FINANCIAL REVIEW

First Quarter Ended March 31, 2018

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2018

(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2018. These financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

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

As at:		**March 31, 2018**		**December 31, 2017**
ASSETS				
Current assets				
Cash and cash equivalents (Note 6)	$	2,978,489	$	3,317,667
Equity investments (Note 7)		5,070,178		4,938,978
Derivative investments (Note 8)		176,451		204,252
Receivables (Note 9)		54,749		78,752
Due from related parties (Note 15)		12,079		-
Prepaid expenses and deposits (Note 15)		38,866		44,426
Total current assets		8,330,812		8,584,075
Non-current assets				
Long-term deposits (Note 15)		123,098		123,098
Property and equipment (Note 10)		66,290		71,053
Mineral and royalty interests (Note 12)		1,467,874		1,410,142
Investment in associate (Note 11)		1		1
Total non-current assets		1,657,263		1,604,294
TOTAL ASSETS	**$**	**9,988,075**	**$**	**10,188,369**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Note 15)	$	123,102	$	199,278
Shareholders' equity				
Share capital (Note 13)		56,592,613		56,592,613
Other equity reserve		6,849,808		6,849,808
Deficit		(52,619,080)		(54,326,100)
Accumulated other comprehensive income		(958,368)		872,770
Total shareholders' equity		9,864,973		9,989,091
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**9,988,075**	**$**	**10,188,369**

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS AND AUTHORIZED FOR ISSUE ON MAY 28, 2018 BY:

"Simon Ridgway", Director
Simon Ridgway

"William Katzin", Director
William Katzin

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

RADIUS GOLD INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(Expressed in Canadian Dollars)

		Three months ended March 31, 2018		2017
Exploration expenditures	$	154,206	$	84,567
General and administrative expenses				
Amortization		4,763		3,898
Legal and audit fees		3,193		8,764
Management fees (Note 15)		10,500		10,500
Office and miscellaneous (Note 15)		27,063		30,139
Salaries and benefits (Note 15)		33,667		25,767
Shareholder communications (Note 15)		5,178		3,957
Transfer agent and regulatory fees (Note 15)		6,906		7,406
Travel and accommodation (Note 15)		6,239		12,670
		97,509		103,101
Loss from operations		(251,715)		(187,668)
Gain on property assignment		-		606,664
Investment income		3,797		4,049
Foreign currency exchange gain		3,887		1,642
Gain on sale of equity investments		-		12,475
Impairment on equity investments		-		(77,500)
Fair value loss on derivative investments (Note 8)		(27,801)		-
Net income (loss) for the period	**$**	**(271,832)**	**$**	**359,662**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Gains on sale of equity investments		18,100		-
Fair value gains on equity investments (Note 7)		129,614		1,425,906
Total comprehensive income (loss)	**$**	**(124,118)**	**$**	**1,785,568**
Basic and diluted earnings (loss) per share		$(0.00)		$0.00
Weighted average number of common shares outstanding		86,675,617		86,675,617

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

RADIUS GOLD INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
For the three months ended March 31, 2018 and 2017
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Other equity reserve	Accumulated other comprehensive income (loss)	Deficit	Total
Balance, December 31, 2016	86,675,617	$ 56,592,613	$ 6,849,808	$ 818,661	$ (54,520,103)	$ 9,740,979
Income for the period	-	-	-	-	359,662	359,662
Equity investments	-	-	-	1,425,906	-	1,425,906
Balance, March 31, 2017	86,675,617	56,592,613	6,849,808	2,244,567	(54,160,441)	11,526,547
Loss for the period	-	-	-	-	(165,659)	(165,659)
Equity investments	-	-	-	(1,371,797)	-	(1,371,797)
Balance, December 31, 2017	**86,675,617**	**56,592,613**	**6,849,808**	**872,770**	**(54,326,100)**	**9,989,091**
Impact of adopting IFRS 9 on January 1, 2018 (Note 3)	-	-	-	(1,978,852)	1,978,852	-
Balance, January 1, 2018	**86,675,617**	**56,592,613**	**6,849,808**	**(1,106,082)**	**(52,347,248)**	**9,989,091**
Loss for the period	-	-	-	-	(271,832)	(271,832)
Equity investments	-	-	-	147,714	-	147,714
Balance, March 31, 2018	**86,675,617**	**$ 56,592,613**	**$ 6,849,808**	**$ (958,368)**	**$ (52,619,080)**	**$ 9,864,973**

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

RADIUS GOLD INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Expressed in Canadian Dollars)

	Three months ended March 31, 2018	2017
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net income (loss) for the period	$ (271,832)	$ 359,662
Items not involving cash:		
Amortization	4,763	3,898
Gain on property assignment	-	(606,664)
Impairment of equity investments	-	77,500
Gain on sale of equity investments	-	(12,475)
Fair value loss on derivative investments	27,801	-
	(239,268)	(178,079)
Changes in non-cash working capital items:		
Receivables	24,003	142,886
Prepaid expenses and deposits	5,560	147,074
Due from related parties	(12,079)	(126,166)
Accounts payable and accrued liabilities	(76,176)	(9,789)
Cash used in operating activities	(297,960)	(24,074)
INVESTING ACTIVITIES		
Purchase of equity investments	(9,386)	(712,235)
Expenditures on exploration and evaluation asset acquisition costs	(57,732)	(46,032)
Proceeds from sale of equity investments	25,900	13,725
Cash used for investing activities	(41,218)	(744,542)
Decrease in cash and cash equivalents	**(339,178)**	**(768,616)**
Cash and cash equivalents, beginning of period	3,317,667	5,130,064
Cash and cash equivalents, end of period	**$ 2,978,489**	**$ 4,361,448**

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

1. CORPORATE INFORMATION

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 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.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual financial statements of the Company, except as described in Note 3. These condensed interim consolidated financial statements do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's most recent annual financial statements, which were prepared in accordance with IFRS as issued by the IASB.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis as modified by any revaluation of financial assets measured at fair value.

The condensed interim consolidated financial statements are presented in Canadian dollars ("CDN"), which is also the Company's 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 of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

Nature of Operations

These 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.

Basis of Consolidation

These condensed interim 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 March 31, 2018 are as follows:

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

(Expressed in Canadian Dollars)

3. ADOPTION OF NEW ACCOUNTING STANDARDS AND AMENDMENTS

The following outlines the new accounting standards and amendments adopted by the Company effective January 1, 2018:

IFRS 9 Financial Instruments

On January 1, 2018, the Company adopted IFRS 9 – Financial Instruments (“IFRS 9”), which replaced IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 provides a revised model for classification and measurement of financial assets, including a new expected credit loss (“ECL”) impairment model. The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business models under which they are held. IFRS 9 also introduces a reformed approach to hedge accounting. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. The standard is effective for annual periods beginning on or after January 1, 2018.

As a result of the adoption of IFRS 9, the Company has changed its accounting policy for financial instruments retrospectively. The change did not result in a change in carrying value of any of our financial instruments on transition date. The adoption of the ECL impairment model did not have an impact on the Company’s condensed interim consolidated financial statements. IFRS 9 does not require restatement of comparative periods. Accordingly, the Company has reflected the retrospective impact of the adoption of IFRS 9 due to the change in accounting policy for equity investments as an adjustment to opening components of equity as at January 1, 2018.

The Company’s financial instruments are accounted for as follows under IFRS 9 as compared to the Company’s previous policy in accordance with IAS 39:

	January 1, 2018	
	IAS 39	**IFRS 9**
Financial Asset		
Cash and cash equivalents	Fair value through profit or loss ("FVTPL")	FVTPL
Equity investments	Fair value through other comprehensive income ("FVOCI")	FVOCI
Derivative investments	FVTPL	FVTPL
Receivables	Amortized cost	Amortized cost
Due from related parties	Amortized cost	Amortized cost
Deposits	Amortized cost	Amortized cost
Financial Liability		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost

For equity investments not held for trading, the Company may make an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss. The Company elected to designate its equity investments as financial assets at FVOCI, where they will be recorded initially at fair value. Subsequent changes in fair value will be recognized in other comprehensive income only and will not be recycled into income (loss) upon disposition. As a result of this change, the Company reclassified $1,978,852 of impairment losses recognized in prior years on equity investments which continue to be held by the Company as at January 1, 2018 from opening deficit to accumulated other comprehensive income on January 1, 2018. As a result of adopting IFRS 9, the net change in fair value of the equity investments, including realized and unrealized gains and losses, if any, is now presented as an item that will not be reclassified subsequently to net income in the Statements of Income and Comprehensive Income.

