FINANCIAL REVIEW

Six Months Ended June 30, 2023

RADIUS GOLD INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2023

(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 six months ended June 30, 2023. 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:		**June 30, 2023**		**December 31, 2022**
ASSETS				
Current assets				
Cash and cash equivalents (Note 4)	$	2,024,753	$	1,420,114
Equity investments (Note 5)		1,454,947		1,868,883
Receivables (Notes 6 and 12)		173,595		80,183
Prepaid expenses and deposits (Note 12)		34,857		53,467
Total current assets		3,688,152		3,422,647
Non-current assets				
Long-term deposits (Note 12)		123,098		123,098
Property and equipment (Note 7)		43,692		6,970
Right-of-use asset (Note 8)		91,112		121,097
Mineral property and royalty interests (Note 9)		309,224		37,402
Total non-current assets		567,126		288,567
TOTAL ASSETS	**$**	**4,255,278**	**$**	**3,711,214**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Note 12)	$	70,480	$	100,059
Current portion of lease liability (Note 8)		77,166		72,689
		147,646		172,748
Non-current liabilities				
Lease liability (Note 8)		41,936		81,942
Total liabilities		189,582		254,690
Shareholders' equity				
Share capital (Note 10)		58,610,741		56,728,904
Obligation to issue shares (Note 12)		120,625		120,625
Other equity reserve		7,566,430		7,260,439
Accumulated other comprehensive loss		(3,881,782)		(3,467,846)
Deficit		(58,350,318)		(57,185,598)
Total shareholders' equity		4,065,696		3,456,524
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**4,255,278**	**$**	**3,711,214**

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS AND AUTHORIZED FOR ISSUE ON AUGUST 24, 2023 BY:

"Bruce Smith", Director
Bruce Smith

"William Katzin", Director
William Katzin

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

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

	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Exploration expenditures	$ 403,814	$ 201,132	$ 656,753	$ 382,637
General and administrative expenses				
Amortization (Note 7)	1,535	546	1,960	1,091
Depreciation of right-of-use asset (Note 8)	15,075	15,075	29,985	29,985
Interest expense on lease liability (Note 8)	3,128	4,725	6,639	9,768
Legal and audit fees	1,463	1,542	1,463	1,542
Management fees (Note 12)	16,500	16,500	33,000	33,000
Office and miscellaneous (Note 12)	4,192	2,041	18,683	7,672
Salaries and benefits (Note 12)	48,555	36,103	82,848	68,998
Share-based compensation (Note 11)	284,410	23,125	297,056	23,125
Shareholder communications (Note 12)	24,586	4,332	37,973	20,404
Transfer agent and regulatory fees (Note 12)	6,727	5,999	15,228	15,261
Travel and accommodation (Note 12)	14,523	15,275	30,962	16,167
	420,694	125,263	555,797	227,013
Loss from operations	(824,508)	(326,395)	(1,212,550)	(609,650)
Investment income	3,550	1,348	8,863	1,847
Foreign currency exchange gain (loss)	(20,886)	32,638	(22,045)	27,417
Gain from mineral property option agreements (Note 9)	49,931	859,523	61,012	859,523
Net income (loss) for the period	**$ (791,913)**	**$ 567,114**	**$ (1,164,720)**	**$ 279,137**
Other comprehensive income (loss)				
Items that will not be reclassified subsequently to profit or loss:				
Loss on sale of equity investments (Note 5)	-	(101,476)	-	(401,465)
Fair value gains (losses) on equity investments (Note 5)	288,798	(30,157)	(413,936)	72,412
Total comprehensive income (loss)	**$ (503,115)**	**$ 435,481**	**$ (1,578,656)**	**$ (49,916)**
Basic and diluted income (loss) per share	$(0.01)	$0.01	$(0.01)	$0.00
Weighted average number of common shares outstanding	91,189,423	87,243,550	89,239,818	87,243,550

