclassified subsequently to profit or loss:		
Losses on sale of equity investments (Note 6)	-	(401,465)
Fair value gains (losses) on equity investments (Note 6)	(858,983)	230,880
Total comprehensive (loss) income	**$ (3,496,639)**	**$ 905,569**
Basic and diluted (loss) income per share (Note 3(i))	$(0.03)	$0.01
Weighted average number of common shares outstanding	94,086,896	87,252,523

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

RADIUS GOLD INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Number of common shares	**Share capital**	**Obligation to issue shares**	**Other equity reserve**	**Accumulated other comprehensive loss**	**Deficit**	**Total**
Balance, December 31, 2021	87,243,550	$ 56,723,224	$ 73,750	$ 7,262,369	$ (3,297,261)	$(58,261,752)	$ 2,500,330
Income for the year	-	-	-	-	-	1,076,154	1,076,154
Obligation to issue shares (Note 16)	-	-	46,875	-	-	-	46,875
Options exercised	25,000	3,750	-	-	-	-	3,750
Transfer of other equity reserve on exercise of options	-	1,930	-	(1,930)	-	-	-
Equity investments	-	-	-	-	(170,585)	-	(170,585)
Balance, December 31, 2022	**87,268,550**	**56,728,904**	**120,625**	**7,260,439**	**(3,467,846)**	**(57,185,598)**	**3,456,524**
Loss for the year	-	-	-	-	-	(2,637,656)	(2,637,656)
Shares issued for private placement	11,149,983	1,951,247	-	-	-	-	1,951,247
Shares issued for services (Note 16)	500,000	120,625	(120,625)	-	-	-	-
Options exercised	200,000	30,000	-	-	-	-	30,000
Transfer of other equity reserve on exercise of options	-	15,440	-	(15,440)	-	-	-
Share issuance costs	-	(69,410)	-	8,935	-	-	(60,475)
Equity investments	-	-	-	-	(858,983)	-	(858,983)
Share-based compensation	-	-	-	308,631	-	-	308,631
Balance, December 31, 2023	**99,118,533**	**$ 58,776,806**	**$ -**	**$ 7,562,565**	**$ (4,326,829)**	**$(59,823,254)**	**$ 2,189,288**

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

RADIUS GOLD INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

	2023	2022
Cash provided (used in):		
OPERATING ACTIVITIES		
Net (loss) income for the year	$ (2,637,656)	$ 1,076,154
Items not involving cash:		
Amortization	8,839	2,232
Gain on reclassification as equity investment	-	(1,350,913)
Gain from mineral property option agreements	(106,202)	(894,097)
Gain on disposal of equipment	-	(12,440)
Depreciation of right-of-use asset	60,467	60,467
Write off of mineral property interests	309,223	-
Share-based compensation	308,631	46,875
	(2,056,698)	(1,071,722)
Changes in non-cash working capital items:		
Receivables	(110,103)	(48,299)
Prepaid expenses and deposits	30,017	5,912
Accounts payable and accrued liabilities	(10,121)	15,727
Cash used in operating activities	(2,146,905)	(1,098,382)
FINANCING ACTIVITIES		
Proceeds on issuance of common shares	1,920,772	3,750
Repayment of lease obligation	(72,689)	(64,260)
Cash provided by (used in) financing activities	1,848,083	(60,510)
INVESTING ACTIVITIES		
Expenditures on mineral property acquisition costs	(726,641)	(940,682)
Proceeds from mineral property option agreements	561,021	1,924,044
Proceeds from sale of equity investments	-	51,175
Proceeds from sale of equipment	-	12,440
Purchase of property and equipment	(44,917)	(669)
Cash provided by (used in) investing activities	(210,537)	1,046,308
Decrease in cash and cash equivalents	**(509,359)**	**(112,584)**
Cash and cash equivalents, beginning of year	1,420,114	1,532,698
Cash and cash equivalents, end of year (Note 5)	**$ 910,755**	**$ 1,420,114**

Supplemental Cash Flow Information (Note 20)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Radius Gold Inc. (the "Company") was formed by the amalgamation of Radius Explorations Ltd. and PilaGold Inc. effective on July 1, 2004 under the laws of British Columbia.

The Company is engaged in the acquisition and exploration of mineral properties and investment in companies which hold mineral property interests. The address of the Company's head office and principal place of business is 650 – 200 Burrard Street, Vancouver, BC, Canada V6C 3L6.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long term. The Company will periodically have to raise additional financing in order to acquire and conduct work programs on mineral properties and meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. During the year ended December 31, 2023, the Company raised capital by way of a non-brokered equity financing (Note 13) which provides working capital for operational activities. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future.

2. BASIS OF PREPARATION

These consolidated financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Statement of Compliance

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

The accounting policies set out in Note 3 have been applied consistently by the Company and its subsidiaries to all periods presented.

Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The consolidated financial statements are presented in Canadian dollars ("CDN"), which is the Company's and its subsidiaries' functional currency.

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

a) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. A wholly owned subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. All material intercompany transactions and balances have been eliminated on consolidation. Subsidiaries are deconsolidated from the date control ceases.

Details of the Company's principal subsidiaries at December 31, 2023 and 2022 are as follows:

Name	Place of Incorporation	Interest %	Principal Activity
Minerales Sierra Pacifico S.A.	Guatemala	100%	Exploration company
Geometales Del Norte-Geonorte	Mexico	100%	Exploration company
Radius (Cayman) Inc.	Cayman Islands	100%	Investment Holding company

b) Revenue Recognition

The Company earns revenue from royalty agreements and is based on amounts contractually due. Royalty revenue is measured at fair value of the consideration received or receivable when the Company can reliably estimate the amount, pursuant to the terms of the royalty agreement. For royalty interests, revenue recognition generally occurs in the month of production from the royalty property.

Royalty revenue may be subject to adjustment upon final settlement of estimated metal prices, weights, and assays. Adjustments recorded upon final settlement are offset against revenue when incurred. Variations between the estimated price recorded upon production and the actual final price set upon final settlement are caused by changes in market commodity prices, and result in an embedded derivative in the receivable. The embedded derivative is recorded at fair value each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included as a component of royalty revenue. As of December 31, 2023 and 2022, there was no embedded derivative.

c) Investment in Associate

Where the Company has significant influence over the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognized in the consolidated statement of financial position at cost. The Company's share of post-acquisition profits and losses is recognized in profit or loss, except that losses in excess of the Company's investment in the associate are not recognized unless there is an obligation to fund those losses.

Profits and losses arising on transactions between the Company and its associates are recognized only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Any premium paid for an associate above the fair value of the Company's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalized and included in the carrying amount of the associate. Adjustments to the carrying amount may also be necessary for changes in the Company's proportionate interest in the associate arising from changes in the associate's other comprehensive income. Such adjustments to the carrying amount are charged to operations as a gain or loss on dilution in the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

Upon discontinuing the use of the equity method, an investment, if a financial asset, is to be measured at fair value and the difference between the fair value and the carrying value of the investment recognized in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

d) Foreign Currency Translation

The functional and presentation currency of the Company and its principal subsidiaries is the Canadian dollar. Transactions denominated in a currency other than an entity's functional currency are translated as follows: unsettled monetary items denominated in a foreign currency are translated into Canadian dollars at exchange rates prevailing at the date of the statement of financial position and non-monetary items are translated at exchange rates prevailing when the assets were acquired or obligations incurred. Foreign currency denominated revenue and expense items are translated at exchange rates prevailing at the transaction date. Gains or losses arising from the translations are included in profit or loss.

e) Cash and Cash Equivalents

Cash and cash equivalents include cash at banks and on hand, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of change of value.

f) Mineral Property and Royalty Interests

Exploration and evaluation assets

Acquisition costs for exploration and evaluation assets are capitalized and include the cash consideration paid and the fair value of common shares issued on acquisition, at the earlier of the date the counterparty's performance is complete or the share issuance date. Exploration expenditures, net of recoveries, are charged to operations as incurred. After a property is determined by management to be commercially feasible, exploration and development expenditures on the property will be capitalized. On transfer to development properties, capitalized exploration and evaluation assets are assessed for impairment.

Options are exercisable entirely at the discretion of the optionee and amounts received from optionees in connection with option agreements are credited against the capitalized acquisition costs classified as exploration and evaluation assets on the consolidated statement of financial position, with amounts received in excess credited to gain from mineral property option agreements in profit or loss.

Where the Company has entered into option agreements to acquire interests in exploration and evaluation assets that provide for periodic payments or periodic share issuances, amounts unpaid and unissued are not recorded as liabilities since they are payable and issuable entirely at the Company's option. Option payments are recorded as exploration and evaluation costs when the payments are made or received and the share issuances are recorded as exploration and evaluation costs using the fair market value of the Company's common shares at the earlier of the date the counterparty's performance is complete or the share issuance date.

The Company is in the process of exploring and developing its exploration and evaluation assets and has not yet determined the amount of reserves available. Management reviews the carrying value of exploration and evaluation assets on a periodic basis and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, the Company will test the asset for impairment based upon a variety of factors, including current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the asset or from the sale of the asset. Amounts shown for exploration and evaluation assets represent costs incurred to date, net of write-downs and recoveries, and are not intended to represent present or future values.

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and the costs can be reasonably estimated. Generally, the timing of these accruals would be when the actual environmental disturbance occurs.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

f) Mineral Property and Royalty Interests (cont'd)

Royalties

Royalty interests consist of acquired royalties in producing and exploration and evaluation stage properties. They are subsequently measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Producing properties are those that have generated revenue from steady-state operations for the Company. Exploration and evaluation stage properties represent early stage exploration properties that are speculative and are expected to require more than two years to generate revenue, if ever, or are currently not active.

Producing royalty interests are recorded at cost and capitalized in accordance with IAS 16, *Property, Plant and Equipment*. Producing royalty interests are depleted using the units-of-production method over the life of the property to which the interest relates, which is estimated using available estimates of proven and probable reserves specifically associated with the properties. Management relies on information available to it under contracts with the operators and/or public disclosures for information on proven and probable reserves and resources from the operators of the producing royalty interest.

Royalty interests for exploration and evaluation assets are recorded at cost and capitalized in accordance with IFRS 6, *Exploration for and Evaluation of Mineral Resources*. Acquisition costs of exploration and evaluation royalty interests are capitalized and are not depleted until such time as revenue-generating activities begin.

g) Property, Equipment and Amortization

Recognition and Measurement

On initial recognition, property and equipment are valued at cost, being the purchase price and directly attributable costs of acquisition required to bring the asset to the location and condition necessary to be capable of operating in a manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Property and equipment is subsequently measured at cost less accumulated amortization, less any accumulated impairment losses, with the exception of land, which is not amortized.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and Losses

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount, that are recognized net within other income in profit or loss.

Amortization

Amortization is recognized in profit or loss and property and equipment is amortized over their estimated useful lives using the following methods:

Trucks	4 – 8 years straight-line
Computer equipment	25% –50% declining balance
Furniture and equipment	20% declining balance
Geophysical equipment	20% declining balance
Field equipment	30% declining balance

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

h) Right-of-Use Assets

Right-of-use ("ROU") assets are initially recorded at cost, which comprises the initial amount of the lease liability and any initial direct costs incurred less any lease payments made at or before the initial recognition date. ROU assets are depreciated on a straight-line basis over the estimated useful life of the asset if the Company expects to take ownership of the asset at the end of the lease term, or over the lease term if the Company does not expect to take ownership of the asset at the end of the lease term. The lease term includes periods covered by an option to extend if the Company's intention is to exercise that option. ROU assets are periodically reduced by impairment losses, if any, and adjusted for re-measurements of the lease obligation.

i) Earnings/Loss per Share

Basic earnings/loss per share is calculated by dividing the net earnings loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflects the potential dilution of securities that could share in earnings of the Company.

For the year ended December 31, 2023, potentially dilutive common shares (relating to options outstanding at year-end) totaling 4,920,000 (2022: 3,050,000) were not included in the computation of earnings/loss per share, because their effect was anti-dilutive. As such, basic and diluted earnings and losses per share were the same for the periods presented.

j) Income Taxes

Income tax expense comprises current and deferred tax. Current and deferred tax are recognized in net loss/income except to the extent that it relates 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 year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for those taxable temporary differences arising on the initial recognition of goodwill or 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 year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset only to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

k) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants, and options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Warrants issued by the Company typically accompany an issuance of shares in the Company (a "Unit") and entitle the warrant holder to exercise the warrants for a stated price and a stated number of common shares in the Company. The fair value of the Unit's components sold is measured using the residual value approach. The proceeds received are first allocated to common shares at the time the Units are priced, and any excess is allocated to warrants.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

l) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss. Options or warrants granted related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model or the fair value of the shares granted.

All equity-settled share-based payments are reflected in other equity reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in other equity reserve is credited to share capital, adjusted for any consideration paid. Options that expire or are forfeited after vesting are not reclassified from other equity reserve to deficit.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

m) Provisions

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities may include restoration, reclamation and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration properties. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

As at December 31, 2023 and 2022, the Company had no significant asset retirement or rehabilitation obligations.

Other Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as accretion expense.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

n) Impairment of Non-Financial Assets

Impairment tests on non-financial assets, including exploration and evaluation assets, are undertaken whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs of disposal, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in other comprehensive loss/income.

o) Financial Instruments

Financial Assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included in other comprehensive income.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

o) Financial Instruments (cont'd)

Financial Liabilities

Financial liabilities are classified as amortized cost, based on the purpose for which the liability was incurred. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemptions, as well as any interest or coupon payable while the liability is outstanding.

Accounts payables represent liabilities for goods and services provided to the Company prior to the end of the period which are unpaid. Accounts payable amounts are unsecured and are usually paid within forty-five days of recognition.

The Company has made the following designations of its financial instruments:

Cash and cash equivalents	FVTPL
Equity investments	FVTOCI
Receivables	Amortized cost
Deposits	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Lease liability	Amortized cost

p) Lease Liabilities

The lease liability is measured at the present value of the expected lease payments over the lease term, discounted at the implicit rate in the lease; if the rate cannot be determined, the incremental borrowing rate of the asset or asset grouping is used. The lease liability is increased for the passage of time and payments on the lease are offset against the lease liability. The liability is subsequently re-measured when there is a change in the lease agreement, such as a change in future lease payments or if the Company decides to purchase, extend, or terminate the lease option. When the lease liability is re-measured, an adjustment is applied to the carrying value of the ROU asset.

q) Standards, Amendments and Interpretations Not Yet Effective

The Company has reviewed upcoming policies and determined that none are expected to have a significant impact on the Company's consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, 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 profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (cont'd)

The key areas of judgment applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

a) The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of the functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

b) The application of the Company's accounting policy for exploration and evaluation assets and royalty interests requires judgment in determining whether it is likely that future economic benefits will flow to the Company.