3. ADOPTION OF NEW ACCOUNTING STANDARDS AND AMENDMENTS – (cont'd)

IFRS 9 Financial Instruments – (cont'd)

The adoption of IFRS 9 has not had a significant impact on the Company's policies related to financial assets of cash and cash equivalents, derivative investments, receivables, due from related parties, and deposits and financial liabilities.

IFRS 15 Revenue from Contracts with Customers

On January 1, 2018, the Company adopted IFRS 15, *Revenue from Contracts with Customers.* IFRS 15 specifies how and when revenue should be recognized as well as requiring more informative and relevant disclosures. The standard supersedes IAS 18 Revenue, IAS 11 Construction Contracts, and a number of revenue-related interpretations. Application of the standard is mandatory and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 is effective for the Company's annual period beginning January 1, 2018. The adoption of IFRS 15 did not have an impact on the Company's condensed interim consolidated financial statements.

Other Amendments/Interpretations

The Company has adopted amendments/interpretations to IFRIC 22 – Foreign Currency Transactions and Advance Consideration and IFRS 2 – Share Based Payment Transactions which did not have an impact on the Company's condensed interim consolidated financial statements.

4. STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

The following new standard has been issued by the IASB but is not yet effective:

IFRS 16 Leases

On January 13, 2016, the IASB issued IFRS 16 Leases of which requires lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 Leases. The new standard will be effective for annual periods beginning on or after January 1, 2019. Early application is permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as IFRS 16.

5. 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 comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

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

a) Where the Company holds the largest shareholding in an investment and has the power to exercise significant influence through common officers and board members, such an investment is treated as an associate. The Company can exercise significant influence over Rackla Metals Inc. (“Rackla”);

b) 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;

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

   If, after exploration and evaluation assets is 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; and

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

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

a) The Company is subject to income tax in several jurisdictions and significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognized when, despite the Company's belief that its tax return positions are supportable, the company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. The Company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

6. 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 on hand earns interest at floating rates based on daily bank deposit rates.

(Expressed in Canadian Dollars)

7. EQUITY INVESTMENTS

Number of common shares held as at:

	March 31, 2018	**December 31, 2017**
CROPS Inc. (formerly Focus Ventures Ltd.) ("CROPS")	2,564,027	2,564,027
Fortuna Silver Mines Inc. ("Fortuna")	239,385	239,385
GrowMax Resources Corp. ("GrowMax")	1,200,000	1,200,000
Medgold Resources Corp. ("Medgold")	10,086,000	10,040,000
Southern Silver Exploration Corp. ("Southern Silver")	1,309,500	1,407,000
ValGold Resources Ltd ("ValGold")	1,000,000	1,000,000
Volcanic Gold Mines Inc. ("Volcanic")	3,222,883	3,222,883
War Eagle Mining Company Inc. (formerly Champagne Resources Limited) ("War Eagle")	233,781	233,781

	Advantage	**CROPS**	**Fortuna**	**GrowMax**	**Medgold**
Balance, December 31, 2016	$ 242,500	$ 279,862	$ -	$ 77,500	$ 1,656,600
Acquisition of shares	-	229,481	1,472,218	81,649	-
Disposition of shares	(95,000)	-	-	-	-
Impairment adjustment	(130,000)	(252,940)	-	-	-
Net change in fair value recorded in other comprehensive income	(17,500)	-	98,148	(33,149)	(50,200)
Balance, December 31, 2017	-	256,403	1,570,366	126,000	1,606,400
Acquisition of shares	-	-	-	-	9,386
Disposition of shares	-	-	-	-	-
Net change in fair value recorded in other comprehensive income	-	-	38,301	6,000	350,984
Balance, March 31, 2018	**$ -**	**$ 256,403**	**$ 1,608,667**	**$ 132,000**	**$ 1,966,770**

	Southern Silver	**ValGold**	**Volcanic**	**War Eagle**	**Total**
Balance, December 31, 2016	$ 487,500	$ -	$ -	$ 50,000	$ 2,793,962
Acquisition of shares	-	65,000	1,181,764	-	3,030,112
Disposition of shares	(4,650)	-	-	-	(99,650)
Impairment adjustment	-	-	(456,615)	-	(839,555)
Net change in fair value recorded in other comprehensive income	51,810	5,000	-	-	54,109
Balance, December 31, 2017	534,660	70,000	725,149	50,000	4,938,978
Acquisition of shares	-	-	-	-	9,386
Disposition of shares	(7,800)	-	-	-	(7,800)
Net change in fair value recorded in other comprehensive income	(179,842)	5,000	(80,572)	(10,257)	129,614
Balance, March 31, 2018	**$ 347,018**	**$ 75,000**	**$ 644,577**	**$ 39,743**	**$ 5,070,178**

7. EQUITY INVESTMENTS – (cont'd)

CROPS and Fortuna each have two common directors with the Company. Medgold and Volcanic each have one common director with the Company. All companies are publicly listed companies as of March 31, 2018.

During the period ended March 31, 2018, Champagne Resources Limited ("Champagne") completed a merger with War Eagle, a publicly listed company, whereby the 625,000 common shares of Champagne held by the Company were converted to 233,781 common shares of War Eagle. Also during the period ended March 31, 2018, CROPS changed its name from Focus Ventures Ltd. and completed a share consolidation so that every four existing common shares of CROPS were exchanged for one new common share of CROPS.

As at March 31, 2018, the fair value based on published market prices of the equity investments that are publicly listed was $5,070,178 (December 31, 2017: $4,888,978).

During the period ended March 31, 2018, the Company completed the following transactions:

i) Purchased in the open market 46,000 common shares of Medgold at a cost of $9,386; and

ii) Sold in the open market 97,500 common shares of Southern Silver for net proceeds of $25,900 and recorded a gain of $18,100 on the sale in other comprehensive income.

Subsequent to the period ended March 31, 2018, the Company completed the following transactions:

i) Purchased in the open market 40,000 common shares of Medgold at a cost of $8,678; and

ii) Sold in the open market 50,000 common shares of Southern Silver for net proceeds of $13,587.

The Company also held 3,973,275 free trading common shares of Rackla with a fair value of $377,461 as of March 31, 2018 but they are recorded as an investment in associate (Note 11).

(Expressed in Canadian Dollars)

8. DERIVATIVE INVESTMENTS

Number of share purchase warrants held as at:

	March 31, 2018	**December 31, 2017**
CROPS	116,890	116,890
ValGold	685,675	685,675
Volcanic	1,000,000	1,000,000
War Eagle	1,542,000	1,542,000

	CROPS	**ValGold**	**Volcanic**	**War Eagle**	**Total**
Balance, December 31, 2016	$ -	$ -	$ -	$ -	$ -
Acquisition of warrants	30,717	58,301	107,712	7,522	204,252
Balance, December 31, 2017	30,717	58,301	107,712	7,522	204,252
Net change in fair value recorded in net income	(12,167)	1,881	(17,649)	134	(27,801)
Balance, March 31, 2018	**$ 18,550**	**$ 60,182**	**$ 90,063**	**$ 7,656**	**$ 176,451**

During the period ended March 31, 2018, upon Champagne's merger with War Eagle, the 312,500 share purchase warrants of Champagne held by the Company were converted to 116,890 share purchase warrants of War Eagle with an exercise price of $0.40 per share and expiry date of August 9, 2019.

Also during the period ended March 31, 2018, upon CROPS completing a share consolidation, the 2,742,700 share purchase warrants of CROPS held by the Company were converted to 685,675 share purchase warrants with an exercise price of $0.40 per share and expiry date of March 22, 2022.

The fair value of the derivative investments was determined using the Black-Scholes option pricing model with the following inputs:

	Volatility factor	**Risk-free interest rate**	**Expected life (years)**	**Expected dividend yield**
CROPS	77%	1.81%	3.98	0%
ValGold	221%	1.68%	1.52	0%
Volcanic	89%	1.77%	2.95	0%
War Eagle	135%	1.68%	1.36	0%

The share purchase warrants for CROPS, ValGold, Volcanic, and War Eagle are not tradable on an exchange.

(Expressed in Canadian Dollars)

9. RECEIVABLES

		March 31, 2018		December 31, 2017
Royalty revenue receivable	$	784,180	$	784,180
Provision for impairment		(784,180)		(784,180)
Royalty revenue receivable, net		-		-
Sales taxes		46,946		70,945
Other receivables		7,803		7,807
	$	**54,749**	**$**	**78,752**

Uncollectable amounts included in the provision are written off against the provision when there is no expectation of recovery. The royalty revenue receivable was uncollected as of March 31, 2018 as the Company has allowed the property owner, Kappes, Cassiday & Associates ("KCA"), to defer payment of the balance while KCA commences legal proceedings against the Guatemalan government to overturn the suspension of operations of its mine-site and seek compensation from the Guatemalan authorities, from which the Company would benefit as well.

