FINANCIAL REVIEW

First Quarter Ended March 31, 2020

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2020

(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, 2020. 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, 2020		December 31, 2019
ASSETS				
Current assets				
Cash and cash equivalents (Note 5)	$	962,382	$	1,344,891
Equity investments (Note 6)		1,587,189		2,275,534
Derivative investments (Note 7)		1,395		1,529
Receivables (Notes 8 and 15)		54,070		71,573
Prepaid expenses and deposits (Note 15)		17,638		49,621
Total current assets		2,622,674		3,743,148
Non-current assets				
Long-term deposits (Note 15)		123,098		123,098
Property and equipment (Note 9)		31,600		32,941
Right-of-use asset (Note 10)		287,592		302,667
Mineral and royalty interests (Note 12)		128,452		117,817
Investment in associate (Note 11)		1		1
Total non-current assets		570,743		576,524
TOTAL ASSETS	**$**	**3,193,417**	**$**	**4,319,672**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Note 15)	$	99,456	$	106,350
Current portion of lease liability (Note 10)		51,293		49,547
		150,749		155,897
Non-current liabilities				
Lease liability (Note 10)		261,754		275,487
Total liabilities		412,503		431,384
Shareholders' equity				
Share capital (Note 13)		56,647,011		56,647,011
Other equity reserve		7,170,035		7,134,168
Deficit		(56,930,963)		(56,476,067)
Accumulated other comprehensive loss		(4,105,169)		(3,416,824)
Total shareholders' equity		2,780,914		3,888,288
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**3,193,417**	**$**	**4,319,672**

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS AND AUTHORIZED FOR ISSUE ON MAY 27, 2020 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 LOSS AND OTHER COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(Expressed in Canadian Dollars)

	Three months ended March 31, 2020	2019
Exploration expenditures	$ 309,552	$ 116,305
General and administrative expenses		
Amortization (Note 9)	3,526	5,146
Depreciation of right-of-use asset (Note 10)	15,075	14,744
Interest expense on lease liability (Note 10)	7,659	8,394
Management fees (Note 15)	10,500	10,500
Office and miscellaneous (Note 15)	10,894	10,324
Salaries and benefits (Note 15)	28,366	23,574
Share-based compensation (Note 14)	35,867	-
Shareholder communications (Note 15)	29,392	4,693
Transfer agent and regulatory fees (Note 15)	8,607	8,183
Travel and accommodation (Note 15)	4,699	5,330
	154,585	90,888
Loss from operations	(464,137)	(207,193)
Investment income	3,223	2,805
Foreign currency exchange gain	6,152	184
Fair value gain (loss) on derivative investments (Note 7)	(134)	54,982
Net loss for the period	**$ (454,896)**	**$ (149,222)**
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Fair value gain (loss) on equity investments (Note 6)	(688,345)	388,443
Total comprehensive income (loss)	**$ (1,143,241)**	**$ 239,221**
Basic and diluted loss per share	$(0.01)	$(0.00)
Weighted average number of common shares outstanding	86,938,055	86,749,800

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, 2020 and 2019
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Other equity reserve	Accumulated other comprehensive loss	Deficit	Total
Balance, December 31, 2018	86,749,800	$ 56,599,289	$ 6,979,084	$ (2,906,759)	$ (53,912,942)	$ 6,758,672
Loss for the period	-	-	-	-	(149,222)	(149,222)
Equity investments	-	-	-	388,443	-	388,443
Balance, March 31, 2019	86,749,800	56,599,289	6,979,084	(2,518,316)	(54,062,164)	6,997,893
Loss for the period	-	-	-	-	(2,413,903)	(2,413,903)
Shares issued for mineral property acquisition	33,255	6,617	-	-	-	6,617
Options exercised	155,000	23,250	-	-	-	23,250
Transfer of other equity reserve on exercise of options	-	17,855	(17,855)	-	-	-
Equity investments	-	-	-	(898,508)	-	(898,508)
Share-based compensation	-	-	172,939	-	-	172,939
Balance, December 31, 2019	86,938,055	56,647,011	7,134,168	(3,416,824)	(56,476,067)	3,888,288
Loss for the period	-	-	-	-	(454,896)	(454,896)
Equity investments	-	-	-	(688,345)	-	(688,345)
Share-based compensation	-	-	35,867	-	-	35,867
Balance, March 31, 2020	**86,938,055**	**$ 56,647,011**	**$ 7,170,035**	**$ (4,105,169)**	**$ (56,930,963)**	**$ 2,780,914**

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, 2020	2019
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net loss for the period	$ (454,896)	$ (149,222)
Items not involving cash:		
Amortization	3,526	5,146
Depreciation of right-of-use asset	15,075	14,744
Interest expense on lease liability	7,659	8,394
Fair value (gain) loss on derivative investments	134	(54,982)
Share-based compensation	35,867	-
	(392,635)	(175,920)
Changes in non-cash working capital items:		
Receivables	17,503	61,322
Prepaid expenses and deposits	31,983	226,852
Accounts payable and accrued liabilities	(6,894)	22,781
Cash provided by (used in) operating activities	(350,043)	135,035
FINANCING ACTIVITY		
Repayment of lease obligation	(19,646)	(17,729)
Cash used for financing activity	(19,646)	(17,729)
INVESTING ACTIVITIES		
Purchase of equity investments	-	(210,000)
Expenditures on exploration and evaluation asset acquisition costs	(10,635)	-
Purchase of property and equipment	(2,185)	-
Cash used for investing activities	(12,820)	(210,000)
Decrease in cash and cash equivalents	**(382,509)**	**(92,694)**
Cash and cash equivalents, beginning of period	1,344,891	1,605,190
Cash and cash equivalents, end of period	**$ 962,382**	**$ 1,512,496**

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 4.

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, 2020 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 S.A. de C.V.	Mexico	100%	Exploration company
Radius (Cayman) Inc.	Cayman Islands	100%	Investment Holding company

3. STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

The Company will be required to adopt the following standard and amendments issued by the IASB as described below:

IFRS 17 Insurance Contracts

IFRS 17 is a new standard that requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4, *Insurance Contracts*, and related interpretations.

This standard will be effective for the Company's annual period beginning January 1, 2021. The Company has assessed that the impact of IFRS 17 on its consolidated financial statements would not be significant.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The effect of a change in an accounting estimate is recognized prospectively by including it in 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;

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

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

(Expressed in Canadian Dollars)

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

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

a) 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;

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

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

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Company does not hold any deposits with maturities of greater than three months from the date of acquisition. Cash at banks earn interest at floating rates based on daily bank deposit rates. As at March 31, 2020 and December 31, 2019, cash and cash equivalents is comprised of the following:

	March 31, 2020	December 31, 2019
Cash	$ 89,438	$ 475,089
Cash equivalents	872,944	869,802
	$ 962,382	$ 1,344,891

(Expressed in Canadian Dollars)

6. EQUITY INVESTMENTS

The Company's equity investments consist of the following:

Number of common shares held as at:

	March 31, 2020	**December 31, 2019**
CROPS Inc. ("CROPS")	6,764,027	6,764,027
Fortuna Silver Mines Inc. ("Fortuna")	239,385	239,385
GrowMax Resources Corp. ("GrowMax")	1,150,000	1,150,000
Medgold Resources Corp. ("Medgold")	10,126,500	10,126,500
Southern Silver Exploration Corp. ("Southern Silver")	767,000	767,000
Volcanic Gold Mines Inc. ("Volcanic")	460,412	460,412
Warrior Gold Inc. ("Warrior")	233,781	233,781

	CROPS	**Fortuna**	**GrowMax**	**Medgold**	**Metalla**
Balance, December 31, 2018	$ 89,741	$ 1,196,925	$ 92,000	$ 1,265,813	$ 140,028
Acquisition of shares	147,000	-	-	-	100,000
Disposition of shares	-	-	-	-	(165,000)
Net change in fair value recorded in other comprehensive income	(169,101)	69,422	(57,500)	(658,223)	(75,028)
Balance, December 31, 2019	67,640	1,266,347	34,500	607,590	-
Net change in fair value recorded in other comprehensive income	-	(490,740)	(23,000)	(101,265)	-
Balance, March 31, 2020	**$ 67,640**	**$ 775,607**	**$ 11,500**	**$ 506,325**	**$ -**

	Southern Silver	**Volcanic**	**Warrior**	**Total**
Balance, December 31, 2018	$ 245,602	$ 64,458	$ 16,365	$ 3,110,932
Acquisition of shares	-	-	-	247,000
Disposition of shares	(39,400)	-	-	(204,400)
Net change in fair value recorded in other comprehensive income	887	9,208	2,337	(877,998)
Balance, December 31, 2019	**207,089**	**73,666**	**18,702**	**2,275,534**
Net change in fair value recorded in other comprehensive income	(55,950)	(9,208)	(8,182)	(688,345)
Balance, March 31, 2020	**$ 151,139**	**$ 64,458**	**$ 10,520**	**$ 1,587,189**

(Expressed in Canadian Dollars)

6. 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 of the Company's equity investment companies are publicly listed companies as of March 31, 2020.

Subsequent to the period ended March 31, 2020, the Company sold in the open market 89,000 common shares of Fortuna for net proceeds of $489,165.

The Company also held 3,973,275 free trading common shares of Rackla with a fair value of $317,862 as of March 31, 2020, which are recorded as an investment in associate (Note 11).

7. DERIVATIVE INVESTMENTS

Number of share purchase warrants held as at:

	March 31, 2020	December 31, 2019
CROPS	685,675	4,885,675
Volcanic	160,714	160,714

	CROPS	Metalla	Volcanic	Warrior	Total
Balance, December 31, 2018	$ 3,586	$ 63,933	$ 1,400	$ 217	$ 69,136
Acquisition of warrants	63,000	-	-	-	63,000
Net change in fair value recorded in net income	(66,261)	(63,933)	(196)	(217)	(130,607)
Balance, December 31, 2019	325	-	1,204	-	1,529
Net change in fair value recorded in net income	299	-	(433)	(217)	(134)
Balance, March 31, 2020	**$ 624**	**$ -**	**$ 771**	**$ -**	**$ 1,395**

During the period ended March 31, 2020, a total of 4,200,000 share purchase warrants of CROPS expired unexercised.

The fair value of the derivative investments as of March 31, 2020 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	137%	0.45%	1.98	0%
Volcanic	118%	0.45%	1.94	0%

The share purchase warrants for CROPS and Volcanic are not tradable on an exchange.

(Expressed in Canadian Dollars)

8. RECEIVABLES

	March 31, 2020	December 31, 2019
Royalty receivable	$ 784,180	$ 784,180
Provision for impairment	(784,180)	(784,180)
Royalty revenue receivable, net	-	-
Sales taxes	19,297	14,482
Exploration expenditure recoveries	21,529	40,439
Other receivables	13,244	16,652
	$ 54,070	**$ 71,573**

The provision for impairment of the royalty receivable was included in profit or loss during the 2016 fiscal year. Uncollectable amounts included in the provision are written off against the provision when there is no expectation of recovery. The royalty revenue receivable was uncollected as of March 31, 2020 as the Company has allowed Kappes, Cassiday & Associates ("KCA") to defer payment of the balance while KCA continues a legal strategy to overturn the suspension of operations of its mine-site and seek compensation from the Guatemalan authorities, from which the Company would seek to benefit as well.

9. PROPERTY AND EQUIPMENT

	Leasehold improvements	Trucks	Computer equipment	Furniture and equipment	Geophysical equipment	Field equipment	Total
Cost							
Balance, December 31, 2018	$ 62,762	$ 253,095	$ 252,068	$ 62,656	$ 84,882	$ 2,480	$ 717,943
Additions	-	-	660	-	-	-	660
Balance, December 31, 2019	62,762	253,095	252,728	62,656	84,882	2,480	718,603
Additions	-	-	-	-	-	2,185	2,185
Balance, March 31, 2020	**$ 62,762**	**$ 253,095**	**$ 252,728**	**$ 62,656**	**$ 84,882**	**$ 4,665**	**$ 720,788**
Accumulated amortization							
Balance, December 31, 2018	$ 61,267	$ 228,909	$ 245,168	$ 55,647	$ 75,936	$ 2,480	$ 669,407
Charge for year	1,495	9,301	2,268	1,402	1,789	-	16,255
Balance, December 31, 2019	62,762	238,210	247,436	57,049	77,725	2,480	685,662
Charge for period	-	2,225	410	280	447	164	3,526
Balance, March 31, 2020	**$ 62,762**	**$ 240,435**	**$ 247,846**	**$ 57,329**	**$ 78,172**	**$ 2,644**	**$ 689,188**
Carrying amounts							
At December 31, 2019	$ -	$ 14,885	$ 5,292	$ 5,607	$ 7,157	$ -	$ 32,941
At March 31, 2020	**$ -**	**$ 12,660**	**$ 4,882**	**$ 5,327**	**$ 6,710**	**$ 2,021**	**$ 31,600**

(Expressed in Canadian Dollars)

10. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company has a lease agreement for its headquarter office space in Vancouver, British Columbia. Upon transition to IFRS 16 on January 1, 2019, the Company recognized $362,969 for an ROU asset and $362,969 for a lease liability.

The continuity of the ROU asset and Lease liability for the period ended March 31, 2020 is as follows:

Right-of-use asset		
Value of right-of-use asset recognized as at January 1, 2019	$	362,969
Depreciation		(60,302)
Value of right-of-use asset as at December 31, 2019		302,667
Depreciation		(15,075)
Value of right-of-use asset as at March 31, 2020	**$**	**287,592**

Lease liability		
Lease liability recognized as of January 1, 2019	$	362,969
Lease payments		(70,918)
Lease interest		32,983
Lease liability recognized as of of December 31, 2019		325,034
Lease payments		(19,646)
Lease interest		7,659
Lease liability recognized as of March 31, 2020	**$**	**313,047**
Current portion	$	51,293
Long-term portion		261,754
	$	**313,047**

11. INVESTMENT IN ASSOCIATE

Rackla

As at March 31, 2020, the Company held 3,973,275 (December 31, 2019: 3,973,275) common shares of Rackla, representing 15.7% (December 31, 2019: 19.6%) 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 ended March 31, 2020:

Balance, December 31, 2019	$	1
Balance, March 31, 2020	**$**	**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. The cumulative unrecognized share of losses for the associate as of March 31, 2020 is $661,982.