   If, after exploration and evaluation assets are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the Company carries out an impairment test at the cash-generating unit or group of cash-generating units level in the year the new information becomes available.

c) The determination of when receivables are impaired requires significant judgment as to their collectability.

d) The Company applies judgment in determining whether a lease contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

e) Although the Company has taken steps to identify any decommissioning liabilities related to mineral properties in which it has an interest, there may be unidentified decommissioning liabilities present.

f) The assessment of the Company's ability to continue as a going concern to pay for its operating expenditures and meet its liabilities for the subsequent year involves significant judgment based on historical experiences and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The key estimates applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

a) To determine the recoverable amount of impaired assets, the Company estimates the higher of fair value less costs to sell and value in use. The actual results may vary and may cause significant adjustments to the Company's assets within the next financial year. During the year ended December 31, 2023, the Company recorded write-offs of exploration and evaluation asset costs totaling $37,401 on the Maricela Project and $271,822 on the Tropico Project (Note 11). A value in use calculation was not applicable for these write-offs as the Company does not have any expected cash flows from using the properties at this stage of operations. In estimating the fair value less costs of disposal, management did not have observable or unobservable inputs to estimate the recoverable amount greater than $nil. As this valuation technique requires management's judgment and estimates of the recoverable amount, it is classified within Level 3 of the fair value hierarchy.

b) In estimating the fair value of share-based payments, using the Black-Scholes option pricing model, management is required to make certain assumptions and estimates. Changes in assumptions used to estimate fair value could result in materially different results.

c) The Company uses estimation in determining the incremental borrowing rate used to measure the lease liability. Where the rate implicit in the lease is not readily determinable, the discount rate of the lease obligations is estimated using a discount rate similar to the Company's specific borrowing rate.

(Expressed in Canadian Dollars)

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Company does not hold any deposits with maturities of greater than three months from the date of acquisition. Cash at banks and cash equivalents consisting of money market funds earn interest at floating rates based on daily bank deposit rates. As at December 31, 2023 and 2022, cash and cash equivalents is comprised of the following:

	2023	2022
Cash	$ 700,844	$ 823,705
Cash equivalents	209,911	596,409
	$ 910,755	$ 1,420,114

6. EQUITY INVESTMENTS

As of December 31, 2023 and 2022, equity investments consisted of the following:

Number of common shares held as at December 31:

	2023	2022
Electrum Discovery Corp. ("Electrum") (formerly Medgold Resources Corp.)	632,906	632,906
Rackla Metals Inc. ("Rackla")	3,973,275	3,973,275
Volcanic Gold Mines Inc. ("Volcanic")	830,412	830,412

	Coloured Ties	Electrum	Metallum	Rackla	Volcanic	Warrior	Total
Balance, December 31, 2021	$ 38,056	$ 253,163	$ 1,500	$ -	$ 431,814	$ 15,196	$ 739,729
Disposition of shares	(135,140)	-	(267,500)	-	-	(50,000)	(452,640)
Reclassification from investment in associate	-	-	-	1,350,914	-	-	1,350,914
Net change in fair value recorded in other comprehensive loss	97,084	(202,530)	266,000	317,862	(282,340)	34,804	230,880
Balance, December 31, 2022	-	50,633	-	1,668,776	149,474	-	1,868,883
Net change in fair value recorded in other comprehensive income	-	-	-	(933,720)	74,737	-	(858,983)
Balance, December 31, 2023	**$ -**	**$ 50,633**	**$ -**	**$ 735,056**	**$ 224,211**	**$ -**	**$ 1,009,900**

Volcanic has one common director and Rackla has three common directors with the Company. All of the Company's equity investment companies are publicly listed companies as of December 31, 2023 and 2022.

Subsequent to December 31, 2023, a one-for-sixteen share consolidation by Electrum reduced the number of Electrum shares held by the Company from 10,126,500 to 632,906.

During the year ended December 31, 2022, the Company's holding of 3,973,275 Rackla shares was reclassified from an investment in associate to an equity investment (Note 10). The fair value of the 3,973,275 Rackla shares at the time of reclassification was $1,350,914.

During the year ended December 31, 2023, there were no equity investment transactions.

During the year ended December 31, 2022, the Company completed the following transactions:

i) Sold 20,000 common shares of Metallum Resources Inc. ("Metallum") for net proceeds of $1,575 and recorded a loss of $265,925 on the sale in other comprehensive income.

ii) Sold 233,781 common shares of Warrior Gold Inc. ("Warrior") for net proceeds of $15,936 and recorded a loss of $34,064 on the sale in other comprehensive income.

iii) Sold 107,200 common shares of Coloured Ties Capital Inc. ("Coloured Ties") for net proceeds of $33,664 and recorded a loss of $101,476 on the sale in other comprehensive income.

(Expressed in Canadian Dollars)

7. RECEIVABLES

	December 31, 2023	December 31, 2022
Royalty receivable	$ 784,180	$ 784,180
Provision for impairment (Note 11 – Guatemala Tambor Project)	(784,180)	(784,180)
Royalty revenue receivable, net	-	-
Sales taxes	190,286	58,495
Other receivables (Note 16)	-	21,688
	$ 190,286	**$ 80,183**

The provision for impairment of the royalty receivable was included in profit or loss during the 2016 fiscal year. Uncollectable amounts included in the provision are written off against the provision when there is no expectation of recovery. The royalty revenue receivable remains uncollected as of December 31, 2023 as the Company has allowed Kappes, Cassiday & Associates ("KCA") to defer payment of the balance while KCA awaits a ruling on an arbitration hearing to overturn the suspension of operations of its mine-site and seek compensation from the Guatemalan authorities (Note 11).

8. PROPERTY AND EQUIPMENT

	Trucks	Computer equipment	Furniture and equipment	Geophysical equipment	Field equipment	Total
Cost						
Balance, December 31, 2021	$ 37,457	$ 257,144	$ 55,313	$ 84,882	$ 4,665	$ 439,461
Additions	-	669	-	-	-	669
Disposals	-	(252,068)	-	(28,278)	-	(280,346)
Balance, December 31, 2022	37,457	5,745	55,313	56,604	4,665	159,784
Additions	38,682	1,044	-	-	5,191	44,917
Balance, December 31, 2023	**$ 76,139**	**$ 6,789**	**$ 55,313**	**$ 56,604**	**$ 9,856**	**$ 204,701**
Accumulated amortization						
Balance, December 31, 2021	$ 37,457	$ 253,120	$ 55,313	$ 80,373	$ 4,665	$ 430,928
Charge for year	-	1,330	-	902	-	2,232
Disposals	-	(252,068)	-	(28,278)	-	(280,346)
Balance, December 31, 2022	37,457	2,382	55,313	52,997	4,665	152,814
Charge for year	6,613	1,296	-	721	209	8,839
Balance, December 31, 2023	**$ 44,070**	**$ 3,678**	**$ 55,313**	**$ 53,718**	**$ 4,874**	**$ 161,653**
Carrying amounts						
At December 31, 2022	$ -	$ 3,363	$ -	$ 3,607	$ -	$ 6,970
At December 31, 2023	**$ 32,069**	**$ 3,111**	**$ -**	**$ 2,886**	**$ 4,982**	**$ 43,048**

During the 2022 fiscal year, the Company disposed of a fully amortized vehicle for proceeds of $12,440 and recorded a gain on disposal of $12,440.

(Expressed in Canadian Dollars)

9. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company has a lease agreement for its headquarter office space in Vancouver, British Columbia.

The continuity of the ROU asset and lease liability for the years ended December 31, 2023 and 2022 is as follows:

Right-of-use asset		
Value of right-of-use asset recognized as at December 31, 2021	$	181,564
Depreciation		(60,467)
Value of right-of-use asset as at December 31, 2022		121,097
Depreciation		(60,467)
Value of right-of-use asset as at December 31, 2023	**$**	**60,630**

Lease liability		
Lease liability recognized as of December 31, 2021	$	218,891
Lease payments		(82,418)
Lease interest		18,158
Lease liability recognized as of December 31, 2022		154,631
Lease payments		(84,335)
Lease interest		11,646
Lease liability recognized as of December 31, 2023	**$**	**81,942**

Lease liability		
Current portion	$	81,942
Long-term portion		-
	$	**81,942**

10. INVESTMENT IN ASSOCIATE

Rackla

Rackla previously met the definition of an associate and was equity accounted for in the consolidated financial statements. During the 2022 fiscal year, Rackla no longer met the definition of an associate when its interest in Rackla was further diluted to a level significantly below 20% on December 22, 2022 when Rackla issued 12,615,000 common shares by way of private placements to different parties. Therefore, the Company's investment in Rackla was reclassified as an equity investment. Upon discontinuing the use of the equity method, an investment, if a financial asset, is to be measured at fair value and the difference between the fair value and the carrying value of the investment recognized in profit or loss. The fair value of the investment in Rackla at the time of reclassification was $1,350,914 and its carrying cost was $1. As a result, a gain of $1,350,913 was recognized in the consolidated statement of income for the year ended December 31, 2022.

(Expressed in Canadian Dollars)

11. MINERAL PROPERTY AND ROYALTY INTERESTS

Acquisition costs	**Mexico**	**Guatemala**	**Total**
Balance, December 31, 2021	$ 126,666	$ 1	$ 126,667
Additions – cash	940,682	-	940,682
Acquisition costs recovered	(1,029,947)	-	(1,029,947)
Balance, December 31, 2022	37,401	1	37,402
Additions – cash	726,641	-	726,641
Acquisition costs recovered	(454,819)	-	(454,819)
Write-off of acquisition costs	(309,223)	-	(309,223)
Balance, December 31, 2023	**$ -**	**$ 1**	**$ 1**

Mexico

i) Amalia Project (including the Palmillas Property)

In 2017, the Company signed a binding agreement with a private individual to option the Amalia Project in the State of Chihuahua, Mexico. In 2022, the Company earned a 100% interest in the Amalia Project having made staged payments over a period of five years totaling US$850,000 cash, all of which was paid prior to the current year, and issuing US$15,000 in shares of the Company prior to the 2021 fiscal year.

In 2018, the Company entered into an option agreement with Pan American Silver Corp. ("Pan American") whereby Pan American earned in 2022 an initial 65% interest in the Amalia Project and the Palmillas Property (described below) having made cash payments to the Company totaling US$1.5 million and expending US$2.0 million on exploration over four years. Pan American may earn an additional 10% by advancing the property to a preliminary feasibility stage.

In November 2019, the Company signed a binding agreement with a private family to option the Palmillas Property that adjoins the Amalia Project in the State of Chihuahua, Mexico. The Company can earn a 100% interest in the Palmillas Property by completing staged payments over a period of five years totaling US$350,000, of which the final payment is US$200,000 at the end of five years. As of December 31, 2023, cash payments totaling $163,131 (US$125,000) have been paid, of which $59,359 (US$45,000) was paid during the current year and recorded as an acquisition cost. If the Company exercises the option, the owners will retain a 1% NSR royalty.

Pursuant to the Company's option agreement with Pan American on the Amalia Project, Pan American elected during the 2020 fiscal year to pay the Company's acquisition costs of the Palmillas Property and add the property to the Amalia Project. During the year ended December 31, 2023, the Company received $59,359 (US$45,000) from Pan American to reimburse the Company for Palmillas option payments made to the Palmillas Property owners (2022: $45,910 / US$35,000).

Legal Proceeding

During the year ended December 31, 2023, the Company filed a legal demand with a Federal Court in Mexico to obtain title to the Amalia 4 concession, a component of the Amalia Project which had been in the application stage. The mining authority of Chihuahua has processed and approved the submission without fault and passed the license to the Mexico Mining Directorate proposing title issuance. The regulated time for the mining authority to comment and request revision has passed and granting of title is a legal requirement under the mining law. The legal demand filed by the Company is to enforce the granting of title and the legal process is still on-going.

11. MINERAL PROPERTY AND ROYALTY INTERESTS (cont'd)

Mexico (cont'd)

ii) Plata Verde Project

In 2020, the Company entered into option agreements, as amended, with local concession holders to acquire the Plata Verde Project which consists of the Don Benja and Don Jose concessions located in the State of Chihuahua, Mexico.

The Company can earn a 100% interest in the Don Benja concession by making staged payments to the concession owner totaling US$801,000 over a period of five years ending on October 22, 2025, of which the two final payments are US$200,000 at the end of the fourth year and US$200,000 at the end of the fifth year. As of December 31, 2023, the Company has made payments totaling $534,905 (US$401,000), of which $338,170 (US$250,000) was paid during the current year. If the Company exercises the option, the concession holder will retain a 1% NSR royalty which the Company can buy back for US$1,000,000.

The Company can earn a 100% interest in the Don Jose concession by making staged payments to the concession owner totaling US$500,000 over a period of four years ending on May 15, 2026, of which the final payment is US$185,000 at the end of the fourth year. As of December 31, 2023, the Company has made payments totaling $101,662 (US$75,000), of which $57,289 (US$42,000) was paid during the current year. If the Company exercises the option, the concession holder will retain a 1% NSR royalty which the Company can buy back for US$600,000.

During the 2022 fiscal year, the Company entered into an exclusivity agreement with Fresnillo plc ("Fresnillo") whereby Fresnillo had the exclusive right until April 7, 2023 to negotiate with the Company the terms of an option to earn a 70% interest in the Plata Verde Project. During the year ended December 31, 2023, the exclusivity period was extended to July 7, 2023 and then extended further to January 7, 2024. Subsequent to December 31, 2023, an option agreement was signed which replaces the exclusivity agreement and provides for an initial payment from Fresnillo of US$250,000 to mobilize drilling and field teams and a second payment of US$250,000 due when drilling commences.

Pursuant to this agreement, Fresnillo was to make payments totaling US$695,300 to the Company as follows:

i) US$100,000 upon signing the exclusivity agreement;
ii) US$357,000 to reimburse underlying property option payments;
iii) US$103,600 to clear historic back taxes and return the property to full legal compliance; and
iv) US$134,700 for property taxes and investment costs at the project.

As of December 31, 2023, the full amount of $931,489 (US$695,300) has been received, of which $501,661 (US$371,300) was received by the Company during the year ended December 31, 2023, with $395,459 being recorded as a recovery against acquisition costs and $106,202 recorded as a gain from mineral property option agreements.

During the year ended December 31, 2022, the Company received a total of $429,828 (US$324,000), of which $241,108 was recorded as a recovery against accumulated capitalized mineral property costs for the Plata Verde Project, $157,530 was recorded as a cost recovery against exploration expenditures, $34,575 was recorded as a gain from mineral property option agreements, and $3,385 recorded as a foreign exchange loss for the year ended December 31, 2022.

iii) Maricela Project

During the 2021 fiscal year, the Company entered into an option agreement to acquire the Maricela group of properties located in the State of Sonora that covers several mineral concessions. The Company could have earned a 100% interest in the Maricela Project by making staged payments to the property owner totaling US$1,250,000 over three years with a final payment of US$1,060,000 due at the end of year three. A total of US$30,000 ($37,401) was paid and recorded as an acquisition cost during the year 2021 fiscal year. The Company decided to terminate the option agreement and as a result, the acquisition cost of $37,401 was written off during the current year.

11. MINERAL PROPERTY AND ROYALTY INTERESTS (cont'd)

Mexico (cont'd)

iv) Tropico Project

In March 2023, the Company entered into an option agreement with local property owners to acquire the Tropico Project located within the Fresnillo mining district in the State of Zacatecas, Mexico.

The Company had the option to earn a 100% interest in the Tropico Project by making a US$200,000 payment upon signing of the agreement (paid), further payments totaling US$200,000 that can be paid in six monthly instalments over a period of forty-two months, starting with US$25,000 at month twelve in order to maintain the option, and a payment of US$5,000,000 at month forty-eight. The option also called for potential additional milestone payments to the property owners.

The initial option payment of US$200,000 was recorded as an acquisition cost of $271,822 during the year ended December 31, 2023. Subsequent to December 31, 2023, the Company decided to relinquish the option and as a result, the acquisition cost of $271,822 was written off during the current year.

v) Rambler Project

During the 2019 fiscal year, the Company staked a property called the Rambler Project, located in the State of Chihuahua.

vi) Lithium Brine Project

The Company holds a mineral concession application for a lithium brine project located in the State of Coahuila, Mexico. The Company expects this application to be abandoned due to the nationalization of lithium in Mexico.