10. PROPERTY AND EQUIPMENT

	Leasehold improvements	Trucks	Computer equipment	Furniture and equipment	Geophysical equipment	Field equipment	Total
Cost							
Balance, December 31, 2016	$ 62,762	$ 215,638	$ 252,068	$ 62,656	$ 84,882	$ 2,480	$ 680,486
Additions	-	37,457	-	-	-	-	37,457
Balance, December 31, 2017	62,762	253,095	252,068	62,656	84,882	2,480	717,943
Balance, March 31, 2018	**$ 62,762**	**$ 253,095**	**$ 252,068**	**$ 62,656**	**$ 84,882**	**$ 2,480**	**$ 717,943**
Accumulated amortization							
Balance, December 31, 2016	$ 48,667	$ 215,638	$ 237,986	$ 51,705	$ 70,904	$ 2,232	$ 627,132
Charge for year	6,300	4,173	4,225	2,191	2,795	74	19,758
Balance, December 31, 2017	54,967	219,811	242,211	53,896	73,699	2,306	646,890
Charge for period	1,575	1,139	739	437	699	174	4,763
Balance, March 31, 2018	**$ 56,542**	**$ 220,950**	**$ 242,950**	**$ 54,333**	**$ 74,398**	**$ 2,480**	**$ 651,653**
Carrying amounts							
At December 31, 2017	$ 7,795	$ 33,284	$ 9,857	$ 8,760	$ 11,183	$ 174	$ 71,053
At March 31, 2018	**$ 6,220**	**$ 32,145**	**$ 9,118**	**$ 8,323**	**$ 10,484**	**$ -**	**$ 66,290**

(Expressed in Canadian Dollars)

11. INVESTMENT IN ASSOCIATE

Rackla

As at March 31, 2018, the Company held 3,973,275 (December 31, 2017: 3,973,275) common shares of Rackla, representing 19.8% of Rackla's outstanding common shares.

Rackla meets the definition of an associate and has been equity accounted for in the condensed interim consolidated financial statements.

The following table shows the continuity of the Company's interest in Rackla for the period from January 1, 2017 to March 31, 2018:

Balance, December 31, 2016	$	1
Increase in investment		50,000
Less: share of losses in associate		(50,000)
Balance, December 31, 2017		1
Balance, March 31, 2018	**$**	**1**

Prior to the 2015 fiscal year the Company's share of losses in Rackla exceeded the carrying value of its interest and therefore the Company discontinued recognizing its share of further losses. During the 2017 fiscal year, with the additional 1,000,000 common shares being purchased at a cost of $50,000, the Company recognized losses in Rackla totaling $50,000 and once again reduced the carrying amount to a nominal $1 as at December 31, 2017. The cumulative unrecognized share of losses for the associate as of March 31, 2018 is $573,582.

The financial statement balances of Rackla are as follows:

		March 31, 2018		**December 31, 2017**
Total current assets	$	294,473	$	250,862
Total assets	$	359,470	$	316,474
Total liabilities	$	250,469	$	225,230
Net loss	$	31,493[(1)]	$	130,627[(2)]

[(1)] Net loss for three month period ended March 31, 2018.
[(2)] Net loss for the year ended December 31, 2017.

At March 31, 2018, the fair value of the 3,973,275 common shares of Rackla was $377,461 (December 31, 2017: $456,927).

(Expressed in Canadian Dollars)

12. MINERAL PROPERTY AND ROYALTY INTERESTS

Acquisition costs	Peru	United States	Guatemala	Mexico	Total
Balance, December 31, 2016	$ 1,259,505	$ 88,659	$ 1	$ -	$ 1,348,165
Additions - cash	-	117,816	-	13,348	131,164
Write-off acquisition costs	-	(69,187)	-	-	(69,187)
Balance, December 31, 2017	1,259,505	137,288	1	13,348	1,410,142
Additions - cash	-	57,732	-	-	57,732
Balance, March 31, 2018	**$ 1,259,505**	**$ 195,020**	**$ 1**	**$ 13,348**	**$ 1,467,874**

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history, characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

Details of the Company's mineral property interests are disclosed in full in the consolidated financial statements for the year ended December 31, 2017. Significant exploration and evaluation asset transactions that have occurred since December 31, 2017 are as follows:

Coyote Property - USA

During the period ended March 31, 2018, the Company was granted a lease and option agreement with Geologic Services Inc. ("Geologic") on the Coyote gold property which consists of 58 unpatented mineral claims located in Elko County, Nevada.

Geologic granted the Company an exclusive lease of a 100% interest in the property for a period of up to 15 years, in consideration for the granting to Geologic of a 2.0% to 3.0% NSR royalty, the percentage to depend on the prevailing price of gold. In order to keep the lease in good standing, the Company is to make annual advance royalty payments to Geologic, beginning with a payment of $32,075 (US$25,000) that was made upon the execution of the agreement. At any time during the term of the lease, the Company may elect to acquire a 100% interest in the Coyote property by making a cash payment of US$2.0 million to Geologic.

During the period ended March 31, 2018, the Company staked an additional 70 claims that became part of the Coyote property at a cost of $25,657.

Tarros Project - Mexico

In September 2017, the Company signed a binding agreement with a private Mexican company to option the (473-hectare) Tarros Project in the State of Chihuahua, Mexico. The Company could earn a 100% interest in the Tarros Project by making an initial cash payment of US$3,250 (paid) and by completing staged payments over a period of 4.5 years totaling US$1,098,500. During the period ended March 31, 2018, the Company terminated the option agreement prior to the due date of the next required cash option payment.

(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.

There was no share capital activity during the three month periods ended March 31, 2018 and 2017.

14. SHARE-BASED PAYMENTS

a) Option Plan Details

The Company has a formal stock option plan in accordance with the policies of the TSX Venture Exchange ("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 regulation. The options are for a maximum term of ten years.

The following is a summary of changes in options for the period ended March 31, 2018:

				During the period				
Grant date	**Expiry date**	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**Forfeited / expired**	**Closing balance**	**Vested and exercisable**
Jan 08, 2010	Jan 07, 2020	$0.29	1,245,000	-	-	(230,000)	1,015,000	1,015,000
May 26, 2010	May 25, 2020	$0.36	100,000	-	-	-	100,000	100,000
Sep 24, 2010	Sep 23, 2020	$0.69	100,000	-	-	(100,000)	-	-
Dec 13, 2012	Dec 12, 2022	$0.20	1,885,000	-	-	(200,000)	1,685,000	1,685,000
Oct 19, 2016	Oct 18, 2026	$0.15	1,740,000	-	-	-	1,740,000	1,740,000
			5,070,000	-	-	**(530,000)**	**4,540,000**	**4,540,000**
		Weighted average exercise price	$0.22	-	-	$0.33	$0.20	$0.20

b) Fair Value of Options Issued During the Period

No options were granted during the period ended March 31, 2018.

The weighted average remaining contractual life of the options outstanding at March 31, 2018 is 5.47 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 expected volatility is based on the historical volatility (based on the remaining 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.

(Expressed in Canadian Dollars)

14. SHARE-BASED PAYMENTS – (cont'd)

a) Fair Value of Options Issued During the Period – (cont'd)

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.

b) Expenses Arising from Share-based Payment Transactions

No expenses arose from share-based payment transactions recognized during the periods ended March 31, 2018 and 2017 as part of share-based compensation expense.

As of March 31, 2018 there was no amount (December 31, 2017: $Nil) of total unrecognized compensation cost related to unvested share-based compensation awards.

15. RELATED PARTY TRANSACTIONS

The Company had transactions during the periods ended March 31, 2018 and 2017 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
Fortuna	Shared general and administrative expenses
CROPS	Investment and shared general and administrative expenses
Medgold	Investment and shared general and administrative expenses
Volcanic	Investment and shared general and administrative expenses
Rackla (Associate)	Investment

In addition to related party transactions disclosed elsewhere in the condensed interim 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 periods ended March 31, 2018 and 2017:

	Three months ended March 31,	
	2018	**2017**
General and administrative expenses:		
Salaries and benefits	$ 5,600	$ 4,800
Exploration expenditures:		
Geological fees	-	15,100
Salaries and benefits	-	4,258
	$ 5,600	**$ 24,158**

(Expressed in Canadian Dollars)

15. RELATED PARTY TRANSACTIONS – (cont'd)

The Company reimburses Gold Group, a company controlled by the Chief Executive Officer of the Company, for shared administrative costs and other business related expenses paid by Gold Group on behalf of the Company. During the periods ended March 31, 2018 and 2017, the Company reimbursed Gold Group the following:

	Three months ended March 31, 2018	2017
General and administrative expenses:		
Office and miscellaneous	$ 9,677	$ 9,302
Shareholder communications	1,210	1,290
Salaries and benefits	27,929	24,467
Transfer agent and regulatory fees	-	500
Travel and accommodation	2,440	5,115
	$ 41,256	**$ 40,674**

Gold Group salary and benefits costs for the periods ended March 31, 2018 and 2017 include those for the Chief Financial Officer and Corporate Secretary.