(Expressed in Canadian Dollars)

11. INVESTMENT IN ASSOCIATE (cont'd)

The financial statement balances of Rackla are as follows:

		March 31, 2020		December 31, 2019
Total current assets	$	206,247	$	19,350
Total assets	$	267,248	$	80,351
Total liabilities	$	42,091	$	308,347
Net loss	$	42,472(1)	$	273,047(2)

(1) Net loss for three month period ended March 31, 2020.
(2) Net loss for the year ended December 31, 2019.

At March 31, 2020, the fair value of the 3,973,275 common shares of Rackla was $317,862 (December 31, 2019: $397,328).

12. MINERAL PROPERTY AND ROYALTY INTERESTS

Acquisition costs	Peru	United States	Guatemala	Mexico	Total
Balance, December 31, 2018	$ 1,259,505	$ 117,816	$ 1	$ -	$ 1,377,322
Additions – cash	-	-	-	59,883	59,883
Additions – shares	-	-	-	6,617	6,617
Acquisition costs recovered	-	-	-	(66,500)	(66,500)
Write-off acquisition costs	(1,259,505)	-	-	-	(1,259,505)
Balance, December 31, 2019	-	117,816	1	-	117,817
Additions – cash	-	-	-	10,635	10,635
Balance, March 31, 2020	**$ -**	**$ 117,816**	**$ 1**	**$ 10,635**	**$ 128,452**

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, 2019. Significant exploration and evaluation asset transactions that have occurred since January 1, 2020 are as follows:

Mexico

i) Palmillas Property

In November 2019, the Company signed a binding agreement with a private family to option the Palmillas property that adjoins the Amalia Project in the State of Chihuahua, Mexico. The Company can earn a 100% interest in the Palmillas property by completing staged payments over a period of five years totaling US$350,000 of which $6,742 (US$5,000) was paid upon signing of the agreement and US$200,000 is a final payment at the end of five years. The owners retain a 1% NSR royalty.

Pursuant to the Company's option agreement with Pan American Silver Corp. ("Pan American") on the Amalia Project, Pan American had the right to elect to pay the acquisition costs of the Palmillas property and add the property to the Amalia Project. During the period ended March 31, 2020, Pan American elected to exercise this right.

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

Mexico (cont'd)

ii) Plata Verde Project

During the period ended March 31, 2020, the Company entered into an option agreement with a local concession holder to acquire the Plata Verde Project in the State of Chihuahua, Mexico. The Company can earn a 100% interest in the Plata Verde Project by making staged payments totaling US$801,000 over four years, of which the final payment is US$400,000 at the end of the fourth year. To March 31, 2020, the Company has paid $10,635 (US$8,000), upon signing of the agreement. The concession holder retains a 1% NSR royalty which the Company can buy back for US$1,000,000.

Guatemala

i) Southeast Guatemala Ag-Au Epithermal Fields

The Company's 100% owned land holdings in southeast Guatemala as at March 31, 2020 consist of 32 concessions (one granted exploration licence, twenty-seven exploration applications, three exploitation applications, and one reconnaissance application) filed with the Guatemala Ministry of Energy and Mines covering a total of 222,209 hectares. The three exploitation applications were filed in order to convert one previously granted exploration licence to exploitation; until the exploitation licences are granted, the granted exploration licence remains in place.

In May 2020, the Company signed an agreement whereby, subject to stock exchange approval, it will grant to Volcanic Gold Mines Inc. ("Volcanic") the exclusive option (the "Option") to acquire a 60% interest in the Company's Holly-Banderas gold-silver properties in Guatemala (the "Properties"). Volcanic may exercise the Option by completing a minimum $3.0 million financing and spending US$7.0 million on exploration of the Properties within 48 months from the date drilling permits are granted. An initial US$1.0 million must be spent on exploration within 12 months of receiving the required drill permits, including a minimum 3,000 metres of drilling. Following the successful completion of the financing, Volcanic will make a cash payment to the Company of $100,000. Upon exercise of the Option, Volcanic will enter into a standard 60/40 joint venture with the Company in order to further develop the Properties.

Volcanic will also have the exclusive right for 24 months following the execution of the Option to evaluate the Company's other property interests in Guatemala and to enter into an agreement to acquire an interest in any of such other properties on reasonable mutually agreed upon terms.

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, 2020 and 2019.

(Expressed in Canadian Dollars)

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, 2020:

				During the period				
Grant date	**Expiry date**	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**Forfeited / expired**	**Closing balance**	**Vested and exercisable**
Jan 8, 2010	Jan 7, 2020	$0.29	10,000	-	-	(10,000)	-	-
Jul 29, 2019	Dec 1, 2022	$0.24	150,000	-	-	(75,000)	75,000	75,000
Dec 13, 2012	Dec 12, 2022	$0.20	1,585,000	-	-	(90,000)	1,495,000	1,495,000
Oct 19, 2016	Oct 18, 2026	$0.15	1,410,000	-	-	(30,000)	1,380,000	1,380,000
May 22, 2018	May 21, 2028	$0.15	1,490,000	-	-	-	1,490,000	1,490,000
Nov 5, 2018	Nov 4, 2028	$0.15	200,000	-	-	-	200,000	200,000
Oct 8, 2019	Oct 7, 2029	$0.25	850,000	-	-	-	850,000	850,000
Mar 16, 2020	Mar 15, 2030	$0.15	-	280,000	-	-	280,000	280,000
			5,695,000	**280,000**	**-**	**(205,000)**	**5,770,000**	**5,770,000**
Weighted average exercise price			$0.18	$0.15	-	$0.21	$0.18	$0.18

b) Fair Value of Options Granted During the Period

The weighted average fair value at grant date of options granted during the period ended March 31, 2020 was $0.11 per option (2019: $nil).

The weighted average remaining contractual life of the options outstanding at March 31, 2020 is 6.59 years (December 31, 2019: 6.55 years).

Options Issued to Employees

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

Options Issued to Non-Employees

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

The model inputs for options granted during the period ended March 31, 2020 included:

Grant date	**Expiry date**	**Share price at grant date**	**Exercise price**	**Risk-free interest rate**	**Expected life**	**Volatility factor**	**Dividend yield**
Mar 16, 2020	Mar 15, 2030	$0.14	$0.15	0.84%	10 years	81%	0%

(Expressed in Canadian Dollars)

14. SHARE-BASED PAYMENTS (cont'd)

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

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

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

c) Expenses Arising from Share-based Payment Transactions

Total expenses arising from the share-based payment transactions recognized during the period ended March 31, 2020 as part of share-based compensation expense was $35,867 (2019: $Nil).

15. RELATED PARTY TRANSACTIONS

The Company had transactions during the periods ended March 31, 2020 and 2019 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
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, 2020 and 2019:

	Three months ended March 31, 2020	2019
General and administrative expenses:		
Salaries and benefits	$ 3,120	$ 3,200
Exploration expenditures:		
Salaries and benefits	9,480	3,988
	$ 12,600	**$ 7,188**

(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, 2020 and 2019, the Company reimbursed Gold Group the following:

		Three months ended March 31,		
		2020		**2019**
General and administrative expenses:				
Office and miscellaneous	$	8,175	$	7,590
Shareholder communications		2,597		3,617
Salaries and benefits		27,103		21,683
Transfer agent and regulatory fees		500		782
Travel and accommodation		3,942		2,650
	$	**42,317**	**$**	**36,322**
Exploration expenditures	**$**	**586**	**$**	**2,399**

Gold Group salary and benefits costs for the periods ended March 31, 2020 and 2019 include those for the Chief Financial Officer and Corporate Secretary.