Guatemala

i) Guatemala Properties

The Company's 100% owned land holdings in southeast Guatemala as at December 31, 2023 consist of 45 concessions (two granted exploration licences, forty exploration applications, two exploitation applications, and one reconnaissance application) filed with the Guatemala Ministry of Energy and Mines. The two exploitation applications were filed in order to convert one previously granted exploration licence to exploitation; until the exploitation licences are granted, the granted exploration licence remains in place. During the year ended December 31, 2023, the Company was granted the Cirilo I exploration licence in the Motagua Norte project area of Guatemala.

In May 2020, the Company signed an agreement whereby it granted to Volcanic the exclusive option (the "Option") to acquire a 60% interest in the Company's granted exploration licence (known as the Holly and Banderas gold-silver properties) (the "Properties"). In September 2023, the Option was modified to include the Motagua Norte project in substitution for the Banderas project. Management determined the projects were of equivalent value and accordingly no gain or loss was recognized on this substitution. The original earn-in requirement to spend US$7.0 million in exploration of the properties remains unchanged. Under the modified option agreement, Volcanic has an exclusive option to earn a 60% interest in the Company's Holly and Motagua Norte properties by spending US$7.0 million on exploration of the properties, of which US$1,764,778 is required to be spent on Motagua Norte. Expenditures made by Volcanic on exploration of the Banderas property are credited towards the US$7.0 million expenditure requirement.

In December 2023, the Company entered into a surface rights option agreement (the "Surface Rights Option") with the owner of certain lands comprising a portion of the Motagua Norte project, and the Company granted to Volcanic the option to acquire a 60% interest in such lands by assuming the option payments due to the landowner. At that time, the Company paid $204,873 (US$150,000) as an initial option payment and was reimbursed for the cost by Volcanic. Pursuant to the terms of these agreements and the Mineral Rights Option described above, Volcanic can acquire a 60% interest in the minerals rights to the Holly and Motagua Norte Projects and 60% of a portion of the surface rights to Motagua Norte. To exercise the Surface Rights Option, the Company must make staged payments totaling US$2.5 million over 24 months, with the final payment of US$2.0 million being due on the twenty-fourth month. Any reimbursements of such payments made by Volcanic will be credited toward the US$7.0 million required to exercise the Mineral Rights Option.

11. MINERAL PROPERTY AND ROYALTY INTERESTS (cont'd)

Guatemala (cont'd)

i) Guatemala Properties (cont'd)

If the Mineral Rights Option and the Surface Rights Option are exercised, Volcanic and the Company will form a 60/40 joint venture ownership of said mineral rights and surface rights, and the Company will contribute to the joint venture its 40% share of the Surface Rights Option payments made by Volcanic which are over and above the US$7.0 million to be incurred by Volcanic in order to exercise the Mineral Rights Option.

ii) Tambor Project Royalty

In 2012, the Company sold its interest in its subsidiary, Exploraciones Mineras de Guatemala S.A., which holds the Tambor gold project, to KCA, giving KCA a 100% interest in the project. KCA agreed to make royalty payments to the Company, upon commercial production, based on the then price of gold and the number of ounces produced from the property.

Commercial production commenced in December 2014. In May 2016, KCA informed the Company that mining operations were suspended by the Supreme Court of Guatemala due to a lack of consultation by the Guatemalan Ministry of Mines with local indigenous people when the mine was permitted in 2011. To date, the Supreme Court has not made a decision on when the mine may re-open.

There was no royalty income recognized for the years ended December 31, 2023 and 2022.

As at December 31, 2023, all gold sales subject to the Company's royalty had been final settled and the balance that remained unpaid to the Company was $784,180. Due to the uncertainty as to when the mine may re-open and when the amount owing by KCA to the Company will be paid, a provision of $784,180 against the receivable amount was charged to operations in 2016.

12. COMMITMENTS

The Company has entered into an operating lease agreement for its office premises that expires on December 31, 2024. The Company also rents space to other companies related by common directors and officers on a month-to-month basis, the amounts of which are netted against rental expense; however, there are no commitments from these companies and thus the amounts presented below are the gross commitments. The remaining commitment under the lease for the 2024 fiscal year is $133,869.

For the year ended December 31, 2023, the Company received a total of $96,775 (2022: $99,875) from those companies which share office space with the Company.

(Expressed in Canadian Dollars)

13. SHARE CAPITAL AND RESERVES

a) Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

During the year ended December 31, 2023, the following share capital activity occurred:

i) On May 29, 2023, the Company closed a private placement of 11,149,983 units at $0.175 per unit for gross proceeds of $1,951,247. Each unit consists of one common share and one full share purchase warrant entitling the holder to purchase an additional common share exercisable for two years at a price of $0.35. Of the total gross proceeds, $1,951,247 was allocated to share capital and $Nil to warrants. In connection with this financing, the Company paid finder's fees totaling $39,627 cash and issued a total of 226,442 warrants which have the same terms as the unit warrants. The fair value of the finders' fee warrants was $8,935 and was recorded as share issuance costs and an offset to other equity reserve. The fair value of each finders' fee warrant has been estimated as of the date of the issuance using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 4.23%, dividend yield of 0%, volatility of 67%, and expected life of two years. Other share issuance costs associated with this financing totaled $20,848;

ii) The Company issued 500,000 common shares with a value of $120,625 to the Chief Executive Officer of the Company pursuant to the terms of a shares for services agreement dated January 1, 2021; and

iii) A total of 200,000 stock options were exercised for proceeds of $30,000. The Company reallocated the fair value of these options previously recorded in the amount of $15,440 from other equity reserve to share capital.

During the year ended December 31, 2022, a total of 25,000 stock options were exercised for proceeds of $3,750. The Company reallocated the fair value of these options previously recorded in the amount of $1,930 from other equity reserve to share capital.

b) Share Purchase Warrants

The following is a summary of changes in warrants during the year ended December 31, 2023:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2021 and 2022	-	-
Issued	11,376,425	$0.35
Balance, December 31, 2023	**11,376,425**	**$0.35**

As at December 31, 2023, there were 11,376,425 share purchase warrants outstanding with an exercise price of $0.35 per share and May 28, 2025 expiry date.

14. SHARE-BASED PAYMENTS

a) Option Plan Details

The Company has a formal stock option plan in accordance with the policies of the TSX-V under which it is authorized to grant options up to 10% of its outstanding shares to officers, directors, employees, and consultants. The exercise price of each option is not less than the closing market price of the Company's stock on the trading day prior to the date of grant. Options granted to investor relations personnel vest in accordance with TSX-V regulations. The options are for a maximum term of ten years.

(Expressed in Canadian Dollars)

14. SHARE-BASED PAYMENTS (cont'd)

a) Option Plan Details (cont'd)

The following is a summary of changes in options for the year ended December 31, 2023:

				During the year				
Grant date	**Expiry date**	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**Expired / forfeited**	**Closing balance**	**Vested and exercisable**
Oct 19, 2016	Oct 18, 2026	$0.15	1,230,000	-	-	-	1,230,000	1,230,000
May 22, 2018	May 21, 2028	$0.15	1,465,000	-	(200,000)	-	1,265,000	1,265,000
Nov 5, 2018	Nov 4, 2028	$0.15	75,000	-	-	-	75,000	75,000
Oct 8, 2019	Oct 7, 2029	$0.25	850,000	-	-	-	850,000	850,000
Mar 16, 2020	Mar 15, 2030	$0.15	280,000	-	-	-	280,000	280,000
Dec 9, 2020	Dec 8, 2030	$0.27	50,000	-	-	-	50,000	50,000
Feb 11, 2021	Feb 10, 2031	$0.34	50,000	-	-	-	50,000	50,000
Mar 4, 2021	Mar 3, 2031	$0.24	50,000	-	-	-	50,000	50,000
Oct 26, 2021	Oct 25, 2031	$0.34	300,000	-	-	-	300,000	300,000
Jan 10, 2023	Jan 9, 2033	$0.20	-	75,000	-	-	75,000	75,000
Jun 7, 2023	Jun 6, 2033	$0.18	-	2,070,000	-	-	2,070,000	2,070,000
Sep 19, 2023	Sep 18, 2033	$0.23	-	50,000	-	-	50,000	50,000
			4,350,000	**2,195,000**	**(200,000)**	**-**	**6,345,000**	**6,345,000**
		Weighted average exercise price	$0.19	$0.18	$0.15	-	$0.19	$0.19

The weighted average stock price on the date of exercise for options exercised during the year ended December 31, 2023 was $0.19 per share (2022: $0.15).

The following is a summary of changes in options for the year ended December 31, 2022:

				During the year				
Grant date	**Expiry date**	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**Expired / forfeited**	**Closing balance**	**Vested and exercisable**
Dec 13, 2012	Dec 12, 2022	$0.20	1,495,000	-	-	(1,495,000)	-	-
Oct 19, 2016	Oct 18, 2026	$0.15	1,230,000	-	-	-	1,230,000	1,230,000
May 22, 2018	May 21, 2028	$0.15	1,490,000	-	(25,000)	-	1,465,000	1,465,000
Nov 5, 2018	Nov 4, 2028	$0.15	75,000	-	-	-	75,000	75,000
Oct 8, 2019	Oct 7, 2029	$0.25	850,000	-	-	-	850,000	850,000
Mar 16, 2020	Mar 15, 2030	$0.15	280,000	-	-	-	280,000	280,000
Dec 9, 2020	Dec 8, 2030	$0.27	50,000	-	-	-	50,000	50,000
Feb 11, 2021	Feb 10, 2031	$0.34	50,000	-	-	-	50,000	50,000
Mar 4, 2021	Mar 3, 2031	$0.24	50,000	-	-	-	50,000	50,000
Oct 26, 2021	Oct 25, 2031	$0.34	300,000	-	-	-	300,000	300,000
			5,870,000	**-**	**(25,000)**	**(1,495,000)**	**4,350,000**	**4,350,000**
		Weighted average exercise price	$0.19	-	$0.15	$0.20	$0.19	$0.19

(Expressed in Canadian Dollars)

14. SHARE-BASED PAYMENTS (cont'd)

b) Fair Value of Options Granted During the Year

The weighted average fair value at grant date of options granted during the year ended December 31, 2023 was $0.14 per option. There were no options granted during the year ended December 31, 2022.

The weighted average remaining contractual life of the options outstanding at December 31, 2023 is 6.32 years (2022: 5.67 years).

Options Issued to Employees

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Options Issued to Non-Employees

Options issued to non-employees are measured based on the fair value of the goods or services received, at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted using the Black-Scholes option pricing model.

The model inputs for options granted during the year ended December 31, 2023 included:

Grant date	Expiry date	Share price at grant date	Exercise price	Risk-free interest rate	Expected life	Volatility factor	Dividend yield
Jan 10, 2023	Jan 9, 2033	$0.21	$0.20	3.10%	10 years	75%	0%
Jun 7, 2023	Jun 6, 2033	$0.18	$0.18	2.18%	10 years	75%	0%
Sep 19, 2023	Sep 18, 2033	$0.28	$0.23	3.82%	10 years	75%	0%

The expected volatility is based on the historical volatility (based on the remaining contractual life of the options), adjusted for any expected changes to future volatility due to publicly available information. The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche.

Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

c) Expenses Arising from Share-based Payment Transactions

Total expenses arising from the share-based payment transactions recognized during the year ended December 31, 2023 as part of share-based compensation expense were $308,631 (2022: $46,875) (Note 16).

(Expressed in Canadian Dollars)

15. INCOME TAXES

Taxation in the Company and its subsidiaries' operational jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The difference between tax expense for the year and the expected income taxes based on the statutory tax rate arises as follows:

	December 31, 2023	December 31, 2022
Income (loss) before income taxes	$ (2,637,656)	$ 1,076,154
Tax expense (recovery) based on the Canadian statutory rate of 27%	(712,000)	291,000
Items not deductible for tax purposes	86,000	(577,000)
Different tax rates in other jurisdictions	(45,000)	18,000
Under provided in prior years	718,000	237,000
Changes in unrecognized deferred tax assets	(47,000)	92,000
Total income tax expense / (recovery)	**$ -**	**$ 61,000**

The Company incurred income tax expense of $Nil (2022: $61,254) during the year, which is included in exploration expenditures in the consolidated statements of income (loss) and comprehensive income (loss).

The tax rates represent the federal statutory rate applicable for the 2023 taxation year: 0% for Cayman Islands, 27% for the United States, 30% for Mexico, and 25% for Guatemala.

No deferred tax asset has been recognized in respect of the following losses and temporary differences as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered:

	December 31, 2023	December 31, 2022
Loss carry forwards	$ 2,710,000	$ 2,526,000
Property and equipment	68,000	49,000
Lease liability	22,000	42,000
Mineral properties	2,135,000	2,124,000
Available-for-sale investments	497,000	873,000
Other deductible temporary differences	1,168,000	663,000
Unrecognized tax assets	(6,600,000)	(6,277,000)
	$ -	**$ -**

As at December 31, 2023, the Company has estimated non-capital losses of $8,704,000 (2022: $8,633,000) for Canadian income tax purposes and $1,199,000 (2022: $650,000) for Mexico income tax purposes that may be carried forward to reduce taxable income derived in future years. Non-capital Canadian tax losses expire in various amounts from 2026 to 2043. Non-capital Mexico tax losses expire in various amounts until 2033.

(Expressed in Canadian Dollars)

16. RELATED PARTY TRANSACTIONS

The Company had transactions during the years ended December 31, 2023 and 2022 with related parties who consisted of directors, officers, and the following companies with common directors:

Related Party	Nature of Transactions
Mill Street Services Ltd. ("Mill Street")	Management fees
Gold Group Management Inc. ("Gold Group")	Shared general and administrative expenses
Volcanic	Investment and exploration support
Rackla	Investment and exploration support

In addition to related party transactions disclosed elsewhere in the consolidated financial statements, the Company incurred the following expenditures charged by non-key management officers and companies which have common directors with the Company in the years ended December 31, 2023 and 2022:

		2023		2022
General and administrative expenses:				
Salaries and benefits	$	24,627	$	12,720
Exploration expenditures:				
Salaries and benefits		17,859		17,224
	$	**42,486**	**$**	**29,944**

The Company reimburses Gold Group, a company controlled by Simon Ridgway, a Director of the Company, for shared administrative costs and other business-related expenses paid by Gold Group on behalf of the Company. During the years ended December 31, 2023 and 2022, the Company reimbursed Gold Group the following:

		2023		2022
General and administrative expenses:				
Office and miscellaneous	$	52,018	$	37,743
Shareholder communications		26,851		14,238
Salaries and benefits		160,787		144,496
Transfer agent and regulatory fees		7,309		3,169
Travel and accommodation		24,714		11,514
	$	**271,679**	**$**	**211,160**
Exploration expenditures	**$**	**4,062**	**$**	**670**

Gold Group salaries and benefits costs for the years ended December 31, 2023 include those for the Chief Financial Officer, Vice President Corporate Development, and Corporate Secretary (2022: includes those for the Chief Financial Officer and the Corporate Secretary).

During the year ended December 31, 2023, the Company charged $Nil (2022: $4,795) to Volcanic, a company which has a common director with the Company, for exploration costs incurred on behalf of Volcanic and relating to the option agreement between the two parties and Volcanic charged $38,830 (2022: $38,083) to the Company for shared exploration costs.