Prepaid expenses and deposits include an amount of $299 (December 31, 2017: $1,142) paid to Gold Group for shared office and administrative services.

Long-term deposits include an amount of $60,000 (December 31, 2017: $60,000) paid to Gold Group as a deposit on the shared office and administrative services agreement.

Due from related parties consist of $12,079 (December 31, 2017: $ Nil) due from Medgold, a company which has a common director with the Company, arising from shared personnel costs. This amount was unsecured, non-interest bearing and due on demand.

Accounts payable and accrued liabilities include $65,204 (December 31, 2017: $44,471) payable to Gold Group for shared administrative 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 March 31, 2018	2017
Geological fees included in exploration expenditures	$ 15,000	$ 15,000
Management fees	10,500	10,500
Salaries, benefits and fees	6,417	7,792
	$ 31,917	**$ 33,292**

(Expressed in Canadian Dollars)

16. 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 except for a royalty interest in a gold producing property. 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, USA, Guatemala, Peru, Mexico, Nicaragua, and Caymans. Details of identifiable assets by geographic segments are as follows:

Period ended March 31, 2018	Canada	USA	Guatemala	Mexico	Other	Consolidated
Exploration expenditures	$ -	$ 84,521	$ 11,645	$ 33,791	$ 24,249	$ 154,206
Investment income	3,797	-	-	-	-	3,797
Amortization	3,624	-	-	1,139	-	4,763
Net income (loss)	1,803	(137,278)	(9,954)	(102,154)	(24,249)	(271,832)
Capital expenditures*	-	57,732	-	-	-	57,732

Period ended March 31, 2017	Canada	USA	Guatemala	Mexico	Other	Consolidated
Exploration expenditures	$ -	$ 18,942	$ 14,463	$ 25,332	$ 25,830	$ 84,567
Gain on property assignment	606,664	-	-	-	-	606,664
Gain on sale of equity investments	12,475	-	-	-	-	12,475
Investment income	4,049	-	-	-	-	4,049
Amortization	3,898	-	-	-	-	3,898
Net income (loss)	502,785	-	(58,602)	(53,247)	(31,274)	359,662
Capital expenditures*	-	46,032	-	-	-	46,032

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

As at March 31, 2018	Canada	USA	Guatemala	Peru	Mexico	Other	Consolidated
Total current assets	$ 8,135,306	$ -	$ 10,866	$ -	$ 140,155	$ 44,485	$ 8,330,812
Total non-current assets	157,245	195,020	-	1,259,505	45,493	-	1,657,263
Total assets	**$ 8,292,551**	**$ 195,020**	**$ 10,866**	**$ 1,259,505**	**$ 185,648**	**$ 44,485**	**$ 9,988,075**
Total liabilities	**$ 121,833**	**$ -**	**$ 896**	**$ -**	**$ 373**	**$ -**	**$ 123,102**

As at December 31, 2017	Canada	USA	Guatemala	Peru	Mexico	Other	Consolidated
Total current assets	$ 8,343,930	$ -	$ 10,874	$ -	$ 194,521	$ 34,750	$ 8,584,075
Total non-current assets	160,869	137,288	-	1,259,505	46,632	-	1,604,294
Total assets	**$ 8,504,799**	**$ 137,288**	**$ 10,874**	**$ 1,259,505**	**$ 241,153**	**$ 34,750**	**$ 10,188,369**
Total liabilities	**$ 175,116**	**$ -**	**$ 896**	**$ -**	**$ 30,867**	**$ -**	**$ 199,278**

(Expressed in Canadian Dollars)

17. 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 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 March 31, 2018, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	March 31, 2018			**December 31, 2017**			
	US Dollar	**Mexican Peso**	**Guatemala Quetzal**	**US Dollar**	**Mexican Peso**	**Guatemala Quetzal**	**Nicaragua Cordoba**
	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)
Cash	$ 115,409	$ 2,226	$ -	$ 172,803	$ 3,969	$ -	$ 574
Receivables	-	38,601	2,897	-	59,386	2,899	-
Current liabilities	(15,029)	(373)	(896)	(74,910)	(28,409)	(896)	-
	$ 100,380	**$ 40,454**	**$ 2,001**	**$ 97,893**	**$ 34,946**	**$ 2,003**	**$ 574**

Based on the above net exposures at March 31, 2018, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in approximately an $14,000 (December 31, 2017: $13,500) increase or decrease in profit or loss, respectively.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – (cont'd)

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.

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 equity investments held in CROPS, Fortuna, GrowMax, Medgold, Southern Silver, ValGold, Volcanic, and War Eagle and the warrants held in CROPS, Volcanic, ValGold and War Eagle are monitored by the Board with decisions on sale taken by Management. A 10% decrease in fair value of the shares and warrants would result in an approximate $524,000 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, derivative 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. At March 31, 2018, the Company had working capital of $8.21 million (December 31, 2017: $8.38 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.

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, equity investments, derivative investments, receivables, amounts due from related parties, deposits, and accounts payables and accrued liabilities are assumed to approximate their fair values.

(Expressed in Canadian Dollars)

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – (cont'd)

The fair value investments in associates are detailed in the following table:

	March 31, 2018 Book value	March 31, 2018 Fair value
Financial assets		
Shares held in Rackla (Note 11)	$ 1	$ 377,461

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 derivative instruments are based on inputs other than quoted prices and therefore considered to be Level 3. As of March 31, 2018, 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 in the current period.

18. 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 makes adjustments to it to effectively support the acquisition and exploration of mineral properties. The properties in which the Company currently has an interest are in the exploration 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, derivative investments, common shares, warrants and stock options as capital. There were no changes in the Company's approach to capital management during the period ended March 31, 2018. 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 carry out its planned exploration programs and operating costs for the next twelve months.

19. EVENTS AFTER THE REPORTING DATE

Subsequent to March 31, 2018, the following events which have not been disclosed elsewhere in these condensed interim consolidated financial statements have occurred:

i) 1,515,000 stock options with an exercise price of $0.15 per share and exercisable for ten years were granted; and

ii) 1,005,000 stock options with an exercise price of $0.29 per share were cancelled.

(the "Company")

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

For the Three Months Ended March 31, 2018

General

This interim Management's Discussion and Analysis ("Interim MD&A") supplements, but does not form part of, the unaudited condensed interim consolidated financial statements of the Company for the three months ended March 31, 2018. The following information, prepared as of May 28, 2018, should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for three months ended March 31, 2018 and the related notes contained therein. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). In addition, the following should be read in conjunction with the Consolidated Financial Statements of the Company for the year ended December 31, 2017 and the related MD&A. All amounts are expressed in Canadian dollars unless otherwise indicated. The March 31, 2018 financial statements have not been reviewed by the Company's auditors.

The Company's public filings, including its most recent unaudited and audited financial statements can be reviewed on the SEDAR website (www.sedar.com).

Forward Looking Information

This Interim 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 Interim MD&A include, without limitation, statements relating to:

- the Company's planned exploration activities for its mineral properties;
- The Company's equity and derivative 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; and
- uncertainties relating to general economic conditions.

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

Forward-looking Statements contained in this Interim 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 labor, 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 and derivative investments as needed;
- royalty payments from the Tambor Project to begin being received again;
- 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 gold in the Americas for over a decade which has resulted in the discovery of several gold deposits in Central America. Management has been conducting an ongoing review of exploration projects and/or distressed junior companies that may be available for acquisition or joint venture with the aim of expanding the geographic and commodity focus of the Company.

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

Investments

On April 23, 2018, one of the Company's investments, Focus Ventures Ltd., changed its name to CROPS Inc. ("CROPS") and completed a share consolidation so that every four existing common shares were exchanged for one new common share of CROPS.

During the period ended March 31, 2018, Champagne Resources Limited ("Champagne") completed a merger with War Eagle Mining Company Inc. ("War Eagle"), a publicly listed company, whereby 625,000 common shares and 312,500 warrants of Champagne held by the Company were exchanged for 233,785 common shares and 116,890 warrants of War Eagle.