Receivables include an amount of $7,213 (December 31, 2019: $Nil) owed from Gold Group and $Nil (December 31, 2019: $7,445) owed from Rackla, a company which has two common directors with the Company, for shared exploration personnel costs.

Prepaid expenses and deposits include an amount of $4,292 (December 31, 2019: $5,115) paid to Gold Group for shared office and administrative services.

Long-term deposits include an amount of $60,000 (December 31, 2019: $60,000) paid to Gold Group as a deposit on the shared office and administrative services agreement.

Accounts payable and accrued liabilities include $Nil (December 31, 2019: $4,853) payable to Gold Group for shared administrative costs.

<u>Key management compensation</u>

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,		
		2020		**2019**
Geological fees included in exploration expenditures	$	15,000	$	15,000
Management fees		10,500		10,500
Salaries, benefits and fees*		7,150		6,875
	$	**32,650**	**$**	**32,375**

*Included in reimbursements to Gold Group

Key management compensation includes management and geological fees paid to Mill Street, a company controlled by the Chief Executive Officer of the Company.

(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, Mexico, and Cayman Islands. Details of identifiable assets by geographic segments are as follows:

Period ended March 31, 2020	**Canada**	**USA**	**Guatemala**	**Mexico**	**Other**	**Consolidated**
Exploration expenditures	$ -	$ 23,516	$ 16,221	$ 241,770	$ 28,045	$ 309,552
Investment income	3,223	-	-	-	-	3,223
Amortization	1,252	-	-	2,274	-	3,526
Depreciation on right-of-use asset	15,075	-	-	-	-	15,075
Interest expense on lease liability	7,659	-	-	-	-	7,659
Net income (loss)	(165,057)	(23,516)	(16,221)3	(547,419)	(32,797)	(454,896)
Capital expenditures*	2,185	-	-	10,635	-	12,820

Period ended March 31, 2019	**Canada**	**USA**	**Guatemala**	**Mexico**	**Other**	**Consolidated**
Exploration expenditures	$ -	$ 18,563	$ 31,157	$ 45,595	$ 20,992	$ 116,305
Investment income	2,805	-	-	-	-	2,805
Amortization	2,810	-	-	2,336	-	5,146
Depreciation on right-of-use asset	14,744	-	-	-	-	14,744
Interest expense on lease liability	8,394	-	-	-	-	8,394
Net income (loss)	(127,383)	39,362	4,533	(44,803)	(20,931)	(149,222)

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

As at March 31, 2020	**Canada**	**USA**	**Guatemala**	**Peru**	**Mexico**	**Other**	**Consolidated**
Total current assets	$ 1,753,769	$ -	$ 8,662	$ -	$ 72,192	$ 788,051	$ 2,622,674
Total non-current assets	429,218	117,816	-	-	23,709	-	570,743
Total assets	**$ 2,182,987**	**$ 117,816**	**$ 8,662**	**$ -**	**$ 95,901**	**$ 788,051**	**$ 3,193,417**
Total liabilities	**$ 402,458**	**$ -**	**$ 1,362**	**$ -**	**$ 8,683**	**$ -**	**$ 412,503**

As at December 31, 2019	**Canada**	**USA**	**Guatemala**	**Peru**	**Mexico**	**Other**	**Consolidated**
Total current assets	$ 2,365,556	$ -	$ 8,005	$ -	$ 85,380	$1,284,207	$ 3,743,148
Total non-current assets	443,361	117,816	-	-	15,347	-	576,524
Total assets	**$ 2,808,917**	**$ 117,816**	**$ 8,005**	**$ -**	**$ 100,727**	**$1,284,207**	**$ 4,319,672**
Total liabilities	**$ 407,291**	**$ -**	**$ 13,823**	**$ -**	**$ 10,270**	**$ -**	**$ 431,384**

(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 condensed interim consolidated financial statements.

General Objectives, Policies and Processes

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

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

a) Market Risk

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

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to fluctuations in foreign currencies through its operations in foreign countries. The Company monitors this exposure but has no hedge positions. As at March 31, 2020, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	March 31, 2020			**December 31, 2019**		
	US Dollar	**Mexican Peso**	**Guatemala Quetzal**	**US Dollar**	**Mexican Peso**	**Guatemala Quetzal**
	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)
Cash	$ 35,804	$ 3,311	$ 3,167	$ 49,500	$ 965	$ 2,925
Receivables	19,040	12,109	-	28,248	5,557	-
Current liabilities	(40,447)	(8,683)	(1,362)	(38,991)	(1,503)	(13,823)
	$ 14,397	**$ 6,737**	**$ 1,805**	**$ 38,757**	**$ 5,019**	**$ (10,898)**

Based on the above net exposures at March 31, 2020, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in an approximate $2,300 (December 31, 2019: $3,300) increase or decrease in profit or loss, respectively.

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

Commodity Price Risk

The Company's royalty revenue has been derived from a royalty interest that is based on the extraction and sale of gold. Factors beyond the control of the Company may affect the marketability of gold discovered or extracted. Gold prices have historically fluctuated widely. Consequently, the economic viability of the Company's royalty interest cannot be accurately predicted and may be adversely affected by fluctuations in gold prices. The Company has not engaged in any hedging activities. The Company is not exposed to commodity price risk as the Company has not earned any royalty revenue during the periods ended March 31, 2020 and 2019.

Interest Rate Risk

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

Equity Price Risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's equity investments consisting of common shares and derivative investments consisting of share purchase warrants are exposed to significant equity price risk due to the potentially volatile and speculative nature of the businesses in which the investments are held. The Company's equity investments are monitored by the Board with decisions on sale or exercise taken by Management. A 10% decrease in fair value of the shares and warrants would result in an approximate $159,000 (December 31, 2019: $228,000) 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, 2020, the Company had working capital of $2.5 million (December 31, 2019: $3.6 million) available to apply against short-term business requirements. All of the Company's financial liabilities have contractual maturities of less than 45 days and are subject to normal trade terms with the expectation of the Company's lease liability which matures based on the lease agreement.

Determination of Fair value

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

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

(Expressed in Canadian Dollars)

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

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

	March 31, 2020 Book value	March 31, 2020 Fair value
Financial assets		
Shares held in Rackla (Note 11)	$ 1	$ 317,862

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, 2020, 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.

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 adjusts 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, 2020. 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, 2020, the following events which have not been disclosed elsewhere in these condensed interim consolidated financial statements have occurred:

i) A total of 75,000 stock options with an exercise price of $0.24 per share were forfeited unexercised.

(the "Company")

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

For the Three Months Ended March 31, 2020

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, 2020. The following information, prepared as of May 27, 2020, should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for three months ended March 31, 2020 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, 2019 and the related MD&A. All amounts are expressed in Canadian dollars unless otherwise indicated. The March 31, 2020 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;
- uncertainties relating to general economic conditions; and
- risks relating to a global pandemic, including the coronavirus COVID-19, which unless contained could cause a slowdown in global economic growth and impact the Company’s business, operations, financial condition and share price.