During the year ended December 31, 2023, the Company charged $Nil (2022: $27,832) to Rackla, a company which has three common directors with the Company, for shared exploration personnel costs.

Receivables include an amount of $Nil (2022: $7,007) owed from Rackla.

Prepaid expenses and deposits include an amount of $4,153 (2022: $5,850) paid to Gold Group for shared office and administrative services.

(Expressed in Canadian Dollars)

16. RELATED PARTY TRANSACTIONS (cont'd)

Long-term deposits include an amount of $60,000 (2022: $60,000) paid to Gold Group as a deposit on the shared office and administrative services agreement.

Accounts payable and accrued liabilities include $9,546 (2022: $17,927) payable to Gold Group for shared administrative costs, $7,792 (2022: $571) to Bruce Smith, the Chief Executive Officer of the Company, for management fees and expense reimbursement, and $9,594 (2022: $9,556) payable to Volcanic for shared exploration costs.

Key management compensation

Key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include certain directors and officers. Key management compensation comprises:

	2023	2022
Geological fees included in exploration expenditures	$ 150,500	$ 156,000
Management fees	64,000	66,000
Salaries and benefits*	70,889	32,610
Share-based payments – value of stock options granted and vested	99,891	-
Share-based payments – fair value of shares to be issued	-	46,875
	$ 385,280	**$ 301,485**

*Included in reimbursements to Gold Group

Key management compensation includes management and geological fees paid to Mill Street, a company controlled by Simon Ridgway, a Director of the Company.

During the year ended December 31, 2023, the Company issued 500,000 common shares with a value of $120,625 to the Chief Executive Officer of the Company per the terms of a shares for services agreement dated January 1, 2021.

(Expressed in Canadian Dollars)

17. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. All of the Company's operations are within the mining sector relating to mineral exploration. Due to the geographic and political diversity, the Company's exploration operations are decentralized whereby exploration managers are responsible for business results and regional corporate offices provide support to the exploration programs in addressing local and regional issues. The Company's operations are therefore segmented on a district basis. The Company's assets were located in Canada, Guatemala, Mexico, and Cayman Islands. Details of identifiable assets by geographic segments are as follows:

Year ended December 31, 2023	**Canada**	**Guatemala**	**Mexico**	**Other**	**Consolidated**
Exploration expenditures	$ -	$ 52,396	$ 1,482,748	$ 37,000	$ 1,572,144
Mineral property acquisition costs written-off	-	-	309,223	-	309,223
Gain from mineral property option agreements	-	-	106,202	-	106,202
Investment income	13,502	-	-	-	13,502
Amortization	1,544	-	7,295	-	8,839
Depreciation on right-of-use asset	60,467	-	-	-	60,467
Interest expense on lease liability	11,646	-	-	-	11,646
Net loss	(797,820)	(52,396)	(1,742,124)	(45,316)	(2,637,656)
Capital expenditures*	-	-	771,558	-	771,558

Year ended December 31, 2022	**Canada**	**Guatemala**	**Mexico**	**Other**	**Consolidated**
Exploration expenditures	$ -	$ 81,466	$ 545,091	$ 105,583	$ 732,140
Gain on reclassification as equity investment	1,350,913	-	-	-	1,350,913
Gain from mineral property option agreements	-	-	894,097	-	894,097
Investment income	9,954	-	-	-	9,954
Amortization	2,078	-	154	-	2,232
Depreciation on right-of-use asset	60,467	-	-	-	60,467
Interest expense on lease liability	18,158	-	-	-	18,158
Net income (loss)	929,891	(81,466)	342,675	(114,946)	1,076,154
Capital expenditures*	-	-	941,351	-	941,351

*Capital expenditures consist of additions of property and equipment and exploration and evaluation assets

As at December 31, 2023	**Canada**	**Guatemala**	**Mexico**	**Other**	**Consolidated**
Total current assets	$ 1,958,968	$ 19,681	$ 207,573	$ 8,267	$ 2,194,489
Total non-current assets	128,436	1	38,242	-	166,679
Total assets	**$ 2,087,404**	**$ 19,682**	**$ 245,815**	**$ 8,267**	**$ 2,361,168**
Total liabilities	**$ 167,671**	**$ 4,209**	**$ -**	**$ -**	**$ 171,880**

As at December 31, 2022	**Canada**	**Guatemala**	**Mexico**	**Other**	**Consolidated**
Total current assets	$ 3,219,772	$ 23,775	$ 170,723	$ 8,377	$ 3,422,647
Total non-current assets	250,545	1	38,021	-	288,567
Total assets	**$ 3,470,317**	**$ 23,776**	**$ 208,744**	**$ 8,377**	**$ 3,711,214**
Total liabilities	**$ 251,924**	**$ 1,376**	**$ 1,390**	**$ -**	**$ 254,690**

(Expressed in Canadian Dollars)

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors receive periodic reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: foreign currency risk, interest rate risk, and equity price risk.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to fluctuations in foreign currencies through its operations in foreign countries. The Company monitors this exposure but has no hedge positions. As at December 31, 2023 and 2022, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	December 31, 2023			**December 31, 2022**		
	US Dollar	**Mexican Peso**	**Guatemala Quetzal**	**US Dollar**	**Mexican Peso**	**Guatemala Quetzal**
	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)
Cash	$ 49,619	$ 3,836	$ 11,142	$ 735,977	$ 8,141	$ 11,146
Receivables	-	183,569	-	14,681	51,634	-
Current liabilities	(5,677)	-	(4,209)	(15,867)	-	(1,376)
	$ 43,942	**$ 187,405**	**$ 6,933**	**$ 734,791**	**$ 59,775**	**$ 9,770**

Based on the above net exposures at December 31, 2023, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in approximately a $23,800 (2022: $80,400) increase or decrease in profit or loss, respectively.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

General Objectives, Policies and Processes (cont'd)

a) Market Risk (cont'd)

Commodity Price Risk

The Company's royalty revenue has been derived from a royalty interest that is based on the extraction and sale of gold. Factors beyond the control of the Company may affect the marketability of gold discovered or extracted. Gold prices have historically fluctuated widely. Consequently, the economic viability of the Company's royalty interest cannot be accurately predicted and may be adversely affected by fluctuations in gold prices. The Company has not engaged in any hedging activities. The Company is not exposed to commodity price risk as the Company has not earned any royalty revenue during the years ended December 31, 2023 and 2022.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to be limited as it holds no assets or liabilities subject to variable rates of interest.

Equity Price Risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's equity investments consisting of common shares are exposed to significant equity price risk due to the potentially volatile and speculative nature of the businesses in which the investments are held. The Company's equity investments are monitored by the Board with decisions on sale or exercise taken by Management. A 10% (2022: 10%) decrease in fair value of the shares would result in an approximate $101,000 (2022: $187,000) decrease in comprehensive income and shareholders' equity.

b) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents, equity investments, and receivables. The Company limits exposure to credit risk by maintaining its cash and cash equivalents with large financial institutions. The Company does not have cash and cash equivalents or equity investments that are invested in asset based commercial paper. For other receivables, the Company estimates, on a continuing basis, the probable losses and provides a provision for losses based on the estimated realizable value.

c) 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's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At December 31, 2023, the Company had working capital of $2.02 million (2022: $3.3 million) available to apply against short-term business requirements. All of the Company's financial liabilities have contractual maturities of less than 45 days and are subject to normal trade terms with the exception of the Company's lease liability which matures based on the lease agreement (Note 12).

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Management considers that due to their short-term nature the carrying amounts of financial assets and financial liabilities, which include cash and cash equivalents, receivables, deposits, and accounts payables and accrued liabilities are assumed to approximate their fair values.

(Expressed in Canadian Dollars)

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

Fair Value Hierarchy

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

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The equity investments are based on quoted prices and are therefore considered to be Level 1. The lease liability and formerly held derivative instruments were based on inputs other than quoted prices and therefore considered to be Level 3. As of December 31, 2023, there was no embedded derivative on royalty income receivables derived from gold prices to include as a Level 2 measurement and therefore no fair value measurement was necessary. There were no transfers between Levels 1, 2, or 3 during the years ended December 31, 2023 and 2022.

19. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to advance its mineral properties. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and adjusts it to effectively support the acquisition and exploration of mineral properties. The properties in which the Company currently has a direct or indirect interest are in the exploration or development stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company monitors its cash, equity investments, common shares, and stock options as capital. There were no changes in the Company's approach to capital management during the year ended December 31, 2023. The Company's investment policy is to hold cash in interest bearing bank accounts and highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company expects its current capital resources to be sufficient to cover its corporate operating costs and carry out limited exploration programs for the next twelve months. Actual funding requirements may vary from those planned due to a number of factors, including future property option payments, potential property acquisitions and exploration activity. The Company will continue to seek to raise additional capital in the future and believes it will be able to do so, but recognizes the uncertainty attached thereto.

20. SUPPLEMENTAL CASH FLOW INFORMATION

No cash was paid for interest or taxes for the years ended December 31, 2023 and 2022.

There were no significant non-cash investing and financing transactions during the years ended December 31, 2023 and 2022.

21. EVENTS AFTER THE REPORTING DATE

Subsequent to December 31, 2023, the following event which has not been disclosed elsewhere in these consolidated financial statements has occurred:

A total of 25,000 stock options with an exercise price of $0.15 per share and a ten-year life were granted.

(the "Company")

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year End Report – December 31, 2023

General

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the annual audited consolidated financial statements of the Company for the fiscal year ended December 31, 2023. The following information, prepared as of April 25, 2024, should be read in conjunction with the December 31, 2023 consolidated financial statements. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards. All amounts are expressed in Canadian dollars unless otherwise indicated.

The Company's public filings, including its most recent unaudited and audited financial statements can be reviewed on SEDAR+ at (www.sedarplus.ca).

Forward Looking Information

This MD&A contains certain statements which constitute forward-looking information within the meaning of applicable Canadian securities legislation ("Forward-looking Statements"). All statements included herein, other than statements of historical fact, are Forward-looking Statements and are subject to a variety of known and unknown risks and uncertainties which could cause actual events or results to differ materially from those reflected in the Forward-looking Statements. The Forward-looking Statements in this MD&A include, without limitation, statements relating to:

- the Company's planned exploration activities for its mineral properties;
- The Company's equity investments;
- the suspension of receiving royalty payments from the Tambor Project;
- the intended use of proceeds received from past and possible future financing activities;
- the sufficiency of the Company's cash position and its ability to raise, if needed, equity capital or access debt facilities; and
- maturities of the Company's financial liabilities or other contractual commitments.

Often, but not always, these Forward-looking Statements can be identified by the use of words such as "anticipates", "believes", "plans", "estimates", "expects", "forecasts", "scheduled", "targets", "possible", "strategy", "potential", "intends", "advance", "goal", "objective", "projects", "budget", "calculates" or statements that events, "will", "may", "could" or "should" occur or be achieved and similar expressions, including negative variations.

Forward-looking Statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any results, performance or achievements expressed or implied by the Forward-looking Statements. Such uncertainties and factors include, among others:

- risks associated with mineral exploration activities, and investing in companies which conduct mineral exploration and development activities;
- due diligence investigations on potential investments not identifying all relevant facts;

- inability to dispose of illiquid securities;
- receipt of royalty payments from the Tambor Project;
- fluctuations in commodity prices;
- fluctuations in foreign exchange rates and interest rates;
- credit and liquidity risks;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company does or may carry on business;
- reliance on key personnel;
- property title matters and local community relationships;
- risks associated with potential legal claims generally or with respect to environmental matters;
- adequacy of insurance coverage;
- dilution from further equity financing;
- competition;
- uncertainties relating to general economic conditions; and
- risks relating to pandemics, epidemics and public health crises, and the impact they might have on the Company's business, operations, financial condition and/or share price,

as well as those factors referred to in the "Risks and Uncertainties" section in this MD&A.

Forward-looking Statements contained in this MD&A are based on the assumptions, beliefs, expectations, and opinions of management, including but not limited to:

- all required third party contractual, regulatory and governmental approvals will be obtained for the exploration and development of the Company's properties;
- there being no significant disruptions affecting operations, whether relating to labour, supply, power, damage to equipment or other matter;
- permitting, exploration and/or development activities proceeding on a basis consistent with the Company's current expectations;
- ability to sell our equity investments as needed;
- receipt of royalty payments from the Tambor Project will re-commence;
- due diligence investigations on potential investments will reveal all relevant facts;
- expected trends and specific assumptions regarding commodity prices and currency exchange rates; and
- prices for and availability of fuel, electricity, equipment and other key supplies remaining consistent with current levels.

These Forward-looking Statements are made as of the date hereof and the Company disclaims any obligation to update any Forward-looking Statements, whether as a result of new information, future events, or results or otherwise, except as required by law. There can be no assurance that Forward-looking Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, investors should not place undue reliance on Forward-looking Statements.

Business of the Company

The Company has been exploring for precious metals in the Americas for over two decades, which has resulted in the discovery of several gold deposits in Central America. Management is constantly exploring new targets and evaluating opportunities in order to maintain a portfolio of compelling targets and a pipeline of projects in various stages of exploration and drilling. The Company explores projects with the goal of delivering value to the shareholders through exploration discovery, either 100% in the Company or via partnerships where appropriate.

In January 2023, the Company announced the appointment of Adam Buchanan as Vice-President, Corporate Development, who is managing the Company's communications with shareholders and other stakeholders. In April 2023, Simon Ridgway was appointed Executive Chairman of the Board (formerly non-executive Chairman).

In May 2023, the Company closed a non-brokered private placement of 11,149,983 units at $0.175 per unit for gross proceeds of $1,951,247. Each unit consists of one common share of the Company and one share purchase warrant, each warrant entitling the holder to purchase one additional common share of the Company at $0.35 for two years from closing. The proceeds of this financing are intended to be used for exploration and drilling of the Company's Tropico Project in Mexico (see property description below), and for general working capital.

A summary of the Company's investments, properties, and royalty interests is provided below:

Investments

For a description of the Company's equity investments activity during the period from January 1, 2022 to December 31, 2023, please see Note 6 of the Company's December 31, 2023 consolidated financial statements.

The Company's current cash and cash equivalents on hand is approximately $560,000 and its current investments consist of:

Electrum Discovery Corp. ("Electrum") *(formerly Medgold Resources Corp.)* 632,906 shares Current market value: $47,000	Electrum is a TSX-V listed Canadian-based mineral exploration and development company focused on the Western Tethyan Belt with activities in the Republic of Serbia. The Company has several copper–gold assets with significant exploration potential, including its flagship Timok East Project.
Rackla Metals Inc. ("Rackla") 3,973,275 shares Current market value: $675,000	Rackla is a TSX-V listed mineral exploration company targeting Reduced Intrusion-Related Gold Systems (RIRGS) mineralization on its gold projects located in the Tombstone Gold Belt within the Selwyn Basin of the Yukon and Northwest Territories.
Volcanic Gold Mines Inc. ("Volcanic") 830,412 shares Current market value: $128,000	Volcanic is a TSX-V listed company focused on building multi-million ounce gold and silver resources in underexplored countries. It holds an option to acquire a 60% interest in the Company's Holly and Motagua Norte gold/silver properties located in eastern Guatemala, and has published an Inferred Mineral Resource for the Holly property.

Property Interests

Regional Exploration

The Company is constantly prospecting and evaluating new properties, with geological field teams evaluating new targets to maintain the Company's pipeline of projects.