The following is a summary of investment activities since January 1, 2018 and until the date of this Interim MD&A:

- 86,000 common shares of Medgold Resources Corp. ("Medgold") were purchased in the open market at a cost of $18,064.
- 147,500 common shares of Southern Silver Exploration Corp. ("Southern Silver") were sold on the open market for net proceeds of $39,487 and a gain of $18,100 was recorded on the sale.

The Company's current cash and cash equivalents on hand is approximately $2.6 million and its current investments consist of:

CROPS 2,564,027 shares Current market value: $115,000 Plus: warrants to purchase an additional 1,143,425 shares	CROPS is a Canadian-listed exploration company developing the Bayovar 12 sedimentary phosphate resource in northern Peru.
Fortuna Silver Mines Inc. ("Fortuna") 239,385 shares Current market value: $1,735,000	Fortuna is a growth oriented, precious metal producer with its primary assets being the Caylloma silver mine in southern Peru, the San Jose silver-gold mine in Mexico and the Lindero gold project in Argentina.

GrowMax Resources Corp. ("GrowMax") 1,200,000 shares Current market value: $108,000	GrowMax is a TSXV listed company focused on exploration and development of phosphate and potassium-rich brine resources on its Bayovar concessions in northwestern Peru.
Medgold 10,126,500 shares (10+% of issued) Current market value: $2,632,000	Medgold is a European-focused TSXV listed gold exploration and development company, focussing on the orogenic gold provinces of northwest Iberia and the under-explored provinces of southern Europe.
Rackla Metals Inc. ("Rackla") 3,973,275 shares (10+% of issued) Current market value: $576,000	Rackla is a mineral exploration company actively looking for new projects in the Americas to add to its portfolio of mineral claims in the Yukon Territory.
Southern Silver 1,259,500 shares Current market value: $264,000	Southern Silver is engaged in the acquisition, exploration and development of high-grade precious / base metals properties within North America, and is continuing to advance its flagship Cerro Las Minitas silver-lead-zinc property in Mexico.
ValGold Resources Ltd. ("ValGold") 1,000,000 shares Current market value: $120,000 Plus: warrants to purchase an additional 1,000,000 shares	ValGold is a mineral exploration and development company based in Ontario which holds a 2% NSR on the Garrison Gold Project on the "Golden Highway" east of Timmins, Ontario, a 100% interest in the Tower Mountain gold project near Thunder Bay, Ontario, and exploration projects in Venezuela.
Volcanic Gold Mines Inc. ("Volcanic") 3,222,883 shares Current market value: $483,000 Plus: warrants to purchase an additional 1,542,000 shares	Volcanic is a TSXV listed company focused on consolidating an under-explored gold district in West Africa.
War Eagle 233,785 shares Current market value: $33,000 Plus: warrants to purchase an additional 116,890 shares	War Eagle is a TSXV listed company engaged in the exploration of mineral resource properties in northern Ontario with a focus on gold deposits. It has a significant land position in the world class Kirkland Lake Gold Camp five kilometres from the Town of Kirkland Lake and adjacent to Kirkland Lake Gold Inc.'s high grade producing gold mine.

Property Interests

USA – Nevada – Bald Peak Property

In March 2017, the Company added to the Company's portfolio of epithermal gold prospects in the Aurora gold camp, Nevada with the acquisition of the Bald Peak gold property from Ely Gold & Minerals Inc. (TSX-V: ELY) and its wholly owned subsidiary, Nevada Select Royalty Inc. Subsequently, the Company increased its land position by staking an additional 113 unpatented mining claims which are contiguous to the claims acquired from Ely Gold.

The Bald Peak Property currently consists of 151 unpatented mining claims in Mineral County, Nevada, and one mineral prospecting licence in Mono County, California. The Property now covers an 8 kilometre by 2 kilometre area trends northeast from inside the California border into Nevada, parallel to the trend of the neighboring Bodie, Aurora, and Borealis mining camps.

Bald Peak is an un-eroded epithermal gold prospect in the Aurora-Bodie mining district. Sinter terraces outcrop along the length of the Property, evidence that the epithermal system has not been eroded beyond its paleo-surface elevation, and is thus likely fully preserved. Despite the Property's proximity to several Au-rich mining districts, the area has seen limited exploration activity. Several operators have acquired the Property over the last 30 years and mapped alteration zones and various other criteria pertinent to epithermal gold discoveries. The area has seen very limited drilling however, and its potential remains untested.

Work by the Company at Bald Peak in 2017 consisted of geological mapping and prospecting, rock and soil geochemistry, and compilation work of historical exploration and academic and government datasets. The work has demonstrated the presence of a strong gold-bearing epithermal alteration system that can be traced along strike for over six kilometres in a northeast trend, with an anomalous zone of up to several hundred metres in width on surface. Within this global target area are several high priority drill targets. They are described below, in order from SW to NE, and maps showing the property and the targets have been placed on the Company's website.

West Bald Peak

West Bald Peak is a high-level epithermal drill target located in Mono County, California, at the southwestern end of the property. West Bald Peak exhibits a high Au, As, Sb, Hg response in both rocks and soils and a ~2-3 metres thick approximately flat lying silica sinter terrace observed over 250 metres. The sinter terrace is bound to the southeast by an approximately 30 metres wide northeast trending, steeply west dipping gold-bearing fault zone that is observed for 300 metres along strike and is open in both directions. The sinter terrace is hosted within a thick volcaniclastic sequence and displays cross-cutting quartz veining with anomalous gold values. Planned drill holes will test beneath the sinter terrace/fault zone at productive levels beneath paleosurface.

Bald Peak Flats

Located southwest of the Bald Peak rhyolite, Bald Peak Flats is a ~1.3 kilometre long by 500 metres wide As, Sb, Hg-in-soil anomaly hosted within a volcaniclastic sequence. The soil anomaly drapes over a local topographic high exhibiting northeast-trending chalcedonic quartz veins and zones of silicification, mapped by previous operators. Two historical drill holes are known in this area; however, were not drilled to sufficient depths to test the mineralized system. High-level chalcedonic quartz, low Au and pathfinder elements (As, Sb, Hg) are indicative that this target is at high levels with an epithermal system.

Little Bald Peak

Little Bald Peak, located 200 metres lower in elevation and to the northwest of Bald Peak, is a possible side vent or flow dome of the Bald Peak rhyolite. Where outcropping, brittle/fissile flow-banded rhyolite hosts both concordant and discordant <2 mm quartz veins and lenses. A historical prospecting pit is found on the southern side of Little Bald peak; no clear vein or vein orientation was observed but the spoil pile contained fine-grained, maroon-coloured jasperoid which returned anomalous Au and high As, Sb, Hg values. The target displays a high As, Sb-in-soil anomaly over Little Bald Peak itself and is located along strike and at higher elevations of a known mineralized zone (Great Wall).

The Great Wall

The Great Wall is a NNE-trending, steeply dipping, up to 3 metre wide zone containing three parallel quartz veins hosted within a trachyandesitic unit. The outcrop is exposed over a ~25 metre strike length. Rock channel sampling returned relatively high Au values in quartz veins displaying slightly coarser quartz crystallinity compared to the chalcedonic quartz observed within other zones. This increase in quartz crystallinity with a corresponding increase in gold grade is a positive indication that gold grade is increasing with depth.

NE Sinters

This target contains an extensive area of outcrop and float comprising two distinct zones of sinter within a widespread 1.5 kilometre by 600 metres wide As, Sb, Hg-in-soil anomaly. NE Sinter 1 is a broad topographic high with widely distributed sinter outcrops; NE Sinter 2 located on the northern slopes of the Bald Peak rhyolite is identified by zones of limited vegetation. This target is bound to the west by an approximately north-south trending fault that has down dropped and preserved these sinter areas. The occurrence of sinter combined with high As, Sb, Hg pathfinder elements are indicative of being at the top of a fully preserved mineralized system.

Planned Work at Bald Peak

During the summer of 2018, as permitting a plan of operations proceeds with the United States Forest Service, the Company intends to better these targets by geophysical surveys and further geological and structural mapping programs. The permitting process may allow for a late 2018 drill program, but more likely the process will run into early 2019 before drilling is authorized.

Quality Assurance / Quality Control

The work program at the Bald Peak Property was planned by Company personnel and implemented by Company personnel, consultants and contractors. Rock samples were collected by Company personnel and/or consultants. During the prospecting phase, suitable certified reference materials were added to the sample stream. Rock samples were delivered to ALS Chemex, prepared using method Prep-31, and fire assayed by method Au-ICP21, as well as analysed for multi-elements by method code ME-ICP61.