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.

<u>Business of the Company</u>

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:

<u>Investments</u>

For a description of the Company's equity investments activity during the period from January 1, 2019 to date, please see Note 6 of the Company's condensed interim consolidated financial statements for the three months ended March 31, 2020.

The Company's current cash and cash equivalents on hand is approximately $1,215,000 and its current investments consist of:

CROPS Inc. ("CROPS") 6,764,027 shares Current market value: $101,000 Plus: warrants to purchase an additional 685,675 shares	CROPS is a Canadian-listed exploration company which is actively looking for new projects.
Fortuna Silver Mines Inc. ("Fortuna") 150,385 shares Current market value: $861,000	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, currently under construction, in Argentina.
GrowMax Resources Corp ("GrowMax") 1,150,000 shares Current market value: $11,000	GrowMax is a TSX Venture Exchange ("TSX-V") listed company which holds an equity interest in a technology development company that commercializes academic research for use in the public safety market.
Medgold Resources Corp. ("Medgold") 10,126,500 shares (10+% of issued) Current market value: $607,000	Medgold is a TSX-V listed, project generator company targeting early-stage gold properties in the Balkan region. Its holdings include the Tlamino gold-silver project in Serbia which has an Inferred Mineral Resource containing approximately 680,000 oz AuEq.

Rackla Metals Inc. ("Rackla") 3,973,275 shares (10+% of issued) Current market value: $556,000	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 Exploration Corp. ("Southern Silver") 767,000 shares Current market value: $153,000	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.
Volcanic Gold Mines Inc. ("Volcanic") 460,412 shares Current market value: $124,000 Plus: warrants to purchase an additional 160,714 shares	Volcanic is a TSX-V listed company focused on building multi-million ounce gold and silver resources in underexplored countries.
Warrior Gold Inc. ("Warrior Gold") 233,785 shares Current market value: $18,000	Warrior Gold is a TSX-V 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.

<u>Property Interests</u>

Current Status

Due to restrictions on travel and for the safety of our employees because of the COVID-19 pandemic, the Company has curtailed operations for the time being. Most of the geological staff have returned home and in the corporate office where possible staff are working from home. We will return to the field and office when it is safe and cost effective to do so; meanwhile we will preserve the cash position of the Company.

Mexico – Amalia Project

The Amalia Project comprises 10,250 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. In late 2019, the Company signed a binding agreement with a private family to option the 800-hectare Palmillas Property which hosts high-grade epithermal gold-silver mineralization. The Palmillas concessions cover the northeastern and southwestern strike extension of the Amalia fault zone.

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

In July 2018, the Company entered into an agreement with Pan American Silver Corp. ("Pan American") to drill and explore the Amalia Project – see "Pan American Option Terms" below.

Initial Drill Program

In October and November 2018, the Company conducted an initial 9 hole - 1,909 metre diamond core drill program at Amalia to test the three target zones across a strike length of 1.8 kilometres following the trace of the Amalia regional fault and associated surficial epithermal gold and silver mineralization.

Five drill holes (AMDD-001 / 003 / 007 / 008 / 009) were drilled within the San Pedro structural corridor, intercepting gold and silver mineralization in all holes and defining a 650 metre strike length of epithermal banded veining, stockworks and multiphase breccia with significant gold and silver mineralization. A table of drill results is listed below. This initial drill program was designed to test the targets between 50 and 150 metres below ground surface. Considering the topography, the drill holes cut mineralization in a range between 1,988 metres above sea level (asl) and 1,882 metres asl, effectively testing the mineralization over a 100 metre vertical interval. AMDD-009 cut the system at the deepest level (1,908 metres als) and recorded the best widths (26 metres) and highest grades with bonanza intervals, including 5 metres at 14.71 g/t Au and 1,378 g/t Ag.

Stage 2 Drill Program

During January and February 2019, the Company completed access agreements with the landowners at Amalia to allow for a second drill program. The Company submitted a new environmental permit and constructed a permanent camp. SEMARNAT, the permitting authority in Chihuahua, gave its approval in early April 2019, and Stage 2 drilling commenced at Amalia on April 11, 2019, designed to follow-up the high grade drill intercepts from Stage 1 drilling within the San Pedro zone.

The Company completed the Stage 2 drill program with six diamond holes, AMDD19-010 to AMDD19-015, drilled totalling 1,743 metres. The Stage 2 drill program expanded multiphase gold and silver mineralization with high grade mineralized shoots expanded at San Pedro. Geological controls on the mineralization are complex with multiple events of gold and silver mineralization within veins, stockworks and hydrothermal breccias. The Amalia structure trends 320/60E and can be traced for several kilometers. The Amalia fault is a large regional fault zone separating Tertiary rhyolitic ignimbrites from the Late Cretaceous Tarahumara formation with gold and silver mineralization typically occurring within the hanging wall. High grade shoot control is still uncertain but appears to be located by cross faults.

Stage 3 Drill Program

With Pan American as operator, a Stage 3 drill program at Amalia was conducted in October 2019. The drill program included holes AMDD19-016 to AMDD19-021. The program was successful in proving that the high-grade mineralized shoot continues with depth, beyond its current testing up to 300 metres, and its lateral extents have been better defined. The gold-silver mineralization is still open to expansion at depth and laterally.

Additionally, there are multiple targets that have yet to be drill tested. Preparation is underway for the next phase of drilling which is planned to target depth and lateral expansion of the known mineralization. Exploration drilling is still wide spaced and large areas remain untested. The Company believes the system is still wide open and shows potential for a significant discovery.

Amalia drill results - Stages 1, 2 and 3:

Hole	Collar, WGS84		From	To	Interval	Estimated True	Au g/t	Ag g/t
	UTM E	UTM N	(m)	(m)	(m)	width (m)		
AMDD18-001	295,962	2,863,423	44.4	56.4	12	9.5	0.1	44
AMDD18-003	295,989	2,863,458	107.4	137.4	30	24	0.3	65
AMDD18-007	296,198	2,863,056	129.1	133.1	4	3	0.29	229
AMDD18-008	296,041	2,863,361	98.7	99.7	1	0.8	2.28	521
and			126.7	131.7	5	4	0.59	571
AMDD18-009	295,952	2,863,536	144.4	170.4	26	22	7.08	517
including			165.4	170.4	5	4	14.71	1378
AMDD19-010	295,978	2,863,560	210.7	254.7	44	34	12.38	309
AMDD19-011	296,019	2,863,477	170.5	176.5	6	4	1.05	24
AMDD19-012	296,090	2,863,401	176.9	181.9	5	4	-	647
AMDD19-013	295,878	2,863,631	no significant result					
AMDD19-014	295,964	2,863,626	235.7	263.7	28	24	2.3	126
including			256.7	259.7	3	2.6	9.85	761
AMDD19-015	295,978	2,863,560	216.7	297.7	81	65	3.75	61
including			234.7	255.7	21	17	7.91	65
AMDD19-016	295,978	2,863,560	251.2	371.2	120	78	1.53	21
including			293.2	316.4	23	15	4.61	41
AMDD19-017	295,955	2,863,672	316.6	322.1	6	-	0.88	-
AMDD19-018	296,022	2,863,480	268.2	269.5	1.3	-	12.5	2320
and			332.5	346.1	13.7	-	1.39	22
AMDD19-019	296,143	2,863,434	336.7	344.1	7.4	-	0.49	22

Drill holes AMD002 / 004 / 005 / 006 targeted mineralization at the Guadalupe and Dulces zones. These drill holes did not intercept significant gold/silver mineralization

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

Stage 4 Drill Program

Environmental permits are in progress for a fourth phase of drilling at Amalia. Currently nine deep holes are planned to test down dip and lateral expansions of the high grade gold and silver mineralization defined at San Pedro in drill stages 1 to 3. The Chihuahua permitting authorities are currently suspended due to COVID-19 but are expected to resume work in the next weeks. Updated drill permits historically have been issued within 4 to 6 weeks. Once the drill permits have been received, it is expected that drilling will commence promptly.