Mexico – Mining Law Reform

The Mexico government's Mining Law Reform was published in the Federal Register on May 8, 2023, and includes changes to Mexico's Mining Law, National Waters Law, General Law of Ecological Equilibrium and Environmental Protection and General Law for the Prevention and Integral Handling of Wastes. The law reform was widely published and became effective on May 9, 2023, and certain provisions intend to restrict mineral exploration activities. It is unconstitutional to retroactively apply laws in Mexico, and the Company's management believes the new laws should not apply to the Companies' existing projects and licenses. As have almost all active exploration and mining companies in Mexico, the Company has filed legal challenges to the application of the reforms on all its properties and projects. The final status of those challenges has not been decided by the courts and the Company is still in preliminary and appeals stages. Opposition members of the Mexican senate (National Action Party parliamentary group) filed an action of unconstitutionality before the Supreme Court to annul the Mining Law Reform. Recently the Supreme Court annulled the major law reforms of the current government including Electoral, Energetic and National Guard laws reforms, and the Company's management believes the current constitutional challenge to the Mining Law Reform has a high chance of success.

One of the court filings made by the Company is a legal demand with a Federal Court in Mexico to obtain title to the Amalia 4 concession, a component of the Amalia Project which had been in the application stage. The mining authority of Chihuahua has processed and approved the submission without fault and passed the license to the Mexico Mining Directorate proposing title issuance. The regulated time for the mining authority to comment and request revision has passed and granting of title is a legal requirement under the mining law. The legal demand filed by the Company is to enforce the granting of title. Legal challenges to all of the Company's Mexican claims and projects including Amalia 4 are still in process.

Mexico – Amalia Project

The Amalia Project comprises 10,261 hectares located in the Sierra Madre gold belt in the State of Chihuahua, Mexico. In June 2017, the Company signed a binding agreement with a private individual to option 380 hectares of the project area which is host to high-grade epithermal silver-gold mineralization. Following the signing of the option agreement, the Company staked an additional 9,081 hectares surrounding the Amalia Project, covering three new regional target areas.

The Amalia Project is located approximately 25 kilometres SW of the historic Guadalupe y Calvo mining district in Chihuahua, Mexico. During due diligence evaluation the Company's geologists sampled bonanza grade outcrop containing 20.4 g/t Au and 5,360 g/t Ag from a 1.2 metre chip. The Company established a camp at Amalia and completed an initial exploration program comprising geological mapping, prospecting, and channel sampling of the three main targets: San Pedro, Guadalupe and Dulces. Epithermal Au-Ag mineralization was sampled by the Company in several veins, vein breccias and disseminated zones over 3.5 kilometres of strike length and a 600 metre vertical interval following the trace of the large regional Amalia fault zone.

In July 2018, the Company entered into an agreement with Pan American Silver Corp. ("Pan American") to drill and explore the Amalia Project – see "Pan American Option Terms" below. In late 2019, the Company signed a binding agreement with a private family to option the 800-hectare Palmillas Property which hosts high-grade epithermal gold-silver mineralization. The Palmillas concessions are immediately adjoining the Amalia Project and cover the northeastern and southwestern strike extension of the Amalia fault zone.

Pan American elected to exercise its right to include the Palmillas Property within the Amalia Project joint venture. Pan American, as the operator is funding and managing the expanded project according to its option agreement with the Company. The Palmillas Property hosts multiple exploration targets, including El Cuervo and Palmillas.

67 drill holes totaling 23,058 metres have been completed at the Amalia project. 10,588 metres in 31 holes have been completed on the Amalia vein system, 3,814 metres in 14 holes completed in the California vein system, and 8,655 metres in 22 holes completed in the El Cuervo vein system. Significant high-grade gold-silver mineralization has been defined at each target.

Since completion of drilling at El Cuervo in August 2022, geological mapping and surface sampling has further defined and extended drill targets across the property and in particular at the California structure.

At California, the main California-Oro Viejo system has been extended 750 metres northwest, defining 1.5 kilometres of undrilled strike extension from the last drill section at California which returned one of the best drill holes with AMDD21-39 intersecting 26.9 metres @ 2.59 g/t Au and 353 g/t Ag. Recent mapping has also discovered new parallel vein systems.

ZONE	# HOLES	# METRES DRILLED
Amalia	31	10,588.6
California	14	3,813.8
El Cuervo	22	8,655.6
TOTALS:	**67**	**23,058.0**

Detailed drill results, cross-sections, long-section, plan map and core photos are available on the Company's website (http://www.radiusgold.com/s/amalia.asp).

Quality Assurance / Quality Control

Reported drilling was carried out using NQ and HQ size tooling. Drill core was cut in half using a rock saw with one half of the core then taken as a sample for analysis. Sample intervals are generally 1 metre intervals, producing samples of between 2 to 9 kilograms. Half-core samples are delivered to the ALS Geochemistry laboratory facilities in Chihuahua, Mexico. The samples are fire assayed for Au and are analysed for Ag and multi-elements using method code ME-ICP61 following a four-acid digestion. Over-limits are analysed using an appropriate method. Multi-element geochemical standards and blanks are routinely entered into the drill core sample stream to monitor laboratory performance. Quality control samples submitted to ALS were returned within acceptable limits.

Concessions

The Company's Amalia project consists of 1,180 hectares of core granted licenses and a 9,081 hectare Amalia 4 claim application. The Company and project JV partner Pan American Silver Corp. have completed all the requirements, fee payments and surveys for the Amalia 4 application. The mining authority of Chihuahua has processed and approved the submission without fault and passed the license to the Mexico Mining Directorate proposing title issuance. The regulated time for the mining authority to comment and request revision has passed and granting of title is a legal requirement under the mining law. On May 4, 2023, the Company filed a legal demand to enforce the granting of title. Legal counsel believes the Company has clear legal right to the application and title. Legal counsel has been successful in obtaining granted concessions in similar situations recently.

Pan American Option Terms

Pursuant to an agreement signed in June 2018, Pan American has exercised its option to earn an initial 65% interest in the Company's Amalia Project and Palmillas Properties, having made cash payments to the Company totaling US$1.5 million and expending a minimum of US$2 million on exploration and reimbursement of the Company's costs to maintain its option agreements with the owners of Amalia and Palmillas. Pan American may earn an additional 10% by advancing the property to preliminary feasibility by June 2025.

Property Outlook

The Amalia project is a large gold-silver epithermal system with an excess of 10 kilometres strike of vein systems, and mineralization extending over 1,000 vertical metres. Significant mineralization has been defined at the three main targets drilled to date (Amalia, California & El Cuervo). The targets are open at depth and along strike and many other targets remain to be drill tested including: Oro Viejo, La Caverna, California SE, El Durazno and Palmillas.

The Company's management is in discussion with Pan American to chart the best way forward for both companies.

Mexico – Plata Verde Project

In 2020, the Company entered into option agreements with local concession holders to acquire a 100% interest in the Plata Verde Project which consists of the 300 hectare Don Benja concession covering an historic silver mining camp located in Chihuahua, Mexico, and the 500 hectare Don Jose concession which surrounds Don Benja. The Plata Verde Project is located north of the Company's Amalia Gold-Silver project and east of the historic Batopilas silver mining district (1708 to 1920) which reputedly produced over 300 million ounces of silver from high-grade veins and structures. The property is accessible by road, with a one hour hike required to access the historic mines.

The Don Jose concession has no exploration history and covers the same prospective rocks that host the Don Benja silver mineralization. The Company has conducted limited prospecting and stream sediment geochemistry at Don Jose.

When the Company's geologists discovered Plata Verde Project, the property was accessed by a strenuous 6 hour hike and all supplies and samples for subsequent exploration programs were transported by mules. A local landowner has since constructed 4x4 road access to the property and has signed an agreement providing the Company with legal right of way and use of the road to access the property.

At Plata Verde, the Company's geologists re-discovered a large scale underground bulk mining operation where in the late 1800's, historic miners hand excavated an extensive series of anastomosing caverns, producing silver bars at an associated smelter operation. The project was un-explored since the historic miners ceased their operations. Initial phases of rock chip sampling by the Company returned widespread silver mineralization between 5 and 1,070 g/t Ag over a large area within the historic mines.

In July 2022, the Company signed an exclusivity agreement with Minera San Julian, S.A. de C.V. ("Minera San Julian"), a wholly owned subsidiary of Fresnillo plc, whereby Minera San Julian has the exclusive right for nine months to negotiate with the Company the terms of an option to earn a 70% interest in the Plata Verde Project. See "Exclusivity Agreement with Fresnillo" below for a description of the agreement terms.

Geological Model and Silver Mineralization

At Plata Verde, the Company's geological team completed several months of detailed underground mapping and sampling of the historic Mina Real and Mina Mojonera. Three distinct mineralization styles have been defined within the basaltic andesite volcanic host rock:

1. Multiple large scale volcanic breccia zones up to 75 metre diameter and sampled on multiple mine levels. The breccias are cemented by massive to crustiform banded barite calcite with silver chlorides, sulphosalt minerals and native silver.
2. Fracture fill and stockwork silver mineralization occurs as massive to crustiform banded barite calcite with silver chlorides, sulphosalt minerals and native silver.
3. Disseminated style mineralization with fine silver sulphosalts disseminated within the volcanic host with little to no brecciation, veining or fracture fill.

All three mineralization styles host significant silver grades, although the highest grades are related to intense brecciation and fracturing. Geological maps and sampling data are available at http://www.radiusgold.com/s/plata-verde.asp.

In total, 255 2 x 2 metre panel samples were collected from the historic Mina Real and Mina Mojonera. Each mine covers a shallow dipping anastomosing sequence of mining areas on at least 3 levels with Mina Real covering approximately 200 x 200 metres and Mina Mojonera 150 x 150 metres. Results reported between 2 and 815 g/t Ag and averaging 185 g/t Ag. Samples were collected to represent all rock types and mineralization styles.

Summary of underground rock chip sampling. Majority are 2 x 2 m rock panel samples:

Historic Mine	**Rock chip samples**	**Average all rocks (Silver g/t)**	**Breccia samples (number)**	**Average breccia (Silver g/t)**
Mojonera	133	168	57	262
Real	122	143	17	244
Total	255	156	74	258

The sampling completed within the historic mines shows that the mineralization is open to expansion in all directions.

In 2021, the Company completed geophysical programs at Plata Verde, consisting of 7.5 line kilometre magnetic survey and 4.5 line kilometre IP/Resistivity survey conducted by consultants, Geofisica TMC. The program was designed to locate potential feeder systems below the historic silver mines and successfully identified compelling drill targets below the known mines. All relevant data and sections from the geophysical surveys are available on the Company's website.

Regional Geology and Stream Sediments

In general, the silver mineralization is covered by the overlying rhyolitic volcanics and is only exposed within the historic mines and at surface in a few areas along the length of a small creek. The Company conducted a geological mapping and stream sediment sampling program within the district which indicates that a north south orientated regional structural zone likely controls development of the mineralization at Plata Verde. Stream sediment sampling at Plata Verde clearly identifies the creek where the historic mines are exposed. There are also strong silver stream sediment anomalies (several times higher than background) that indicate potential for further mineralization 300 metres to the east and 1,000 metres south of the known mines.

Discussion and Exploration Targets

The Company has defined two priority targets:

1) Extensions and repetitions of the shallow dipping large scale silver rich breccias, stockworks and disseminated silver mineralization exposed within the historic mines.
2) Sub-vertical feeder zones below the historic silver mines.

The barite/silver chloride mineralization appears to be a late-stage low temperature mineralizing event with the source and feeder systems an attractive exploration target. Barite and silver chloride are often part of the upper levels or supergene zone around large silver deposits. The solubility of barite and silver chlorides is low, and hence the source zone is likely to be close by. Extensions of the known mineralization below the ignimbrite cover to the north, east and west are open. Potential feeder structures have been defined by the geophysics.

The Company has completed an environmental study in support of drill permits which have been granted.

Metallurgical Tests

In late January 2023, the Company announced preliminary results from initial metallurgical testing conducted by Minera San Julian on samples from Plata Verde. Bulk samples (approximately 100 kg) were collected from the Mina Mojonera and Mina Real underground workings and sent to Fresnillo plc's Technical Services Group, Mineral Processing Department, in Torreon, Mexico for initial investigation into metallurgical characterization and recoveries of metals (silver lead and copper) by cyanide leaching and flotation. Highlights of the results are:

- Work index for grinding (Wi) averaged 8.67 kWh/t, classifying the samples as "soft" for ball milling.
- Cyanide leach test work reported average recoveries of 93% for silver.
- Flotation studies generate Pb/Cu concentrates with a high grade of silver and good values of lead and copper with recovery of around 85% for silver, 52% for lead and 64% for copper.
- Combining flotation + tailings cyanidation results in average overall silver recovery of 97%.
- Future work should consider separation of Pb and Cu concentrates to generate commercial concentrates.

Exclusivity Agreement with Fresnillo

In July 2022, the Company signed an exclusivity agreement with Fresnillo plc's subsidiary, Minera San Julian, whereby Fresnillo was granted the exclusive right for nine months to negotiate with the Company the terms of an option to earn a 70% interest in the Plata Verde Project. Fresnillo is the world's leading silver producer and Mexico's largest gold producer and holds one of the largest precious metals reserves in Mexico.

In April 2023, the exclusivity period was extended to July 7, 2023, and then further extended to January 7, 2024. Pursuant to the extensions, Minera San Julian has paid interim funding to the Company of US$171,000, and Minera San Julian made significant advances at Plata Verde, completing**:**

- Upgrading and rehabilitation of road access in preparation for drill access.
- Initial metallurgical test work which demonstrated exceptional cyanide leach recoveries averaging 93% for silver and in combination with flotation achieving 97% silver recovery.
- Geological mapping and rock chip sampling of the property with 470 samples collected.
- Negotiations with landowners for drill access.

In March 2024, the Company and Minera San Julian signed an option agreement which replaces the exclusivity agreement and provides of an initial investment by Minera San Julian of US$250,000 to mobilize drilling and field teams, and a second investment of US$250,000 to be made when drilling commences. The option agreement terms include:

- Minera San Julian would spend over a four year period a minimum cumulative amount of US$ 4,762,000 million on exploration activities at the Plata Verde Project.
- Minera San Julian would make option payments to Geonorte totaling US$2,825,000, which includes US$825,000 to cover underlying property agreements.
- Minera San Julian would have the right to earn a 70% interest in the Plata Verde Project.
- If the option is exercised, a new company (NewCo) would be set up to own the Plata Verde Project, Newco would be owned 70% by Minera San Julian and 30% by Geonorte.
- Any additional funding required by NewCo would be provided by Minera San Julian and Geonorte in proportion to their respective ownership interests in NewCo.
- Should either party's interest fall below 10% interest in NewCo that interest would convert to a 2% NSR.
- Each party will have the right of first refusal to acquire the other party's shares in NewCo if the other party receives a firm offer for its interest in NewCo that the other party would propose to accept.

Quality Assurance and Quality Control

Reported assays are rock chip and channels samples taken by Company geologists and trained sampling teams. Sample intervals are generally 2 metre chip channels or 2x2 metre panels producing samples of between 2 to 9 kilograms. Reported samples were delivered to SGN Laboratories in Paral, Chihuahua. The samples were crushed and pulverized. Two 100 gram splits were taken. The Company's geologists removed and stored the excess and a 100 gram split at the Company's offices. SGN performed initial Ag and Au analysis. The second split was subsequently sent to the ALS Geochemistry laboratory facilities in Chihuahua, Mexico and was analyzed for Ag and multi-elements using method code ME-ICP61 following a four-acid digestion. Overlimits are analyzed using an appropriate method. All assays reported above 30 g/t Ag have been analyzed by ALS Geochemistry. The Company routinely inserts multi-element geochemical standards and blanks into the sample stream to monitor laboratories' performance. Quality control samples submitted were returned within acceptable limits. Comparisons between sample splits demonstrate acceptable accuracy and precision.