The soil survey was contracted to Ethos Geological. Soil samples were collected in kraft bags and sent in sealed containers to ALS Geochemistry, Reno, Nevada. All sample sites were labelled with flagging tape displaying their unique sample number. The samples were sieved to minus 180 microns (Prep-41), and then analyzed by ICP-MS for 51 elements (method AuME-TL43).

USA - Nevada – Spring Peak Property

In May 2016, the Company acquired an option to earn a 100% interest in the Spring Peak gold property in Mineral County, Nevada, from Kinetic Gold (US) Inc.

The Spring Peak Property consists of 37 contiguous United States Federal Mineral Claims comprising 309 hectares located approximately 37 kilometres southwest of the town of Hawthorne, Nevada. The Property is situated in the historic Aurora-Borealis-Bodie mining district which lies within the Walker Lane gold trend of western Nevada. The gold deposits in the Aurora-Borealis-Bodie district occur as both high grade vein-hosted low sulphidation deposits (Aurora, Bodie), and as high-sulphidation alunite-kaolinite gold-deposits (Borealis). Total historical precious metal production along this trend, from the mid-19th century to the mid-1990s, has been estimated at 4.0 million ounces Au, and 11.2 million ounces Ag (*Gold-Silver Mining Districts, Alteration Zones, and Paleolandforms in the Miocene Bodie Hills Volcanic Field, California and Nevada. USGS Scientific Investigations Report 2015-2012*).

The Spring Peak Property is approximately 6 kilometres southeast of the historical open pit mines at Aurora. At Spring Peak, a sinter terrace is exposed overlying altered volcaniclastic deposits and basement Cretaceous granites (USGS, 2012). The sinter system contains anomalous concentrations of Au, Ag, Hg, Sb, and As. Recent ash fall deposits cover much of the area, but frequent vein float with multi-ppm gold concentrations can be found across the Property. The area was drilled with shallow holes in the 1980s, the majority of which were vertical. The sinter terrace and potential structures beneath it were never adequately drill tested. The Company believes the Property has the potential to host subvertical high grade veins as feeders to the sinter terraces.

The Company has completed a 13-line CSAMT survey (see news release dated October 19, 2016) and has generated new drill targets on the Spring Peak Property. Previous exploration activities by the Company include due diligence sampling of sinter terraces, and vein float on the Property, prospecting along the structure of interest, and conducting a soil sampling survey (100 metre x 25 metre grid oriented orthogonal to the NE-SW targeted structure).

The Company has completed all the necessary studies for its NEPA (National Environmental Policy Act) Plan of Operation to drill the Spring Peak Property. A plan of operations has been approved by the United States Forest Service for drilling the Property, and the Company is in the final stages of completing the necessary bonding for issuance of the drill permit. Drilling is planned to begin in mid-July 2018.

USA – Nevada – Coyote Property

In March 2018, the Company was granted a lease and option to purchase on the Coyote gold property from Geologic Services Inc. (“Geologic”), adding to the Company’s portfolio of epithermal gold projects in Nevada. The property is located in northern Elko County on the eastern flank of the Independence Valley, an area known for its prolific gold production.

The Coyote property consists of 58 unpatented mining claims located on the east side of a Tertiary basin. Chalcedonic lenses and siliceous sinter deposits are localized along north-east trending normal faults that form the basin boundary and have been traced along strike on the property for 8,500 feet. The alteration extends into the hillsides for 2,000 feet.

In 1990, Chevron Resources drilled the Coyote property as part of their Independence Valley district program. They drilled four angle holes each approximately 800 feet apart, along one of the bounding structures of the basin in the area of the largest siliceous sinter terrace. The holes ranged from 240 feet to 500 feet deep maximum depth. All four holes encountered an altered structural zone ranging from 40 feet to 100 feet thick exhibiting strong argillic alteration with the rock mostly altered to clay.

Geochemical results of Chevron's drilling returned anomalous values in mercury (high of 19 ppm), antimony (high of 1,900 ppm) and arsenic (high of 910 ppm) with weak gold values (high of 93 ppb) – geochemical results consistent with the top of a low-sulfidation epithermal gold system. The deepest drill hole intercepted the structural zone at 125 feet below surface.

The results described above are summarized from historical exploration data provided to the Company by Geologic. The Company believes the historical work was performed according to best practices and the historical exploration data are reliable, but a Qualified Person has not verified the results independently.

The Company recently completed a 10 line (11 kilometre) CSAMT resistivity survey at Coyote. Soil sampling and mapping along the lines is currently being conducted. Preliminary results from the CSAMT survey indicate a large deeply penetrating NNE trending resistive body associated with sinter sub-crop and float which was previously unknown. The survey also indicates that Chevron's 1990 drill program did not target the main resistive zones which remain untested. When the final CSAMT survey results are received the company will integrate the data with the current mapping and soil sampling programs to target drilling planned for later this year.

Agreement Terms

Geologic has granted to the Company a lease of the Coyote property for up to 15 years, in consideration for the granting by the Company to Geologic of a 2.0% to 3.0% net smelter return royalty, the percentage to depend on the prevailing price of gold. In order to keep the lease in good standing, the Company has the right to make annual advance royalty payments to the Geologic. At any time during the term of the lease, the Company may elect to acquire a 100% interest in the Coyote property by making a cash payment of US$2.0 million to Geologic. The Company has also agreed to reimburse Geologic for the filing costs of a portion of the claims comprising the Coyote property.

Mexico – Amalia Project

The Amalia Project comprises 9,461 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 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 has established a 10 man camp at Amalia and completed an initial exploration program comprising geological mapping, prospecting and channel sampling of the main targets. Epithermal Au-Ag mineralization has been 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 a large regional fault zone.

Campamento Target

At the main target area, known as Campamento, a 150 by 300 metre zone of intense silicification, and brecciation with massive and stockwork veining has been mapped at the contact between the upper Rhyolite and lower Andesite volcanic sequence. The zone strikes roughly 350/70E.

101 continuous chip channel samples between 1 and 2 metres wide were sampled across the middle of the Campamento zone, as outcrop allowed, representing the full estimated width of the zone at 148 metres. The weighted average of all 101 samples was 0.20 g/t Au and 49 g/t Ag. The main mineralized interval graded:

62 metres at 0.43 g/t Au and 98 g/t Ag
including: 30 metres at 0.58 g/t Au and 151 g/t Ag

A second, 14 metre wide continuous chip sample (open to expansion) located 60 metres north of the main sample line, near a historic tunnel graded:

14 metres at 1.47 g/t Au and 167 g/t Ag
including: 7 metres at 2.37 g/t Au and 239 g/t Ag

Sampling conducted in the most recent field campaign resulted in a new high-grade extension northward of Campamento zone with a continuous rock chip channel assaying 4.5 metres at 10.3 g/t Au and 202 g/t Ag. This extends the total strike length of outcrop of the high level chalcedonic breccias and stockwork zone at Campamento to 500 metres.

Guadalupe Target

Located 700 metres southeast of Campamento, and 250 metres vertically below, the Guadalupe target includes a historic tunnel and shaft which expose a high-grade quartz sulphide vein breccia, hosted in andesite volcanics. The Company collected three continuous chip samples within the historic workings where the main vein is well exposed. The results include:

Guadalupe shaft:		7 metres at 3.62 g/t Au and 1,048 g/t Ag
	including:	4 metres at 6.04 g/t Au and 1,702 g/t Ag
Guadalupe tunnel cross-cut:		7 metres at 2.4 g/t Au and 188 g/t Ag
Guadalupe tunnel 10 metres above cross-cut:		4 metres at 3.92 g/t Au and 888 g/t Ag

The sampling at Guadalupe shows consistent high grade over a vertical interval of approximately 60 metres, from the upper shaft to lower tunnel. The area around Guadalupe is steep and bush covered with limited outcrop, hence the extent of the mineralized zone is not yet known

Dulces Target

Located 800 metres northeast of Campamento, at roughly similar elevation, the Dulces vein is exposed in an historic underground tunnel within an extensive area of argillic altered andesite volcanics. The vein varies from 1 to 1.5 metres and chip samples of the vein within the short 15 metre tunnel returned:

AM377: 1 metre at 34 g/t Au and 13 g/t Ag
AM378: 1 metre at 20.3 g/t Au and 44 g/t Ag
AM379: 1.5 metres at 114.5 g/t Au and 57 g/t Ag

The Company is currently negotiating access with the landowner for a trenching and sampling program at Dulces.

Exploration Summary

During the past several months, the Company has focused its exploration efforts on defining drill targets within the central area covering the Campamento and Guadalupe targets at Amalia over strike length of approximately 1 kilometre and vertical interval of 250 metres. A new discovery located between Campamento and Guadalupe, called San Pedro, returned 13 metres at 2.51 g/t Au and 164 g/t Ag in a continuous chip (10 samples) across the discovery outcrop. New sampling 50 metres vertically above and along strike from Guadalupe returned 8 metres at 0.21 g/t Au and 264 g/t Ag (8 samples).