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 six months ended June 30, 2023 and 2022
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Obligation to issue shares	Other equity reserve	Accumulated other comprehensive loss	Deficit	Total
Balance, December 31, 2021	87,243,550	$ 56,723,224	$ 73,750	$ 7,262,369	$ (3,297,261)	$ (58,261,752)	$ 2,500,330
Income for the period	-	-	-	-	-	279,137	279,137
Obligation to issue shares	-	-	23,125	-	-	-	23,125
Equity investments	-	-	-	-	(329,053)	-	(329,053)
Balance, June 30, 2022	87,243,550	56,723,224	96,875	7,262,369	(3,626,314)	(57,982,615)	2,473,539
Income for the period	-	-	-	-	-	797,017	797,017
Obligation to issue shares	-	-	23,750	-	-	-	23,750
Options exercised	25,000	3,750	-	-	-	-	3,750
Transfer of other equity reserve on exercise of options	-	1,930	-	(1,930)	-	-	-
Equity investments	-	-	-	-	158,468	-	158,468
Balance, December 31, 2022	87,268,550	56,728,904	120,625	7,260,439	(3,467,846)	(57,185,598)	3,456,524
Loss for the period	-	-	-	-	-	(1,164,720)	(1,164,720)
Shares issued for private placement	11,149,983	1,951,247	-	-	-	-	1,951,247
Share issuance costs	-	(69,410)	-	8,935	-	-	(60,475)
Equity investments	-	-	-	-	(413,936)	-	(413,936)
Share-based compensation	-	-	-	297,056	-	-	297,056
Balance, June 30, 2023	**98,418,533**	**$ 58,610,741**	**$ 120,625**	**$ 7,566,430**	**$ (3,881,782)**	**$(58,350,318)**	**$ 4,065,696**

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 June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Cash provided by (used in):				
OPERATING ACTIVITIES				
Net income (loss) for the period	$ (791,913)	$ 567,114	$ (1,164,720)	$ 279,137
Items not involving cash:				
Amortization	1,535	546	1,960	1,091
Depreciation of right-of-use asset	15,075	15,075	29,985	29,985
Gain from mineral property option agreement	(49,931)	(859,523)	(61,012)	(859,523)
Share-based compensation	284,410	23,125	297,056	23,125
	(540,824)	(253,663)	(896,731)	(526,185)
Changes in non-cash working capital items:				
Receivables	(52,938)	849	(93,412)	11,742
Prepaid expenses and deposits	10,832	(2,026)	18,610	10,871
Accounts payable and accrued liabilities	(43,169)	124,701	(29,579)	140,160
Cash used in operating activities	(626,099)	(130,139)	(1,001,112)	(363,412)
FINANCING ACTIVITIES				
Proceeds on issuance of common shares, net	1,890,772	-	1,890,772	-
Repayment of lease obligation	(17,956)	(15,880)	(35,529)	(31,442)
Cash provided by (used for) financing activities	1,872,816	(15,880)	1,855,243	(31,442)
INVESTING ACTIVITIES				
Expenditures on mineral property acquisition costs	(187,966)	(823,851)	(459,788)	(823,851)
Proceeds from mineral property option agreements	237,897	1,621,407	248,978	1,621,407
Proceeds from sale of equity investments	-	33,664	-	51,175
Purchase of equipment	(38,682)	-	(38,682)	-
Cash provided by (used for) investing activities	11,249	831,220	(249,492)	848,731
Increase (decrease) in cash and cash equivalents	**1,257,966**	**685,201**	**604,639**	**453,877**
Cash and cash equivalents, beginning of period	766,787	1,301,374	1,420,114	1,532,698
Cash and cash equivalents, end of period	**$ 2,024,753**	**$ 1,986,575**	**$ 2,024,753**	**$ 1,986,575**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

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

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

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. The Company will periodically have to raise additional financing in order to acquire and conduct work programs on mineral properties and meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. During the period ended June 30, 2023, the Company raised capital by way of a non-brokered equity financing (Note 10) which provides working capital for operational activities. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

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. 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 3.

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.

2. BASIS OF PREPARATION (cont'd)

Basis of Consolidation (cont'd)

Details of the Company's principal subsidiaries at June 30, 2023 are as follows:

Name	Place of Incorporation	Interest %	Principal Activity
Minerales Sierra Pacifico S.A.	Guatemala	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. 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) The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of the functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

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

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

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

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

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

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

(Expressed in Canadian Dollars)

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

The key estimates 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) 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, using the Black-Scholes option pricing model, management is required to make certain assumptions and estimates. Changes in assumptions used to estimate fair value could result in materially different results.