Mexico - Tropico Project

In March 2023, the Company announced the discovery of a new gold mineralized "hot spring type" sinter and breccia pipe target within the Fresnillo district, Zacatecas, Mexico, and the entering into of an option agreement with local property owners to acquire the Project.

The Tropico Project is located 30 kilometres northwest of Fresnillo city, Zacatecas, Mexico. The Fresnillo mining district is one of the world's greatest epithermal systems and hosts the world's oldest continuously operating mines producing silver, gold, copper, lead, and zinc for approximately five centuries, since 1554.

In late 2023, the Company completed a maiden 1,300 metre diamond drill program in eight drill holes at Tropico. Drilling defined a large gold mineralized breccia body that starts at surface and to date defined 250 metres down dip. Gold grades were starting to increase with depth from holes 1, 2, 3, 4, and 6 but unfortunately the latest gold assay results from the deepest hole 8 are weak. The drilling encountered wide zones of classic low sulphidation epithermal alteration, high level chalcedonic silica, banded stockwork and massive quartz veining, and breccias with gold mineralization, but not significant high grade mineralization.

Given the unexpected flat dip of the target breccia to the east and the significantly lower gold assays in hole 8, pursuing the breccia body down dip is not justified. The Company's geological team interprets the breccia body to be part of a larger diatreme and/or explosive volcanic breccia system. Targeting the source of the epithermal gold mineralization will require further evaluation and likely an agreement with Geological Survey of Mexico (GSM), which controls ground surrounding the Tropico property.

In early 2024, management of the Company decided that no further work is warranted at Tropico and accordingly, the Company relinquished its option on the property.

Mexico – Maricela Project

In March 2021, the Company optioned the Maricela group of mineral concessions covering 155 hectares in the State of Sonora, Mexico. The project is within a prolifically mineralized Arizona – Sonora porphyry belt, one of the most important centres of copper mineralization world-wide. Spatially and genetically related to this giant porphyry trend are numerous epithermal gold and silver deposits.

The Maricela property shows no evidence of previous drilling or systematic exploration. The property has a number of small open pits and shafts where limited high-grade material was mined in the 1950's and 1960's and shipped to a processing plant in Cananea. Prior to the Company acquiring an interest in the Project, the most recent work conducted was a small sampling program (24 samples) conducted by the Mexican Geological Survey in 2000.

In 2021, the Company completed rock sampling programs. While these programs identified both high-grade gold-silver vein targets and wide (up to 25 metres) stockwork and breccia zones, management of the Company has decided that no further work is warranted at Maricela. Accordingly, the Company has relinquished its option on the property.

Mexico – Rambler Project

In January 2019, the Company staked the 10,379 hectare Rambler Project located in the Sierra Madre Mountains of the State of Chihuahua, Mexico, approximately 20 kilometres northwest of the Company's Amalia Project. The project area is previously unexplored with only minor historic artisanal-scale pitting of surface outcrops known. The Company's geologists discovered the project during regional prospecting surveys. Epithermal silver/gold (plus significant copper, zinc and lead) mineralization has been sampled by the Company in several veins, vein breccias and disseminated zones over a 9 kilometre north-west trend. The property will be further evaluated once the license application has been granted.

Guatemala Properties

In May 2020, the Company signed an agreement whereby it has granted to Volcanic the exclusive option (the "Option") to acquire a 60% interest in the Company's Holly and Banderas gold-silver properties in Guatemala. Volcanic may exercise the Option by spending US$7.0 million on exploration of the properties within 48 months from the date drilling permits are granted. First year requirements of incurring at least US$1.0 million on exploration, including carrying out a minimum 3,000 metres of drilling, have been completed by Volcanic. Volcanic also made a cash payment to the Company of $100,000.

In September 2023, the Option was modified to include the Motagua Norte project in substitution for the Banderas project. The original earn-in requirement to spend US$7.0 million in exploration of the properties remains unchanged. Under the modified option agreement, Volcanic has an exclusive option to earn a 60% interest in the Company's Holly and Motagua Norte properties by spending US$7.0 million on exploration of the properties, of which US$1,764,778 is required to be spent on Motagua Norte. Expenditures made by Volcanic on exploration of the Banderas property are credited towards the US$7.0 million expenditure requirement. Upon exercise of the Option, the Company will enter into a standard 40/60 joint venture with Volcanic in order to further develop the properties.

Recent exploration activities conducted by Volcanic on the Holly and Motagua Norte Properties are summarized below.

<u>Holly Project</u>

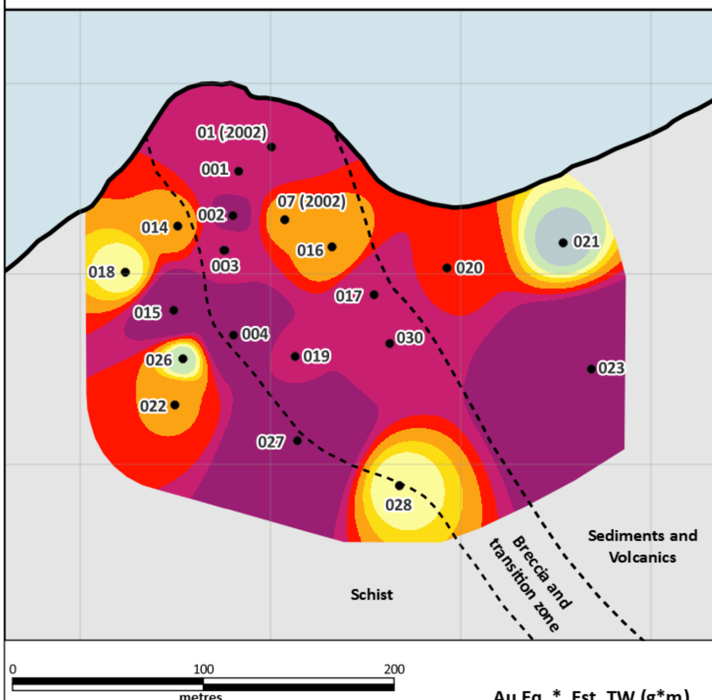
In 2021, Volcanic conducted a diamond core drilling program at the Holly Project to explore a series of high-grade northwest-striking veins cross-cutting a segment of the regional east-west trending Jocotan structure: La Peña, El Pino and Alpha veins. A total of 32 drill holes for 5,259 metres of drill core were completed, with the following highlights:

- Drilling successfully tested three distinct vein sets cutting the Jocotan fault zone.
- High-grade gold and silver intercepts confirmed and extended the La Peña vein system to at least 200 metres below surface.
- Exploratory drilling on the El Pino and Alpha veins confirmed mineralization.

Drilling at Holly focused on extending the high-grade La Peña vein to depth and along strike with a goal of establishing a significant high-grade mineral resource and improving understanding of the controls on high-grade mineralization. The La Peña vein remains open in all directions. Several holes also cut high-grade gold in the Amber vein and Pino target at a shallow depth. The Amber vein, Pino veins, Alpha vein, and the untested Jocotan splay targets all have significant potential and will be tested in future drill programs.

Figure 1: Holly Project: La Peña target long section with assay results table.

HOLLY PROJECT - LA PEÑA LONG SECTION - AuEq* Est. True Width



HoleID	Est. TW (m)	Au (g/t)	Ag (g/t)	AuEq (g/t)	AuEq*TW (m)
HDD-001	13.43	4.14	151	5.99	80.39
HDD-007	8.38	1.84	45	2.39	20.03
HDD-21-001	14.03	5.09	106	6.39	89.59
HDD-21-002	10.78	6.29	282	9.74	104.96
HDD-21-003	9.85	5.29	256	8.42	82.93
HDD-21-004	17.66	3.1	694	11.58	204.54
HDD-21-014	6.35	2.02	66	2.83	17.95
HDD-21-015	13.13	7.67	615	15.19	199.4
HDD-21-016	5.23	1.8	45	2.35	12.29
HDD-21-017	6.82	8.81	355	13.15	89.68
HDD-21-018	1.37	1.81	57	2.51	3.43
HDD-21-019	5.91	11.72	340	15.88	93.82
HDD-21-020	5.09	4.38	350	8.66	44.07
HDD-21-021	0.97	0.19	40	0.68	0.66
HDD-21-022	1.39	11.2	522	17.58	24.44
HDD-21-023	3.93	79.84	5053	141.6	556.48
HDD-21-026	2.33	0.41	23	0.69	1.61
HDD-21-027	3.7	54.24	3925	102.21	378.19
HDD-21-028	0.85	2.75	112	4.12	3.5
HDD-22-030	9.81	2.07	389	6.82	66.95

Note: AuEq is calculated using the following formula:
AuEq = (Au_g/t) + (Ag_g/t * 0.01222)
Cost Ratio of 1/81.8 based on metal price assumptions of:
$22 oz silver, $1,800 oz gold;
Recoveries have not been incorporated at this stage.

Map Date: April 29, 2022
Version: QProj_LaPenaLS_AuEq*TW_v22.4

Au Eq. * Est. TW (g*m)

Unexplored | < 1 | 1.0 - 2.5 | 2.5 - 5.0 | 5.0 - 10.0 | 10.0 - 25.0 | 25.0 - 50.0 | 50.0 - 100.0 | > 100.0

--- Fault   ● Drill hole ID Intercept

On June 9, 2022, the Company and joint venture partner, Volcanic, announced a maiden Inferred Mineral Resource Estimate for the Holly property. The mineral resource estimate is reported in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards (2014) incorporated by reference in National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

Highlights

- A maiden inferred mineral resource has been estimated for the first target, La Peña vein at the Holly project, Guatemala.
- The high-grade La Peña vein remains open to expansion along strike and importantly at depth, where exceptionally high-grade results have been returned.
- Multiple other drill targets remain un-tested at Holly with potential for new discoveries.

Table 1: Holly, Peña Vein Resource Estimate
(Effective date 7th June, 2022)

Category	Cut-off grade AuEq (2) (g/t)	Tonnes above cutoff (millions)	Gold (g/t)	Silver (g/t)	Gold (oz)	Silver (oz)	Gold Equivalent(2) (g/t)	Gold Equivalent(2) (oz)
Inferred	3.00	1.32	6.46	256	272,110	10,913,360	9.57	406,316

Notes:

1. Resources estimated using a 3.0 g/t Gold equivalent cut-off grade and a top cap grade of 100 g/t Gold and 2,000 g/t Silver and presented on a 100%-basis
2. Gold Equivalent Au(eq) values based on Au US$1800 and Ag US$22 using formula (Au g/t + (Ag g/t*0.01222))
3. Mineral Resources which are not Mineral Reserves have not demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues. The mineral resources in this report were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum standards on mineral resources and reserves, definitions, and guidelines prepared by the CIM standing committee on reserve definitions and adopted by the CIM council. Notwithstanding, to meet the requirement that the reported Mineral Resources show “reasonable prospects for eventual economic extraction”.
4. The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource. It is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.
5. Contained metal and tonnes figures in totals may differ due to rounding.

The Mineral Resource Estimate is underpinned by data from 21 diamond drillholes totalling 3,707 metres of drilling. Drill spacing ranges between 20 and 100 metres. All sample data was composited to a 2D dataset (linear grade and true thickness values) prior to analysis and estimation. The sample database and the topographic survey were reviewed and validated by Bruce Smith, Ludving Monroy and Shawn Rastad prior to being supplied to John Arthur, an independent UK based Resource Consultant. Geological domain modelling was completed by Bruce Smith and Dr John Arthur. Mineral Resource domain modelling, grade interpolation, Mineral Resource classification and reporting of the Mineral Resource statement, was performed by Dr John Arthur. Dr Arthur, Mr Smith, Mr Monroy and Mr Rastad are “qualified persons” within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”). Block modelling was carried out using cell dimensions of 32mE by 32mN by 8 mRL and was coded to reflect the surface topography and mineralised zones. Density values were globally assigned into two zones, an upper zone between 50 to 100 metres from surface had an average density of 2.33t/m³ and below this an average density of 2.52t/m³ was applied. The Mineral Resource Estimate has been classified based on data density, data quality, confidence in the geological interpretation and confidence in the robustness of the grade interpolation.

The technical report for the Mineral Resource Estimate was filed on July 27, 2022 and is available on SEDAR+ at www.sedarplus.ca.

Technical studies and permitting

The Company considers that the demonstrated high-grade and good access to a nearby mine development project means that the Holly Project has a good chance of being developed. Further drilling will determine whether Holly will support a stand-alone mill, or if the ore should be processed elsewhere. Based on this positive outlook the Volcanic/Radius team is in the process of applying to upgrade the Holly exploration license to an exploitation license.

The initial technical studies to support the application, including a civil engineering design for an underground mine to exploit the principal La Peña vein, were submitted to and reviewed by the competent authorities. The application has advanced to the second stage and the Company is now responding to requests for additional information. The study envisages using transverse and longitudinal longhole stoping with cemented cavity fill on eleven levels, 30 metres apart, to a depth of 300 metres below surface with access via a spiral decline. Processing would be off-site. The mine design is an early-stage concept for permitting purposes and does not meet the requirements of a preliminary economic assessment. The Holly deposit is currently at an inferred level of confidence and open in all directions and further drilling is required to improve the level of confidence in the mineral resource estimation as well as define the full lateral and depth extent of any future mining operation. This study is the principal requirement to support the current application to upgrade the Holly project licence from an exploration to exploitation licence.

Current Work Program and Way Forward

Volcanic continues to collect the environmental, hydrogeological, and social baseline data that will be required for future economic assessments and feasibility studies.

The gold and silver discovery made at Holly is significant. It is a high-grade vein deposit that could be mined from underground, causing very little surface disruption. With a paved highway adjacent to the deposit, it will not require a processing plant, but is well situated to truck the high-grade ore to a nearby mill. Bluestone Resources' (TSX-V: BSR) Cerro Blanco feasibility stage gold and silver project is within trucking distance. The approval of an amendment to the Cerro Blanco environmental permit to allow surface mining announced by Bluestone Resources on January 18, 2024 is a positive step forward, although the path to production remains unclear whilst Bluestone works through a strategic review (see Bluestone Resources Inc. announcements on July 6, 2023 and January 18, 2024). Volcanic continues to closely monitor the situation and intends to resume drilling at Holly as soon as there is a clear path to production at the Cerro Blanco gold project.

Motagua Norte Project

Volcanic conducted widespread exploration of the Company's large regional land position under the option agreement signed in May 2020 and identified Motagua Norte as an area with significant promise. Volcanic has successfully completed all the legal, environmental and community studies required to support four exploration licence applications comprising the Motagua Norte area and in September 2023 the first exploration licence, Cirilo 1, was granted. The Cirilo 1 exploration licence covers an area of 13.5 square kilometre (4.5 x 3 km) and includes the highly prospective Mila gold discovery. In December 2023, the Company announced the signing of long term access agreements with property owners on the Cirilo I licence. The other three applications cover an additional 72.68 square kilometres of the Motagua Norte orogenic gold corridor. Volcanic is continuing to work with the permitting authorities towards granting the remaining three licences.