The Company has now defined a central corridor of mineralization, along the north-west trending major structural break. In the north at Campamento, a 500 metre x 70 metre zone of intense silicification, and brecciation with massive and stockwork veining has been mapped at the contact between the upper rhyolite and lower andesite volcanic sequence. The mineralization at Campamento is hosted in high level white chalcedonic banded veins and breccias. Southeast along the fault system and vertically down in the system, the mineralization transitions from Campamento style rhyolite-hosted chalcedonic silica veins, to andesite-hosted sulphide rich fault breccias observed at San Pedro and Guadalupe, where the mineralization is narrower and higher grade as shown at San Pedro 300 metres south and 175 metres lower with 13 metres at 2.51 g/t Au and 164 g/t Ag.

Geologically similar gold-silver epithermal deposits of the Sierra Madre belt have mineralization defined over a vertical interval of 600 to 700 metres, and the transition from upper rhyolite hosted mineralization into higher grade andesite host at depth is commonly observed. The Company believes that the system is preserved at Amalia and along the controlling regional fault system mineralization occurs over a 600 metre vertical interval. The Company plans to target high grade mineralization at depth below the Campamento silica zone and at the Guadalupe and San Pedro targets. Maps and photos of the Amalia Project are available on the Company's website.

Quality Assurance / Quality Control

Sampling at Amalia followed a standardized protocol to ensure representative and unbiased quantities of material from across each sample. Chip samples were taken using hammer and chisel continuously along the walls of the underground mines and cleaned surface outcrops. Nominally widths were between 1 and 2 metres. Continuous chip samples were taken across strike and are the best estimate of true width.

The Company utilizes industry-standard QA/QC program. Rock samples were prepared and analyzed at ALS laboratories in Mexico and Canada. Blanks and certified reference standards are inserted into the sample stream to monitor laboratory performance and the results have been within acceptable limits.

Option Terms

The Company can earn a 100% interest in the Amalia Project by making cash payments to the property owner staged payments over a period of five years totaling US$845,000 (US$10,000 paid) and, subject to stock exchange approval, US$15,000 in shares of the Company.

Mexico – Tarros Project

After conducting a detailed mapping and sampling program, the Company relinquished in January 2018 its option to acquire the 473-hectare Tarros Project located 50 kilometres north of the Company's Amalia Project in the Sierra Madre Gold Silver belt in the State of Chihuahua, Mexico.

Mexico – Lithium Brine Project

The Company holds a 10,000 hectare application at Salar Viesca in Coahuila State, Mexico. The Company is identifying lithium companies to initiate discussions on a joint venture on this lithium brine project.

Highlights of the Viesca project include:

- The project is located in large, salar closed basins, in geological settings analogous to the Clayton Valley Basin, Nevada, host of Albemarle's Silver Peak lithium producing mine operation.
- The Company conducted controlled surface samples which delivered numerous anomalous lithium results including 189 ppm Li.
- Region is underexplored.
- Mexico is considered a mining friendly jurisdiction. The area has excellent infrastructure and is road accessible, allowing for potentially low exploration costs.

Key geographical highlights similar to Clayton Valley and/or associated with brine deposits:

- Located in a desert climate with historic evaporate ponds.
- Large closed basin salar targets.
- Suitable lithium source-rocks.
- Subsurface highly saline aquifers described in historic data.

Guatemala - Southeast Guatemala Ag-Au Epithermal Fields

As a result of continued uncertainty surrounding the granting of both exploration and exploitation concessions in Guatemala, and a general increase in the level of anti-mining activism in many parts of the country, the Company ceased its ongoing exploration activities in the country in the third quarter of 2013 though care and maintenance of the properties continue. Management will reassess the Company's plans for this country on a regular basis and exploration activities may be ramped back up if the mining investment climate improves. Discussions are underway with a number of potential partners to joint venture this ground.

<u>Royalty Interests</u>

Guatemala – 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 in Guatemala, to Kappes, Cassiday & Associates ("KCA"), giving KCA a 100% interest in the project. In part consideration therefor, KCA agreed that upon commercial production at Tambor, KCA would commence making royalty payments to the Company.

Commercial production commenced in December 2014 and royalty payments are now due to the Company based on the price of gold at the time and the number of ounces of gold produced as follows:

Gold Price (US$)	Per Ounce of Gold
Below $1,200	$100
$1,201 - $1,300	$125
$1,301 - $1,400	$150
$1,401 - $1,500	$200
$1,501 and greater	$250

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 as follows:

Gold Price (US$)	Per Ounce of Gold
Below $1,500	$25
$1,501 - $1,750	$35
$1,751 - $2,000	$40
$2,001 and greater	$50

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 to date.

On May 11, 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, and a result, KCA has recently commenced legal proceedings 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. 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 July 2017, the Company completed the sale of its Tlacolula silver property, Mexico to Fortuna in consideration for a cash payment of US$150,000, 239,385 common shares of Fortuna, 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. The Company and Fortuna are related parties.

Peru – Bayovar 12 Project Royalty

The Company owns a production royalty, equivalent to a 2% net smelter return, on CROPS' 70% interest in future phosphate production from the Bayovar 12 project located in the Sechura district of northern Peru. Should the Company decide at any time in the future to sell the royalty, CROPS will retain a first right of refusal. In May 2016, CROPS published a pre-feasibility study for production of phosphate rock concentrate from the Bayovar 12 project. The Company and CROPS are related parties.

Nicaragua – San Jose Royalty

In 2013, an agreement was reached whereby the Company would sell to B2Gold its 40% interest in the San Jose and La Magnolia properties in consideration of a 2% NSR royalty on each property, and B2Gold would have the right to purchase one-half of each royalty for US$1.0 million. The Company and B2Gold subsequently decided to relinquish the La Magnolia concession. Closing of the San Jose sale, and the royalty grant to the Company, took place on in 2015.

Outlook

The Company continues to conduct its property investigations in various jurisdictions and with various commodities but with a focus on gold and silver in the United States and Mexico. The Company's geologists are using a low cost and effective method of field testing targets that are generated through desktop research and through submittals.

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 Interim MD&A.

Quarterly Information

The following table provides information for the eight fiscal quarters ended March 31, 2018:

Quarter ended	Mar. 31, 2018 ($)	Dec. 31, 2017 ($)	Sep. 30, 2017 ($)	June 30, 2017 ($)	Mar. 31, 2017 ($)	Dec. 31, 2016 ($)	Sep. 30, 2016 ($)	June 30, 2016 ($)
Royalty revenue, net	-	-	-	-	-	47,960	26,973	135,303
Investment and other income	3,797	2,213	1,973	2,438	4,049	4,689	4,764	2,930
Exploration expenditures	154,206	373,698	421,265	260,902	84,567	102,932	215,591	107,590
Net income (loss)	(271,832)	(620,477)	1,024,002	(569,184)	359,662	(1,101,528)	738,793	2,320,061
Basic and diluted income (loss) per share	(0.00)	(0.01)	0.01	(0.01)	0.00	(0.01)	0.01	0.02

The Company earned royalty revenue from production at the Tambor Project up to the quarter ended June 30, 2016, the period in which mining operations were suspended. The royalty revenue recorded in the following two quarters was due to adjustments to income recorded in the prior periods. The quarter ended September 30, 2017 recorded a net income due to a gain of $1,658,928 on the sale of the Tlacolula property. The quarter ended March 31, 2017 recorded a net income due to a gain of $606,664 from a property assignment agreement. The quarter ended September 30, 2016 recorded a net income due to a gain on the sale of equity investments (formerly called available-for-sale investments) of $697,610 resulting from the disposition of B2Gold and Southern Silver shares and a gain of $311,252 from mineral property option agreement payments consisting of cash and common shares received from Advantage. The quarter ended June 30, 2016 recorded a net income due to the disposition of B2Gold and Southern Silver shares resulting in a gain of $1,818,398 and a gain of $520,727 on the reclassification of an investment.

Results of Operations

Quarter ended March 31, 2018

The quarter ended March 31, 2018 had a net loss of $271,832 compared to a net income of $359,662 for the quarter ended March 31, 2017, a difference of $631,494. The comparative quarter resulted in a net income position due to a gain of $606,664 on a property assignment agreement with Volcanic. Exploration expenditures in the current quarter totaled $154,206 compared to $84,567 in the comparative quarter, an increase of $69,639. Exploration expenditures include property investigation costs which relate to evaluating new opportunities, and exploration activities on properties held by the Company.