Addition of Palmillas Property / El Cuervo Target

In late 2019, the Company signed a binding agreement with a private family to option the 800-hectare Palmillas Property which hosts high-grade epithermal gold-silver mineralization. The Palmillas concessions are immediately adjoining the Amalia Project and cover the northeastern and southwestern strike extension of the Amalia fault zone.

Pan American has elected to exercise its right to include the Palmillas Property within the Amalia Project joint venture. Pan American, as the operator will fund and manage the expanded project according to its option agreement with the Company. The Palmillas Property hosts multiple exploration targets, including high-grade silver-gold mineralization, outcropping 1.8 kilometres northwest along strike from the drill defined high-grade zone at San Pedro.

The highlight of progress to date is the development of the El Cuervo target at Palmillas, where wide zones (up to 40 metres) of silicification, breccias and veining with strong gold and silver rock chip geochemistry is being mapped and sampled 3.8 kilometres southeast of the current drilled area at San Pedro.

Since optioning the Palmillas Property, Pan American has conducted detailed geological mapping and collected over 250 rock chip samples from selected targets along 6 kilometres of the Amalia fault system.

Quality Assurance / Quality Control

Reported drilling was carried out using NQ and HQ size tooling. Drill core was cut in half using a rock saw with one half of the core then taken as a sample for analysis. Sample intervals are generally between 1 metre and 1.5 metres producing samples of between 2 to 9 kg. Half-core samples are delivered to the ALS Geochemistry laboratory facilities in Chihuahua, Mexico. The samples are fire assayed for Au and are analysed for Ag and multi-elements using method code ME-ICP61 following a four-acid digestion. Over-limits are analysed using an appropriate method. The Company inserted multi-element geochemical standards and blanks into the drill core sample stream to monitor laboratory performance. Quality control samples submitted to ALS were returned within acceptable limits.

Mexico – Plata Verde Project

In early 2020, the Company entered into an option agreement with a local concession holder to acquire a 100% interest in a 300 hectare property covering an historic silver mining camp located in Chihuahua, Mexico. The Plata Verde Project is located north of the Company's Amalia Gold-Silver project and east of the historic Batopilas silver mining district (1708 to 1920) which reputedly produced over 300 million ounces of silver from high grade veins and structures. The property is accessible by road, with a 4 hour hike required to access the historic mines.

At Plata Verde, the Company's geologists have re-discovered an undocumented large scale underground bulk mining operation where in the late 1800's, historic miners hand excavated an extensive series of anastomosing caverns, producing silver bars at an associated smelter operation. The project appears to be un-explored since the miners ceased their operations, and no references have been found within the Mexican Geological Survey. The few local residents have no knowledge of exploration companies working in the area and there are no indications of prior exploration within the mines or surrounding outcrops.

Sampling Results

The Company collected an initial 110 prospecting rock chip samples with silver grades ranging between 5 and 1,070 g/t Ag. Results of a second phase rock chip sampling include:

- a 64 metre continuous rock chip sample grading 142 g/t Ag, within the largest mining area which has been named the Mina Mojonera Zone.
- widespread silver mineralization sampled over 200 metres x 100 metres area of the Mina Real Zone.

Mina Mojonera Zone

Mina Mojonera is an extensive network of anastomosing mining tunnels and cavities covering roughly 100 x 100 metres. The height of the excavation varies from 4 to 30 metres. The Company previously reported 35 rock chip samples collected from the walls and remaining pillars (2 x 2 metre panel samples or 2 metre chip channel samples) at stations approximately 10 to 20 metres apart covering the irregularly shaped +5,000 m^2 mining area. These samples ranged from 5 to 849 g/t Ag and averaged 276 g/t Ag (see news release March 23, 2020). The Company recently sampled a 68 metre rock chip channel (34 samples, 2 x 2 metre panels) extending across the northern wall of the main mining cavity with the following result:

64 metres grading 142 g/t Ag, including 12 metres at 350 g/t Ag

Outcropping mineralization is only exposed in a small creek from which the historic mining developed. Potential extensions of mineralization are largely covered by overlying ignimbrite volcanics. New sampling at the extremities of the mined areas indicate the mineralization is open to expansion in most directions

Mina Real Zone

Mina Real, located 150 metres south of Mina Mojonera, is an extensive network of anastomosing mining tunnels and cavities covering roughly 150 metres x 140 metres. The height of the excavation varies from 3 to 20 metres. The Company has collected a total of 75 prospecting rock chip samples from the walls and remaining pillars with silver grades ranging between 8 and 730 g/t Ag and averaged 276 g/t Ag.

Geology and Mineralization

At Plata Verde, silver mineralization occurs as massive to crustiform banded barite calcite with silver chlorides, sulphosalt minerals and native silver infilling and cementing fractures and breccia within a basaltic/andesite extrusive volcanic. The basaltic/andesite host occurs at the base of the Upper Rhyolitic Volcanics of the Northern Sierra Madre. In general the host volcanics and associated silver mineralization is covered by the overlying rhyolitic ignimbrites and is only exposed along the length of a small creek.

Sampling has mostly been confined to the two main mining areas (Mina Real and Mina Mojonera) which define a zone of silver mineralization approximately 550 metres long by 200 metres wide. To the south the mineralization appears to be displaced by a large fault. In other directions the host basaltic andesite units are largely covered by rhyolite ignimbrites. The Company plans to fly an airborne magnetic survey to help define the extensions of the host rocks under cover.

Exploration Targets

The barite/silver chloride mineralization appears to be a late stage low temperature mineralizing event with the source and feeder systems as yet unknown and an attractive exploration target. Barite and silver chloride are often part of the upper levels or supergene zone around large silver deposits. The solubility of barite and silver chlorides is low, and hence the source zone is likely to be close by. Extensions of the known mineralization below the ignimbrite cover to the north, east and west are attractive large scale bulk minable targets.

Due to COVID-19 and associated travel restrictions the project will not advance as quickly as normal. The Company has a Mexican geological team in Chihuahua and in the coming weeks our teams will decide how best to advance, based on the situation in Chihuahua and our team's personal and family safety. The Company has established a full camp at Plata Verde with internet connection and accommodation for field teams ready to ramp up work as soon as possible.