Volcanic's initial prospecting samples returned exceptional gold grades at Mila prospect, a surface concentration of bonanza-grade and visible gold in quartz veins and boulders spread over a 250 x 570 metre area (see news release Sept 1, 2022). High-grade gold assays and visible gold occur in both quartz veins and in quartz stockwork zones. In order to determine whether the very high gold grades (many samples above 1 oz gold / tonne) were the result of selective sampling or are widespread across the target zones, several lines of continuous 2 metre chip sampling were collected within the quartz boulder field. Average grades of 42 g/t gold along a 34 metre line, and 54 g/t gold over a 24 metre line from two parallel lines 70 metres apart in the centre of the quartz boulder field confirmed the high grades.

Current drill program

Volcanic commenced a first-pass drilling program at the Mila prospect in February 2024 designed to establish the width, grade and geometry of gold mineralization. Volcanic anticipates drilling between 1,000 and 3,000 metres of diamond core in this first campaign.

The Company reported on March 4, 2024 that the first few exploratory drill holes had revealed that the broad area of quartz boulder float with abundant visible gold and bonanza grade assay results discovered by Volcanic geologists is the top of a thick package of colluvial scree, locally over 15 metres thick, composed of quartz and schists boulders that have likely moved downslope from a major geological structural that has been named the Veta Madre Fault Zone.

The Veta Madre Fault contains a wide quartz vein that has been known for some time, although where sampled, has returned relatively high silver and lead results but poor gold numbers. It is a massive vein, forming in places a vertical, cliff with flute marks and slickensides indicating near-vertical fault movement. Exposure of the Veta Madre fault is notably absent from the area immediately uphill from the Mila quartz float field, suggesting that the abundant gold mineralized quartz boulders are derived from this eroded segment of the Veta Madre fault vein and that this is the target to be tested. .

The Company reported on April 3, 2024 that two drill holes cutting across the broad Veta Madre fault zone were completed. Both holes have cut wide zones of quartz veining and quartz stockwork at the fault contact between serpentinite in the hanging wall to the north, and schistose rock in the footwall to the south. The wide stockwork zones with associated intense silica-sericite alteration of the host rock appear to be best developed in the footwall schist, although stockwork veining has been recognized on both sides of the vein.

Hole MIDD-24-004 targeted the Veta Madre above the central part of the colluvial field, drilling through 98 metres of serpentinite before reaching the fault zone at a depth of approximately 120 metres below surface. The hole remained in veining and stockwork schists for 63 metres before entering unaltered schistose rocks at 161 metres. The hole was drilled at an inclination of minus-45 degrees; true width of the mineralized zone is yet to be confirmed as the dip of the fault, while thought to be steep, is as yet unknown.

Hole MIDD-24-005 was drilled 100 metres along strike to the west of MIDD-24-004, collared closer to the fault zone so that it intersected the fault at a slightly shallower depth of approximately 80 metres below surface. This hole passed through 73 metres of serpentinite before entering the targeted structure. A wide zone, some 39 metres of altered rock with strong stockwork quartz veining, was intersected before passing into unaltered schistose rock at 112 metres drill depth. This hole was also drilled at an inclination of minus-45 degrees, and again, true width of the zone is, at present, unknown.

The Mila discovery presents an unusual challenge for exploration but an exceptional opportunity. The abundance of gold-mineralized quartz boulders covering the surface makes it difficult to map-out, measure and model the gold mineralized structures. Of approximately 420 rock chip samples collected at surface across the area over one hundred returned assays exceeding 10 g/t gold, including twenty-one of over 100 g/t gold and a maximum of 692 g/t gold. In addition to the obvious quartz vein mineralization, gold has also been observed hosted within sericite altered and micro-veined schist with samples returning assay results of up to 94 g/t gold, indicating potential for a wide mineralized structure with high-grade gold mineralization not just restricted to quartz veins but potentially extending a significant distance into the wall rock.

Assays are pending on drillholes MIDD-24-004 and 005. Drilling of the Veta Madre target is ongoing.

Additional gold vein discoveries

Beyond the Mila prospect ongoing prospecting and rock chip sampling has identified a number of additional mineralized veins within the Cirilo I licence area, including:

1. Two gold quartz veins have already been identified approximately 500 metres to the south of the Mila prospect with two high-grade rock chip samples of 9.34 g/t and 29.6 g/t gold some 280 metres apart.

2. Quartz veins grading up to 60.2 g/t gold have also been identified at a couple of locations further along the regional Motagua Norte trend between 800 and 1700 metres to the west of the Mila prospect.

Geology and Exploration potential

The Mila prospect is a new discovery with a sizeable footprint of abundant high-grade quartz at surface, pointing to a significant gold system. The abundance of high-grade quartz vein and quartz stockwork spread across a 250 x 570 metre area, the identification of multiple gold mineralized quartz veins at surface, and the demonstration that high-grade quartz is not confined to the quartz veins but also occurs in the wallrock, point to a broad, high-grade and extensive gold system. The mineralization is orogenic style, with mineralization at mesothermal depths within a major transform structure. These systems and structures typically support mineralization over significant vertical distances, and so there is potential for mineralization to continue to significant depths.

Royalty Interests

Guatemala – Tambor Project Royalty

The Company holds a royalty interest in the Tambor gold project in Guatemala which is owned by Kappes, Cassiday & Associates ("KCA") The initial royalty payments due to the Company are to be based on the price of gold at the time and the number of ounces of gold produced, ranging from US$100 per ounce when the gold price is below $1,200 up to $250 per ounce when the gold price is $1,500 or greater, up to a maximum of US$10.0 million. After the US$10.0 million has been paid and cumulative gold production from the Tambor Project has exceeded 100,000 ounces, the cash payments will be based on the then price of gold and the number of ounces of gold produced, ranging from US$25 per ounce when the gold price is below $1,500 up to $50 per ounce when gold price is $1,500 or greater.

Commercial production commenced at the Tambor project in December 2014 and receipt of royalty payments by the Company commenced during the third quarter of 2015. To date, the Company has recognized net royalty income of $1,530,555 of which $746,375 has been received. In May 2016, KCA informed the Company that mining operations were suspended by the Supreme Court of Guatemala due to a lack of consultation by the Guatemalan Ministry of Mines with local indigenous people when the mine was permitted in 2011.

KCA initiated a Central America Free Trade Agreement Arbitration action against the Guatemalan government to overturn the suspension of operations and seek compensation from the Guatemalan authorities, from which the Company would benefit as well. The Arbitration hearing has been completed and a ruling is expected in early 2024. Until these proceedings are concluded, the Company is allowing KCA to defer payment of the remaining balance owing to the Company. Due to these circumstances, for accounting purposes, a provision was recorded against the KCA receivable in the 2016 fiscal year.

Mexico - Tlacolula Property Royalty

In 2017, the Company completed the sale of its Tlacolula silver property, Mexico to Fortuna Silver Mines Inc. in consideration for 239,385 common shares of Fortuna, a cash payment of US$150,000, and a 2% NSR royalty on the property. Fortuna retains the right to purchase one-half of the royalty by paying the Company US$1.5 million.

Outlook

Management of the Company is enthusiastic about the current exploration programs at multiple targets. The Company plans to advance its JV funded partnership projects at Amalia, Plata Verde and Guatemala, and continue its strategy of conducting property evaluations and grassroots exploration on properties in various jurisdictions with the aim of delineating minable resources and delivering value to shareholders.

Qualified Person: Bruce A Smith, M.Sc., MAIG., a member of the Australian Institute of Geoscientists, is the Company's Qualified Person as defined by National Instrument 43-101, and has approved the disclosure of the technical information in this MD&A.

Selected Annual Information

The following table sets forth selected annual financial information of the Company for, and as at, the end of each of the last three financial years ended December 31, 2023, 2022, and 2021:

	2023 ($)	**2022 ($)**	**2021 ($)**
Investment and other income	13,502	9,954	3,048
Exploration expenditures	1,572,144	732,140	690,258
Net income (loss) for the year			
Total	(2,637,656)	1,076,154	(892,648)
Basic & fully diluted per share	(0.03)	0.01	(0.01)
Total assets	2,361,168	3,711,214	2,803,553
Total long-term liabilities	-	81,942	154,631
Cash dividends	-	-	-

Investment and other income were higher for the 2023 and 2022 fiscal years due to the periodic rise of interest rates throughout 2022 until mid-2023. The 2022 fiscal year resulted in a net income compared to net losses for the 2023 and 2021 fiscal years due to a $1,350,913 gain on reclassification as an equity investment. The gain relates to the Company's holding of Rackla shares that were previously treated as an investment in associate with a carrying cost of $1 and their fair value being $1,350,914 at the time of reclassification. This reclassification is also why total assets were higher for the 2022 fiscal year. Long-term liabilities presented for the 2021 and 2022 fiscal years are related to a lease liability associated with an office lease, a right-to-use asset, which expires at the end of 2024. The total lease liability as at December 31, 2023 was $81,942 and presented entirely as a short-term liability. The overall lease liability decreases each year as the remaining term of the office lease decreases.

Quarterly Information

The following table provides information for the eight fiscal quarters ended December 31, 2023:

Quarter ended	**Dec. 31, 2023 ($)**	**Sep. 30, 2023 ($)**	**June 30, 2023 ($)**	**Mar. 31, 2023 ($)**	**Dec. 31, 2022 ($)**	**Sep. 30, 2022 ($)**	**June 30, 2022 ($)**	**Mar. 31, 2022 ($)**
Investment and other income	2,363	2,276	3,550	5,313	4,674	3,433	1,348	499
Exploration expenditures	452,449	462,942	403,814	252,939	177,248	172,255	201,132	181,505
Net income (loss)	(939,300)	(533,636)	(791,913)	(372,807)	1,028,546	(231,529)	567,114	(287,977)
Basic and diluted income (loss) per share	(0.01)	(0.01)	(0.01)	(0.00)	0.01	(0.00)	0.00	(0.00)

The quarter ended December 31, 2022 resulted in a net income of $1,028,546 due to a gain of $1,350,913 from reclassifying the Company's holdings of Rackla's shares from an investment in associate to an equity investment. The quarter ended June 30, 2022 resulted in a net income position due to a gain of $859,523 from the Amalia Project option agreement with Pan American.

Results of Operations

Quarter ended December 31, 2023

The quarter ended December 31, 2023 had a net loss of $939,300 compared to a net income of $1,028,546 for the quarter ended December 31, 2022, a difference of $1,967,848. As noted above, the fourth quarter of 2022 recorded a net income due to the gain on reclassification of shares held in Rackla.

Exploration expenditures for the current quarter totaled $452,449 compared to $177,248 for the comparative quarter, an increase of $275,201. This increase was largely due to the acquisition of the Tropico Project in March 2023 and subsequent exploration activity, including a drill program that commenced during third quarter of 2023. The current quarter also included a write-off of mineral property acquisition costs of $309,223 relating to the Tropico and Maricela properties whereas there was no such charge for the comparative quarter.

General and administrative expenses for the current quarter were $161,859, compared to $185,846 for the comparative quarter, a decrease of $23,987. This decrease is primarily due to a share-based compensation expense of $23,750 in the comparative quarter compared to no such expense for the current quarter. Stock-based compensation expense for the comparative quarter relates to the value of shares issued as part of a compensation package for the Chief Executive Officer of the Company. Another notable cost decrease in the current quarter was $12,575 in travel and accommodation expenses as there was minimal travel activity during the current quarter compared to tradeshow travel during the comparative quarter. The most notable cost increases for the current quarter were in shareholder communications costs and legal and audit fees. Shareholder communications costs were higher due to more promotional services while Audit and legal fees were higher due to an increase in estimated audit fees for the current year.

Year ended December 31, 2023

The year ended December 31, 2023 had a net loss of $2,637,656 compared to a net income of $1,076,154 for the year ended December 31, 2022, a difference of $3,713,810. As with the quarterly comparison, the comparative year resulted in a net income position due to the gain of $1,350,913 on reclassification of Rackla shares. The comparative year also recorded a gain of $894,097 on mineral property option agreements and a foreign currency gain of $74,531 compared to a gain of $106,202 on mineral property option agreements and foreign currency loss of $28,409 in the current year.

Exploration expenditures, net of cost recoveries, for the current year totaled $1,572,144 compared to $732,140 for the comparative year, an increase of $840,004. As with the quarterly comparison, the current year included a write-off of mineral property acquisition costs of $309,223 whereas there was no such charge for the comparative year.

General and administrative expenses for the current year were $847,584, compared to $522,680 for the comparative year, an increase of $324,904. Both the current and comparative years recorded a share-based compensation expense but the expense for the current year totaled $308,631 compared to $46,875 for the comparative year. The current year share-based compensation expense relates to the fair value of stock options that were granted and became fully vested during that year whereas the expense for the comparative year relates to the fair value of shares issued pursuant to a compensation agreement. Other notable cost increases for the current year were $24,313 in shareholder communications, $18,603 in office and miscellaneous costs, and $11,457 in salaries and benefits. Shareholder communications and salaries and benefits costs were higher due to an increase in the use of shared personnel and promotional activities. Office costs were higher due in part to more information technology maintenance needs and increased office rent.

For both the current and comparative quarterly and yearly periods, the fees paid to Bruce Smith, a Director, President, and CEO of the Company, and to Simon Ridgway, a Director and Executive Chairman of the Company, were allocated partly to exploration expenditures and partly to management fees. Office and administration costs relate mostly to an administrative cost sharing agreement with Gold Group Management Inc. ("Gold Group"), a private company controlled by Mr. Ridgway which is reimbursed by the Company for certain shared rent and other corporate expenses paid by Gold Group on behalf of the Company. Salaries and benefits costs also relate primarily to Gold Group which provides administrative personnel, including the Company's Chief Financial Officer and Corporate Secretary throughout the current and comparative quarterly and yearly periods and the addition of the Company's Vice President of Corporate Development for the current fiscal year.

Mineral Properties Expenditures

A summary of the Company's expenditures on its mineral properties during the year ended December 31, 2023 is as follows:

Mexico – A total of $1,513,115, excluding cost recoveries, was incurred on exploration, property investigation, and miscellaneous administrative costs, of which $817,404 was on the Tropico property, $240,985 was on the Plata Verde property, $141,934 was on the Amalia property, $39,479 was on the Maricela property, and $273,313 was on general exploration.

A total of $726,641, excluding cost recoveries, was incurred on option payments and recorded as mineral property acquisition costs, of which $271,822 was on the Tropico property, $395,460 on the Plata Verde property, and $59,359 on the Amalia property.

Cost recoveries relating to the Plata Verde property totaled $395,460 for the Company's underlying option payments. Cost recoveries relating to funding from Pan American on the Amalia property totaled $59,359 for option payments and $30,367 for exploration costs.

Guatemala – A total of $52,396 was incurred on investigation of new opportunities and maintenance of the Company's Guatemala properties.

Other – A total of $37,000 was incurred on property investigation costs in regions other than Mexico and Guatemala.

Further details regarding exploration expenditures for the years ended December 31, 2023 and 2022 are provided in the schedules at the end of this MD&A.

Liquidity and Capital Resources

The Company's cash and cash equivalents were $0.91 million at December 31, 2023 compared to $1.42 million at December 31, 2022. As at December 31, 2023, working capital was $2.02 million compared to $3.25 million at December 31, 2022. Included in working capital is the fair value of the Company's equity investments which as of December 31, 2023 was $1.01 million compared to $1.87 million as of December 31, 2022. During the year ended December 31, 2023, the Company raised gross proceeds of $1.95 million by way of equity financing to provide working capital for corporate and exploration operations.