General and administrative expenses for the quarter ended March 31, 2018 were $97,509, compared to $103,101 for the comparative quarter. Notable cost decreases in the current quarter were in office and miscellaneous and legal and audit fees. Office costs were higher in the comparative quarter due to higher office lease costs. Legal and audit fees were lower in the current quarter due to the timing of audit fees.

Mineral Properties Expenditures

A summary of the Company's expenditures on its mineral properties during the period ended March 31, 2018 is as follows:

United States – A total of $84,521 was incurred on exploration, property investigation, and miscellaneous administrative costs, of which $72,661 was on the Bald Peak property, $8,537 on the Coyote property, and $2,611 on the Spring Peak property. Acquisition costs totaling $57,732 were also incurred on the Coyote property.

Mexico - A total of $33,791 was incurred on exploration, property investigation, and miscellaneous administrative costs, of which $22,168 was incurred on the Amalia property and $10,827 on the Tarros property.

Guatemala – A total of $11,645 was incurred on property investigation and care and maintenance related costs.

Other – A total of $24,249 was incurred on property investigation and care and maintenance related costs in regions other than USA, Mexico and Guatemala.

Further details regarding exploration expenditures for the periods ended March 31, 2018 and 2017 are provided in the schedules at the end of this Interim MD&A.

Liquidity and Capital Resources

The Company's cash and cash equivalents were $2.98 million at March 31, 2018 compared to $3.32 million at December 31, 2017. As at March 31, 2018, working capital was $8.21 million compared to $8.38 million at December 31, 2017. Included in working capital is the value of the Company's equity investments which as at March 31, 2018 had a fair value of $5.07 million compared to $4.94 million as at December 31, 2017.

The Company held 3,973,275 common shares in Rackla with a fair value of $377,461 as at March 31, 2018; however, the investment is being accounted for as an investment in associate, using the equity method, since the Company may be able to exercise significant influence on Rackla.

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

The Company intends to use the proceeds from any sales of its equity and derivative 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 carry out its exploration and investment plans and operating costs for the next twelve months.

Commitment

The Company has entered into an operating lease agreement for its office premises. 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 annual commitments under the lease are as follows:

2018	$	142,956
2019		190,608
	$	**333,564**

Related Party Transactions

See Note 15 of the condensed interim consolidated financial statements for the three months ended March 31, 2018 for details of other related party transactions which occurred in the normal course of business.

Other Data

Additional information related to the Company is available for viewing at www.sedar.com.

Share Position and Outstanding Options

As at May 28, 2018, the Company's outstanding share position is 86,675,617 common shares and the following incentive stock options are outstanding:

STOCK OPTIONS

Number of options	Exercise price	Expiry date
10,000	$0.29	January 7, 2020
100,000	$0.36	May 25, 2020
1,685,000	$0.20	December 12, 2022
1,740,000	$0.15	October 18, 2026
1,515,000	$0.15	May 21, 2028
5,050,000		

Investments in Associate

The Company currently has an investment in one associated company, Rackla, which is equity accounted for in the condensed interim consolidated financial statements.

See Note 11 of the condensed interim consolidated financial statements for the three months ended March 31, 2018 for details regarding the Company's investment in associate.

Accounting Policies and Basis of Presentation

The Company's significant accounting policies and future changes in accounting policies are presented in the audited consolidated financial statements for the year ended December 31, 2017. The following outlines the new accounting standards and amendments adopted by the Company effective January 1, 2018:

IFRS 9 Financial Instruments

On January 1, 2018, the Company adopted IFRS 9 – Financial Instruments ("IFRS 9"), which replaced IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 provides a revised model for classification and measurement of financial assets, including a new expected credit loss ("ECL") impairment model. The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business models under which they are held. IFRS 9 also introduces a reformed approach to hedge accounting. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. The standard is effective for annual periods beginning on or after January 1, 2018.

As a result of the adoption of IFRS 9, the Company has changed its accounting policy for financial instruments retrospectively. The change did not result in a change in carrying value of any of our financial instruments on transition date. The adoption of the ECL impairment model did not have an impact on the Company's condensed interim consolidated financial statements. IFRS 9 does not require restatement of comparative periods. Accordingly, the Company has reflected the retrospective impact of the adoption of IFRS 9 due to the change in accounting policy for equity investments as an adjustment to opening components of equity as at January 1, 2018.

The Company's financial instruments are accounted for as follows under IFRS 9 as compared to the Company's previous policy in accordance with IAS 39:

	January 1, 2018	
	IAS 39	**IFRS 9**
Financial Asset		
Cash and cash equivalents	Fair value through profit or loss ("FVTPL")	FVTPL
Equity investments	Fair value through other comprehensive income ("FVOCI")	FVOCI
Derivative investments	FVTPL	FVTPL
Receivables	Amortized cost	Amortized cost
Due from related parties	Amortized cost	Amortized cost
Deposits	Amortized cost	Amortized cost
Financial Liability		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost

For equity investments not held for trading, the Company may make an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss. The Company elected to designate its equity investments as financial assets at FVOCI, where they will be recorded initially at fair value. Subsequent changes in fair value will be recognized in other comprehensive income only and will not be recycled into income (loss) upon disposition. As a result of this change, the Company reclassified $1,978,852 of impairment losses recognized in prior years on equity investments which continue to be held by the Company as at January 1, 2018 from opening deficit to accumulated other comprehensive income on January 1, 2018. As a result of adopting IFRS 9, the net change in fair value of the equity investments, including realized and unrealized gains and losses, if any, is now presented as an item that will not be reclassified subsequently to net income in the Statements of Income and Comprehensive Income.

The adoption of IFRS 9 has not had a significant impact on the Company's policies related to financial assets of cash and cash equivalents, derivative investments, receivables, due from related parties, and deposits and financial liabilities.

IFRS 15 Revenue from Contracts with Customers

On January 1, 2018, the Company adopted IFRS 15, *Revenue from Contracts with Customers.* IFRS 15 specifies how and when revenue should be recognized as well as requiring more informative and relevant disclosures. The standard supersedes IAS 18 Revenue, IAS 11 Construction Contracts, and a number of revenue-related interpretations. Application of the standard is mandatory and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 is effective for the Company's annual period beginning January 1, 2018. The adoption of IFRS 15 did not have an impact on the Company's condensed interim consolidated financial statements.

Other Amendments/Interpretations

The Company has adopted amendments/interpretations to IFRIC 22 – Foreign Currency Transactions and Advance Consideration and IFRS 2 – Share Based Payment Transactions which did not have an impact on the Company's condensed interim consolidated financial statements.

Risks and Uncertainties

Royalty revenue

The Company cannot predict future revenues from or operating results of mining activity. Management expects 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 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 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, 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 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.

Financing and share price fluctuation

The Company has a limited source of operating cash flow which depends on royalty revenue from a property that is subject to suspension of operations and has no assurance that additional funding will be available to it 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

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, and earthquakes. 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

INTERIM CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES
For the three months ended March 31, 2018

	USA		Guatemala		Mexico	Other	
	General Exploration	Mineral Concessions	General Exploration	Mineral Concessions	Mineral Concessions	General Exploration	Total
Exploration administration	$ 461	$ -	$ 1,647	$ 6,362	$ 1,606	$ 949	$ 11,025
Geochemistry	-	2,617	-	-	2,008	-	4,625
Geological services	263	76,475	2,786	-	8,476	23,300	111,300
Legal and accounting	-	-	850	-	4,558	-	5,408
Licenses, rights, and taxes	-	-	-	-	15,386	-	15,386
Travel and accommodation	-	4,705	-	-	1,757	-	6,462
	$ 724	**$ 83,797**	**$ 5,283**	**$ 6,362**	**$ 33,791**	**$ 24,249**	**$ 154,206**

INTERIM CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES
For the three months ended March 31, 2017

	USA		Guatemala		Mexico	Other	
	General Exploration	Mineral Concessions	General Exploration	Mineral Concessions	General Exploration	General Exploration	Total
Exploration administration	$ 234	$ -	$ 4,902	$ 4,321	$ 551	$ 992	$ 11,000
Geochemistry	230	-	-	-	729	-	959
Geological services	11,130	7,290	3,838	-	19,615	24,838	66,711
Legal and accounting	-	-	701	-	3,147	-	3,848
Travel and accommodation	58	-	701	-	7,668	-	8,427
	11,652	7,290	10,142	4,321	31,710	25,830	90,945
Expenditures recovered	-	-	-	-	(6,378)	-	(6,378)
	$ 11,652	**$ 7,290**	**$ 10,142**	**$ 4,321**	**$ 25,332**	**$ 25,830**	**$ 84,567**