The Agreement

The Company may earn a 100% interest in the project by making staged payments totalling US$801,000 over four years with the final payment equal to $400,000 at the end of year four. An $8,000 signing payment has been paid to date. The owner retains a 1% NSR which the Company may buy back for US$1,000,000.

Quality Assurance and Quality Control

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

Mexico – Rambler Project

In January 2019, the Company staked the 10,379 hectare Rambler Project located in the Sierra Madre Mountains of the State of Chihuahua, Mexico, approximately 20 kilometres northwest of the Company's Amalia Project. The project area is previously unexplored with only minor historic artisanal-scale pitting of surface outcrops known. The Company's geologists discovered the project during regional prospecting surveys. Epithermal silver/gold (plus significant copper, zinc and lead) mineralization has been sampled by the Company in several veins, vein breccias and disseminated zones over a 9 kilometre north-west trend. Additional field campaigns of mapping and sampling defined several mineralized zones, but the identified mineralization appears to be discontinuous and the Company has not been able to define compelling drill targets. The property has additional targets that have not yet been explored, and the Company will evaluate these before a final decision is made on the merits of the property.

USA – Nevada – Bald Peak Property

In March 2017, the Company added to the Company's property portfolio an epithermal gold prospect located in the Aurora gold camp, Nevada with the acquisition of the Bald Peak gold property from Ely Gold & Minerals Inc. ("Ely Gold") (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 covers an 8 kilometre by 2 kilometre area which 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.

Sinters are formed at the surface by deposition of amorphous silica from a hot spring vent in active geothermal areas. They represent the paleo-surfaces of epithermal systems and are normally barren of gold and silver. Gold grades above 0.05 g/t Au within sinters are highly anomalous and gold grades above 1 g/t Au are extremely rare. The Company's management discovered the San Martin gold deposit in Honduras, and the Cerro Blanco gold deposit in Guatemala, both of which are significant gold deposits that occur beneath sinters anomalous in gold. The Company's team has been specifically searching for these unique systems since those early discoveries. The Bald Peak Property covers a 6 kilometre strike length of multiple sinter and epithermal vein targets and is one of the few hot spring sinter epithermal targets where the sinter carries relatively high-grade gold along with cross cutting veins and breccias. Combined with a large and deeply penetrating resistive root zone, the Bald Peak Property is a uniquely attractive target.

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.

In 2018 the Company conducted a 128 station CSAMT survey, more rock and soil sampling, and planned for drill holes.

In July 2019, the Company announced it had sampled a 21 metre wide vein stockwork and hydrothermal breccia zone grading 1.32 g/t Au at Bald Peak. Significantly, the vein zone outcrops ~40 metre uphill of the Beauty Peak sinter. Combined with the recently completed CSAMT survey, the sampling shows the vein zone and sinter occur above a large and robust ~450 metre long resistive body that extends to at least an ~1,225 metre depth (the maximum depth of the survey). The vein and hot spring sinter outcrops, combined with the robust and deeply penetrating resistive zone, define compelling drill and exploration targets described below. Maps showing the property and the targets have been placed on the Company's website.

Beauty Peak Sinter: The vein and sinter outcrops at the Beauty Peak sinter target cover an area of roughly 300 x 200 metres before going under cover. The extensive sinter outcrops are frequently brecciated and cut by stockwork veins. Grades within the sinter have returned a maximum of 1.91 g/t Au and the banded vein float around the sinter runs up to 8.12 g/t Au.

Great Wall Vein: The Great Wall is a zone of robust outcropping stockwork of parallel quartz vein and vein breccias hosted in trachyandesite. Samples from this vein returned up to 5.36 g/t Au with a 2 metre chip-channel sample at 3.19 g/t Au. This vein is surrounded by multiple veins and anomalous soil and rock geochemical anomalies. The target is associated with a 2 kilometre NE trending gold in soil anomaly.

Central Gold Soil Anomaly: An approximately 2 kilometre by 150 metre wide well-defined gold in soil anomaly with values up to 1.24 g/t Au.

Northern Sinters: A 0.5 square kilometre area of sinter outcrops and float with clay alteration and soil anomalies in mercury, arsenic, and antimony.

Bald Peak Drill Permits

The Company is currently permitting a plan of operations with the United States Forest Service ("USFS") and the California State Lands Commission. Archeological, cultural, biological and botany surveys have been completed by the USFS, and the process is advancing well. It is expected that the permitting process will run through 2020 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. The Company utilizes industry-standard QA/QC program. Samples were prepared and analyzed at ALS laboratories in Nevada 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.

Guatemala **-** *Southeast Guatemala Ag-Au Epithermal Fields*

The Company has not conducted active exploration activities in Guatemala since 2013, though care and maintenance of the properties has continued. Recent changes in the political landscape have given management optimism that the government will welcome the employment opportunities created by foreign investment in the resource sector.

The Company signed an agreement in May 2020 whereby, subject to stock exchange approval, it will grant to Volcanic Gold Mines Inc. ("Volcanic") the exclusive option (the "Option") to acquire a 60% interest in the Company's Holly-Banderas gold-silver properties in Guatemala (the "Properties"). Volcanic may exercise the Option by spending US$7.0 million on exploration of the Properties within 48 months from the date drilling permits are granted, completing a minimum 3,000 metres of drilling, and making certain cash payments to the Company.

Volcanic will also have the exclusive right for 24 months following the execution of the Option to evaluate the Company's other property interests of in Guatemala and to enter into an agreement to acquire an interest in any of such other properties on reasonable mutually agreed upon terms.

Royalty Interests

Guatemala – Tambor Project Royalty

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

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

The Supreme Court has not yet made a decision on when the mine may re-open, and as a result, KCA initiated a Central America Free Trade Agreement Arbitration action against the Guatemalan government to overturn the suspension of operations and seek compensation from the Guatemalan authorities, from which the Company would benefit as well. KCA is currently in the valuation stage of the Arbitration and the determinative hearing is scheduled for December 2021. Until these proceedings are concluded, the Company is allowing KCA to defer payment of the remaining balance owing to the Company. Due to these circumstances, for accounting purposes, a provision was recorded against the KCA receivable in the 2016 fiscal year.

Mexico - Tlacolula Property Royalty

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

Outlook

Management of the Company is encouraged by the results of drilling at its Amalia Project to date and looks forward to continued advancement of both the Amalia and Plata Verde Projects. The Company plans to continue its strategy of conducting property evaluations and grassroots prospecting on properties 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 use 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, 2020:

Quarter ended	Mar. 31, 2020 ($)	Dec. 31, 2019 ($)	Sep. 30, 2019 ($)	June 30, 2019 ($)	Mar. 31, 2019 ($)	Dec. 31, 2018 ($)	Sep. 30, 2018 ($)	June 30, 2018 ($)
Investment and other income	3,223	2,573	36,351	2,146	2,805	3,754	3,822	3,999
Exploration expenditures	309,552	305,613	255,088	76,954	116,305	289,095	131,754	359,379
Net loss	(454,896)	(1,869,743)	(470,509)	(73,651)	(149,222)	(538,965)	(167,774)	(587,123)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)	(0.00)	(0.01)

The net loss for the quarter ended June 30, 2019 is less than all other quarters presented due to a gain of $199,170 from a property option agreement. The results for the quarter ended September 30, 2018 included a gain of $103,518 from a mineral property agreement.