The Company did not earn any royalty revenue from the Tambor Project during the current year as the operations at Tambor continue to be suspended.

The Company intends to use the proceeds from any equity financings, sales of its equity investments, option payments received, and royalty income payments received to fund its exploration programs, investment opportunities, and general working capital requirements. The Company expects its current capital resources to be sufficient to cover its corporate operating costs and carry out limited exploration programs for the next twelve months. Actual funding requirements may vary from those planned due to a number of factors, including future property option payments, potential property acquisitions and exploration activity. The Company will continue to seek to raise additional capital in the future and believes it will be able to do so, but recognizes the uncertainty attached thereto.

Commitment

The Company is party to an operating lease agreement for its office premises that expires on December 31, 2024. The Company shares its office space with other companies related by common directors and officers on a month-to-month basis, and the portion of the rent paid by these companies is netted against the Company's rental expense. However, as there are no commitments from these companies, the amounts presented below are the gross commitments of the Company. The remaining commitment under the lease for the 2024 fiscal year is $133,869.

For the year ended December 31, 2023, the Company received a total of $96,775 (2022: $99,875) from those companies which share office space with the Company.

Financial Instruments and Risk Management

The Company is exposed to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This section describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the accompanying consolidated financial statements.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors receive periodic reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: foreign currency risk, interest rate risk, and equity price risk.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to fluctuations in foreign currencies through its operations in foreign countries. The Company monitors this exposure but has no hedge positions. As at December 31, 2023, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	December 31, 2023			**December 31, 2022**		
	US Dollar	**Mexican Peso**	**Guatemala Quetzal**	**US Dollar**	**Mexican Peso**	**Guatemala Quetzal**
	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)
Cash	$ 49,619	$ 3,836	$ 11,142	$ 735,977	$ 8,141	$ 11,146
Receivables	-	183,569	-	14,681	51,634	-
Current liabilities	(5,677)	-	(4,209)	(15,867)	-	(1,376)
	$ 43,942	**$ 187,405**	**$ 6,933**	**$ 734,791**	**$ 59,775**	**$ 9,770**

Based on the above net exposures at December 31, 2023, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in approximately a $23,800 (2022: $80,400) increase or decrease in profit or loss, respectively.

Commodity Price Risk

The Company's royalty revenue is derived from a royalty interest that is based on the extraction and sale of gold. Factors beyond the control of the Company may affect the marketability of gold discovered. Gold prices have historically fluctuated widely. Consequently, the economic viability of the Company's royalty interest cannot be accurately predicted and may be adversely affected by fluctuations in gold prices. The Company has not engaged in any hedging activities. The Company is not exposed to commodity price risk as the Company has not earned any royalty revenue during the years ended December 31, 2023 and 2022.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to be limited as it holds no assets or liabilities subject to variable rates of interest.

Equity Price Risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's equity investments consisting of common shares and derivative investments consisting of share purchase warrants are exposed to significant equity price risk due to the potentially volatile and speculative nature of the businesses in which the investments are held. The Company's equity investments are monitored by the Board with decisions on sale or exercise taken by Management. A 10% decrease in fair value of the shares and warrants would result in an approximate $101,000 (2022: $187,000) decrease in comprehensive income and shareholders' equity.

b) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents, equity investments, and receivables. The Company limits exposure to credit risk by maintaining its cash and cash equivalents with large financial institutions. The Company does not have cash and cash equivalents or equity investments that are invested in asset based commercial paper. For advances and other receivables, the Company estimates, on a continuing basis, the probable losses and provides a provision for losses based on the estimated realizable value.

c) 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's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities.

Related Party Transactions

The Company had transactions during the years ended December 31, 2023 and 2022 with related parties who consisted of directors, officers and the following companies with common directors:

Related Party	Nature of Transactions
Mill Street Services Ltd. ("Mill Street")	Management fees
Gold Group Management Inc. ("Gold Group")	Shared general and administrative expenses
Volcanic	Investment and exploration support
Rackla	Investment and shared personnel expenses

The Company incurred the following expenditures charged by non-key management officers and companies which have common directors with the Company during the years ended December 31, 2023 and 2022:

	Three months ended December 31, 2023	Three months ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
General and administrative expenses:				
Salaries and benefits	$ 7,600	$ 3,600	$ 24,627	$ 12,720
Exploration expenditures:				
Salaries and benefits	4,506	4,492	17,859	17,224
	$ 12,106	**$ 8,092**	**$ 42,486**	**$ 29,944**

The Company reimburses Gold Group, a company controlled by Simon Ridgway, a Director of the Company, for shared administrative costs and other business-related expenses paid by Gold Group on behalf of the Company. During the years ended December 31, 2023 and 2022, the Company reimbursed Gold Group the following:

	Three months ended December 31, 2023	Three months ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
General and administrative expenses:				
Office and miscellaneous	$ 10,470	$ 11,089	$ 52,018	$ 37,743
Shareholder communications	15,536	3,768	26,851	14,238
Salaries and benefits	41,393	44,807	160,787	144,496
Transfer agent and regulatory fees	2,626	525	7,309	3,169
Travel and accommodation	1,505	3,154	24,714	11,514
	$ 71,530	**$ 63,343**	**$ 271,679**	**$ 211,160**
Exploration expenditures	**$ -**	**$ 670**	**$ 4,062**	**$ 670**

Gold Group salaries and benefits costs for the year ended December 31, 2023 include those for the Chief Financial Officer, Vice President Corporate Development, and Corporate Secretary (2022: includes those for the Chief Financial Officer and the Corporate Secretary).

During the year ended December 31, 2023, the Company charged $Nil (2022: $4,795) to Volcanic, a company which has a common director with the Company, for exploration costs incurred on behalf of Volcanic and relating to the option agreement between the two parties and Volcanic charged $38,830 (2022: $38,083) to the Company for shared exploration costs.

During the year ended December 31, 2023, the Company charged $Nil (2022: $27,832) to Rackla, a company which has three common directors with the Company, for shared exploration personnel costs.

Receivables include an amount of $Nil (2022: $7,007) owed from Rackla.

Prepaid expenses and deposits include an amount of $4,153 (2022: $5,850) paid to Gold Group for shared office and administrative services.

Long-term deposits include an amount of $60,000 (2022: $60,000) paid to Gold Group as a deposit on the shared office and administrative services agreement.

Accounts payable and accrued liabilities include $9,546 (2022: $17,927) payable to Gold Group for shared administrative costs, $7,792 (2022: $571) to Bruce Smith, the Chief Executive Officer of the Company, for management fees and expense reimbursement, and $9,594 (2022: $9,556) payable to Volcanic for shared exploration costs.

Key management compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. Key management compensation comprises:

	Three months ended December 31, 2023	Three months ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
Geological fees included in exploration expenditures	$ 33,500	$ 39,000	$ 150,500	$ 156,000
Management fees	14,500	16,500	64,000	66,000
Salaries, benefits and fees*	17,950	10,726	70,889	32,610
Share-based payments – fair value of stock options granted and vested	-	-	99,891	-
Share-based payments – fair value of shares to be issued	-	23,750	-	46,875
	$ 65,950	**$ 89,976**	**$ 385,280**	**$ 301,485**

*Included in reimbursements to Gold Group

Key management compensation includes management and geological fees paid to Mill Street, a company controlled by Simon Ridgway, a Director of the Company.

During the year ended December 31, 2023, the Company issued 500,000 common shares with a value of $120,625 to the Chief Executive Officer of the Company pursuant to a shares for services agreement dated January 1, 2021.

Other Data

Additional information related to the Company is available for viewing at www.sedarplus.ca.

Share Position and Outstanding Warrants and Options

As at the date of this MD&A, the Company's outstanding share position is 99,118,533 common shares and the following incentive stock options are outstanding:

WARRANTS

Number of warrants	Exercise price	Expiry date
11,376,425	$0.35	May 28, 2025

STOCK OPTIONS

Number of options	Exercise price	Expiry date
1,230,000	$0.15	October 18, 2026
1,265,000	$0.15	May 21, 2028
75,000	$0.15	November 4, 2028
850,000	$0.25	October 7, 2029
280,000	$0.15	March 15, 2030
50,000	$0.27	December 8, 2030
50,000	$0.34	February 10, 2031
50,000	$0.24	March 3, 2031
300,000	$0.34	October 25, 2031
75,000	$0.20	January 9, 2033
2,070,000	$0.18	June 6, 2033
50,000	$0.23	September 18, 2033
25,000	$0.15	March 26, 2034
6,370,000		

<u>Investment in Associate</u>

Rackla

Rackla previously met the definition of an associate and was equity accounted for in the consolidated financial statements. During the 2022 fiscal year, Rackla no longer met the definition of an associate when its interest in Rackla was further diluted to a level significantly below 20% on December 22, 2022 when Rackla issued 12,615,000 common shares by way of private placements to different parties. Therefore, the Company's investment in Rackla was reclassified as an equity investment. Upon discontinuing the use of the equity method, an investment, if a financial asset, is to be measured at fair value and the difference between the fair value and the carrying value of the investment recognized in profit or loss. The fair value of the investment in Rackla at the time of reclassification was $1,350,914 and its carrying cost was $1. As a result, a gain of $1,350,913 was recognized in the consolidated statement of income for the year ended December 31, 2022.

<u>Accounting Policies and Basis of Presentation</u>

The Company's material accounting policies and future changes in accounting policies are presented in the audited consolidated financial statements for the year ended December 31, 2023.

<u>Future Changes in Accounting Policies</u>

The Company has reviewed upcoming policies and amendments and determined that none are expected to have an impact on the Company's consolidated financial statements.

<u>Risks and Uncertainties</u>

Royalty revenue

The Company cannot predict future revenues from or operating results of mining activity. Management expects any future royalty revenues from the Tambor Project to fluctuate depending on the level of future production and the price of gold. The owner of the Tambor Project is not obligated to re-start or continue production from the Tambor Project and the Company will not be entitled to any compensation if this mining operation does not meet its forecasted gold production targets or if the mine operations are discontinued on a temporary or permanent basis. Risks that could negatively affect a mine's operations include, but are not limited to economics, lack of financial capital, floods, fire, mechanical malfunctions, social unrest, expropriation, environmental regulations, and legal and/or political changes. The Tambor Project is currently subject to a suspension of operations imposed by the Supreme Court of Guatemala.

Competition

The Company faces competition from other capital providers, all of which compete with it for investment opportunities. These competitors may limit the Company's opportunities to acquire interests in investments that are attractive to the Company. The Company may be required to invest otherwise than in accordance with its Investment Policy and strategy in order to meet its investment objectives. If the Company is required to invest other than in accordance with its Investment Policy and strategy, its ability to achieve its desired rates of return on its investments may be adversely affected.

Inability to dispose of illiquid securities

There is a possibility that the Company will be unable to dispose of illiquid securities held in its portfolio and if the Company is unable to dispose of some or all of its investments at the appropriate time, a positive return on such investment may not be realized.

Due diligence

The due diligence process undertaken by the Company in connection with investments that it makes or wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Company will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Mineral property exploration and mining

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

If the Company does not satisfactorily complete its contribution requirements to any joint ventures it may be a party to, the Company's interest in a joint venture can be diluted to a point where all interest in the joint venture is forfeited.

Joint venture funding

The Company's strategy includes seeking partners through joint ventures to fund exploration and project development. The main risk of this strategy is that funding partners may not be able to raise sufficient capital in order to satisfy exploration and other expenditure terms in a particular joint venture agreement. As a result, exploration and development of one or more of the Company's property interests may be delayed depending on whether the Company can find another partner or has enough capital resources to fund the exploration and development on its own.

Commodity price

The Company is exposed to commodity price risk. Declines in the market price of gold, silver, base metals and other minerals may adversely affect the Company's ability to raise capital or attract joint venture partners in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of one of its mineral properties to a third party. The Company's past royalty revenue was derived from a royalty interest that is based on the extraction and sale of gold. Factors beyond the control of the Company may affect the marketability of precious and base metals discovered or extracted. Metal prices have historically fluctuated widely. Consequently, the economic viability of the Company's property and royalty interests cannot be accurately predicted and may be adversely affected by fluctuations in metal prices.

Financing and share price fluctuation

The Company had a limited source of operating cash flow in the form of royalty revenue from the Tambor property; however, that property is currently subject to suspension of operations. There is no assurance that additional funding from this or other sources will be available to the Company when needed for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues or the value of the Company's equity and derivative investments and corresponding effect on the Company's financial position.

Political, regulatory and currency

Some of the Company's mineral property interests are located in emerging nations. Properties in emerging nations may be subject to a higher level of risk compared to developed countries. Operations, the status of mineral property rights, title to the properties and the recoverability of amounts shown for mineral properties in emerging nations can be affected by changing economic, regulatory and political situations. The Company's equity financings are sourced in Canadian dollars but for the most part it incurs its exploration and property maintenance expenditures in US dollars, Guatemalan quetzals, and Mexican pesos. At this time there are no currency hedges in place. Therefore, a weakening of the Canadian dollar against the US dollar, Guatemalan quetzal, or Mexican peso could have an adverse impact on the amount of exploration conducted.

Insurance

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, earthquakes, and pandemics. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

Environmental and social

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present. Social risks are fairly significant in some of the Company's areas of operations. Violence, kidnapping, theft and other criminal activities could disrupt supply chains and discourage qualified individuals from being involved with the Company's operations.

Mineral Properties Expenditure Detail (see following page)

Mineral Properties Expenditure Detail

CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES
For the year ended December 31, 2023

	Guatemala		Mexico		Other	
	General Exploration	Mineral Properties	General Exploration	Mineral Properties	General Exploration	Total
Administration	$ 967	$ 8,707	$ 17,299	$ 11,127	$ -	$ 38,100
Drilling	-	-	-	345,714	-	345,714
Environmental	-	-	-	60,926	-	60,926
Geochemistry	-	-	20,344	28,296	2,693	51,333
Geological services	1,490	13,405	82,845	272,577	34,307	404,624
Legal and accounting	-	454	17,705	153,264	-	171,423
Licenses, rights and taxes	-	2,109	69,046	63,123	-	134,278
Salaries and wages	2,515	22,632	36,934	100,619	-	162,700
Travel and accommodation	-	117	29,140	204,156	-	233,413
	4,972	47,424	273,313	1,239,802	37,000	1,602,511
Expenditures recovered	-	-	-	(30,367)	-	(30,367)
	$ 4,972	**$ 47,424**	**$ 273,313**	**$ 1,209,435**	**$ 37,000**	**$ 1,572,144**

CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES
For the year ended December 31, 2022

	Guatemala		Mexico		Other	
	General Exploration	Mineral Properties	General Exploration	Mineral Properties	General Exploration	Total
Exploration administration	$ 1,015	$ 5,438	$ 5,699	$ 932	$ -	$ 13,084
Geochemistry	-	-	72,963	-	8,592	81,555
Geological services	10,127	37,812	136,350	88,372	70,205	342,866
Legal and accounting	1,655	-	21,625	30,701	-	53,981
Licenses, rights and taxes	-	-	367	151,122	-	151,489
Salaries and wages	-	24,253	43,502	61,327	12,767	141,849
Travel and accommodation	-	1,166	73,427	30,212	14,019	118,824
	12,797	68,669	353,933	362,666	105,583	903,648
Expenditures recovered	-	-	-	(171,508)	-	(171,508)
	$ 12,797	**$ 68,669**	**$ 353,933**	**$ 191,158**	**$ 105,583**	**$ 732,140**