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

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Company does not hold any deposits with maturities of greater than three months from the date of acquisition. Cash at banks and cash equivalents consisting of money market funds earn interest at floating rates based on daily bank deposit rates. As at June 30, 2023 and December 31, 2022, cash and cash equivalents is comprised of the following:

	June 30, 2023	**December 31, 2022**
Cash	$ 1,819,481	$ 823,705
Cash equivalents	205,272	596,409
	$ 2,024,753	$ 1,420,114

5. EQUITY INVESTMENTS

The Company's equity investments consist of the following:

Number of common shares held as at:	**June 30, 2023**	**December 31, 2022**
Medgold Resources Corp. ("Medgold")	10,126,500	10,126,500
Rackla Metals Inc. ("Rackla")	3,973,275	3,973,275
Volcanic Gold Mines Inc. ("Volcanic")	830,412	830,412

(Expressed in Canadian Dollars)

5. EQUITY INVESTMENTS (cont'd)

	Coloured Ties	Medgold	Metallum	Rackla	Volcanic	Warrior	Total
Balance, December 31, 2021	$ 38,056	$ 253,163	$ 1,500	$ -	$ 431,814	$ 15,196	$ 739,729
Disposition of shares	(135,140)	-	(267,500)	-	-	(50,000)	(452,640)
Reclassification from investment in associate	-	-	-	1,350,914	-	-	1,350,914
Net change in fair value recorded in other comprehensive loss	97,084	(202,530)	266,000	317,862	(282,340)	34,804	230,880
Balance, December 31, 2022	-	50,633	-	1,668,776	149,474	-	1,868,883
Net change in fair value recorded in other comprehensive income	-	-	-	(397,328)	(16,608)	-	(413,936)
Balance, June 30, 2023	**$ -**	**$ 50,633**	**$ -**	**$1,271,448**	**$ 132,866**	**$ -**	**$ 1,454,947**

Volcanic has one common director and Rackla has three common directors with the Company. All of the Company's equity investment companies are publicly listed companies as of June 30, 2023.

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

During the six months ended June 30, 2023, there were no equity investment transactions.

During the six months ended June 30, 2022, the Company completed the following transactions:

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

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

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

6. RECEIVABLES

	June 30, 2023	December 31, 2022
Royalty receivable	$ 784,180	$ 784,180
Provision for impairment	(784,180)	(784,180)
Royalty revenue receivable, net	-	-
Value added taxes taxes	173,595	58,495
Other receivables (Note 12)	-	21,688
	$ 173,595	**$ 80,183**

The provision for impairment of the royalty receivable was included in profit or loss during the 2016 fiscal year. Uncollectable amounts included in the provision are written off against the provision when there is no expectation of recovery. The royalty revenue receivable was uncollected as of June 30, 2023 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.

(Expressed in Canadian Dollars)

7. PROPERTY AND EQUIPMENT

	Trucks	Computer equipment	Furniture and equipment	Geophysical equipment	Field equipment	Total
Cost						
Balance, December 31, 2021	$ 37,457	$ 257,144	$ 55,313	$ 84,882	$ 4,665	$ 439,461
Additions	-	669	-	-	-	669
Disposals	-	(252,068)	-	(28,278)	-	(280,346)
Balance, December 31, 2022	37,457	5,745	55,313	56,604	4,665	159,784
Additions	38,682	-	-	-	-	38,682
Balance, June 30, 2023	**$ 76,139**	**$ 5,745**	**$ 55,313**	**$ 56,604**	**$ 4,665**	**$ 198,466**
Accumulated amortization						
Balance, December 31, 2021	$ 37,457	$ 253,120	$ 55,313	$ 80,373	$ 4,665	$ 430,928
Charge for year	-	1,330	-	902	-	2,232
Disposals	-	(252,068)	-	(28,278)	-	(280,346)
Balance, December 31, 2022	37,457	2,382	55,313	52,997	4,665	152,814
Charge for period	1,105	494	-	361	-	1,960
Balance, June 30, 2023	**$ 38,562**	**$ 2,876**	**$ 55,313**	**$ 53,358**	**$ 4,665**	**$ 154,774**
Carrying amounts						
At December 31, 2022	$ -	$ 3,363	$ -	$ 3,607	$ -	$ 6,970
At June 30, 2023	**$ 37,577**	**$ 2,869**	**$ -**	**$ 3,246**	**$ -**	**$ 43,692**