Results of Operations

Quarter ended March 31, 2020

The quarter ended March 31, 2020 had a net loss of $454,896 compared to $149,222 for the quarter ended March 31, 2019, an increase of $305,674. The current quarter's loss was higher primarily due to net exploration expenditures of $309,552 compared to $116,305 for the comparative quarter and a fair value loss of $134 on derivative investments whereas the comparative quarter recorded a fair value gain on derivative investments of

$54,982. Derivative investments consist of share purchase warrants that were acquired along with common shares in private placement investments and the fair value gains and losses on such are charged to profit or loss.

General and administrative expenses for the quarter ended March 31, 2020 were $154,585, compared to $90,888 for the comparative quarter, an increase of $63,697. This increase is partly due to a share-based compensation expense of $35,867 relating to the fair value of stock options granted during the current quarter whereas there was no such expense in the comparative quarter. The other notable cost increase was in shareholder communications costs which were $24,699 higher than in the comparative quarter and relate to tradeshow and promotional activities.

Mineral Properties Expenditures

A summary of the Company's expenditures on its mineral properties during the period ended March 31, 2020 is as follows:

United States – A total of $23,516 was incurred on exploration, permitting, property investigation, and miscellaneous administrative costs, of which $4,593 was on the Bald Peak property.

Mexico – A total of $263,761, excluding cost recoveries, was incurred on exploration, property investigation, and miscellaneous administrative costs, of which $103,556 was incurred on the Plata Verde property and $31,848 on the Amalia property. A cost recovery of $21,991 relating to funding from the optionee on the Amalia property resulted in net costs of $9,857 for that property.

Guatemala – A total of $16,221 was incurred on exploration, property investigation, and miscellaneous administrative costs, of which $6,753 was on the Southeast Guatemala Ag-Au Epithermal Fields property.

Other – A total of $28,045 was incurred on property investigation costs in regions other than USA, Mexico, and Guatemala.

Further details regarding exploration expenditures for the periods ended March 31, 2020 and 2019 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 $0.96 million at March 31, 2020 compared to $1.34 million at December 31, 2019. As at March 31, 2020, working capital was $2.47 million compared to $3.59 million at December 31, 2019. Included in working capital is the fair value of the Company's equity investments which as at March 31, 2020 was $1.59 million compared to $2.28 million as at December 31, 2019. Subsequent to March 31, 2020, the Company sold 89,000 Fortuna shares for net proceeds of $489,165.

In addition to its working capital assets, the Company held 3,973,275 common shares in Rackla with a fair value of $317,862 as at March 31, 2020; 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 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.

Related Party Transactions

See Note 15 of the condensed interim consolidated financial statements for the three months ended March 31, 2020 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 the date of this Interim MD&A, the Company's outstanding share position is 86,938,055 common shares and the following incentive stock options are outstanding:

STOCK OPTIONS

Number of options	Exercise price	Expiry date
1,495,000	$0.20	December 12, 2022
1,380,000	$0.15	October 18, 2026
1,490,000	$0.15	May 21, 2028
200,000	$0.15	November 4, 2028
850,000	$0.25	October 7, 2029
280,000	$0.15	March 15, 2030
5,695,000		

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, 2020 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, 2019

Future Accounting Changes

The Company will be required to adopt the following standards and amendments issued by the IASB as described below.

IFRS 17 Insurance Contracts

IFRS 17 is a new standard that requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4, *Insurance Contracts*, and related interpretations.

This standard will be effective for the Company's annual period beginning January 1, 2021. The Company has assessed that the impact of IFRS 17 on its consolidated financial statements would not be significant.

Risks and Uncertainties

Global Pandemic

The Company faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions. The Company's business could be adversely impacted by the effects of the COVID-19 coronavirus which was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has spread from China where the virus was originally reported to several other countries, including Canada, USA, Mexico and Guatemala, countries in which the Company operates, and infections have been reported globally.

The extent to which COVID-19 may impact the Company's business, including its operations and the market for its securities, will depend on future developments which cannot be predicted, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the outbreak. The continued spread of COVID-19 globally could materially and adversely impact the Company's business, financial condition and results of operations including without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, restrictions to any drill programs and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Company's control.

The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in consumer activity. Such public health crises can result in operating and supply chain delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation.

Royalty revenue

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

Competition

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

Inability to dispose of illiquid securities

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

Due diligence

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

Mineral property exploration and mining

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

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

Joint venture funding

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

Commodity price

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

Financing and share price fluctuation

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

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the

Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues or the value of the Company's equity and derivative investments and corresponding effect on the Company's financial position.

Political, regulatory and currency

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

Insurance

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

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

Environmental and social

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

Mineral Properties Expenditure Detail (see following page)

Mineral Properties Expenditure Detail

INTERIM CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES
For the three months ended March 31, 2020

	USA		Guatemala		Mexico		Other	
	General Exploration	Mineral Properties	General Exploration	Mineral Properties	General Exploration	Mineral Properties	General Exploration	**Total**
Exploration administration	$ 806	$ -	$ 1,710	$ -	$ 1,315	$ 1,448	$ 2,181	$ 7,460
Field and camp	-	-	-	-	416	16,663	-	17,079
Geochemistry	502	-	-	-	9,573	3,331	-	13,406
Geological services	11,580	3,800	-	6,753	71,487	47,276	15,000	155,896
Legal and accounting	-	-	854	-	9,297	-	-	10,151
Licenses, rights and taxes	-	-	-	-	279	-	-	279
Salaries and wages	2,875	-	6,904	-	11,404	27,149	10,488	58,820
Travel and accommodation	3,160	793	-	-	24,586	39,537	376	68,452
	18,923	4,593	9,468	6,753	128,357	135,404	28,045	331,543
Expenditures recovered	-	-	-	-	-	(21,991)	-	(21,991)
	$ 18,923	**$ 4,593**	**$ 9,468**	**$ 6,753**	**$ 128,357**	**$ 113,413**	**$ 28,045**	**$ 309,552**

INTERIM CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES
For the three months ended March 31, 2019

	USA		Guatemala		Mexico		Other	
	General Exploration	Mineral Properties	General Exploration	Mineral Properties	General Exploration	Mineral Properties	General Exploration	**Total**
Exploration administration	$ 1,025	$ -	$ 9,259	$ 294	$ 4,429	$ 2,572	$ 2,004	$ 19,683
Field and camp	-	-	-	-	-	12,945	-	12,945
Geochemistry	371	-	-	-	431	5,757	-	6,559
Geological services	3,176	13,078	-	10,993	9,143	104,042	18,988	159,420
Legal and accounting	-	-	1,405	-	2,765	693	-	4,863
Licenses, rights and taxes	-	752	-	-	4,130	5,028	-	9,910
Travel and accommodation	-	161	2,219	6,987	10,542	25,737	-	45,646
	4,572	13,991	12,883	18,274	31,540	156,774	20,992	259,026
Expenditures recovered	-	-	-	-	-	(142,721	-	(142,721)
	$ 4,572	**$ 13,991**	**$ 12,883**	**$ 18,274**	**$ 31,540**	**$ 14,053**	**$ 20,992**	**$ 116,305**