8. RIGHT-OF-USE ASSET AND LEASE LIABILITY

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

The continuity of the ROU asset and Lease liability for the period ended June 30, 2023 is as follows:

Right-of-use asset	
Value of right-of-use asset recognized as at December 31, 2021	$ 181,564
Depreciation	(60,467)
Value of right-of-use asset as at December 31, 2022	121,097
Depreciation	(29,985)
Value of right-of-use asset as at June 30, 2023	**$ 91,112**

Lease liability	
Lease liability recognized as of December 31, 2021	$ 218,891
Lease payments	(82,418)
Lease interest	18,158
Lease liability recognized as of December 31, 2022	154,631
Lease payments	(42,168)
Lease interest	6,639
Lease liability recognized as of June 30, 2023	**$ 119,102**

(Expressed in Canadian Dollars)

8. RIGHT-OF-USE ASSET AND LEASE LIABILITY (cont'd)

Lease liability		
Current portion	$	77,166
Long-term portion		41,936
	$	**119,102**

9. MINERAL PROPERTY AND ROYALTY INTERESTS

Acquisition costs	**Mexico**	**Guatemala**	**Total**
Balance, December 31, 2021	$ 126,666	$ 1	$ 126,667
Additions – cash	940,682	-	940,682
Acquisition costs recovered	(1,029,947)	-	(1,029,947)
Balance, December 31, 2022	37,401	1	37,402
Additions – cash	459,788	-	459,788
Acquisition costs recovered	(187,966)	-	(187,966)
Balance, June 30, 2023	**$ 309,223**	**$ 1**	**$ 309,224**

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, 2022. Significant mineral property transactions that have occurred since January 1, 2023 are as follows.

Tropico Project - Mexico

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

The Company has the option to earn a 100% interest in the Tropico Project by making a US$200,000 payment upon signing of the agreement (paid), further payments totalling US$200,000 that can be paid in six monthly instalments over a period of forty-two months, starting with US$25,000 at month twelve in order to maintain the option, and a payment of US$5,000,000 at month forty-eight. An additional milestone payment of US$5,000,000 is conditional on the Company delivering a compliant feasibility study or at the start of mine construction. A further US$3,000,000 is to be paid if reserves exceed 2 million gold equivalent (Au + Ag) ounces. If the Company exercises the option but does not complete payment of the US$5,000,000 milestone within eight years of signing of the option agreement, the property will return 100% to the original owners.

The initial option payment of US$200,000 was recorded as an acquisition of $271,822 during the period ended June 30, 2023.

Plata Verde Project - Mexico

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

The Company can earn a 100% interest in the Don Benja concession by making staged payments to the concession owner totaling US$801,000 over four years, of which the final payment is US$400,000 at the end of the fourth year. As of June 30, 2023, the Company has made payments totaling $330,529 (US$251,000), of which $133,794 (US$100,000) was paid during the current period. If the Company exercises the option, the concession holder will retain a 1% NSR royalty which the Company can buy back for US$1,000,000.

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

Plata Verde Project – Mexico (cont'd)

The Company can earn a 100% interest in the Don Jose concession by making staged payments to the concession owner totaling US$500,000 over four years, of which the final payment is US$185,000 at the end of the fourth year. As of June 30, 2023, the Company has made payments totaling $72,505 (US$54,000), of which all was paid during the current period. If the Company exercises the option, the concession holder will retain a 1% NSR royalty which the Company can buy back for US$600,000.

During the 2022 fiscal year, the Company entered into an exclusivity agreement with Fresnillo plc ("Fresnillo") whereby Fresnillo had the exclusive right until April 7, 2023 to negotiate with the Company the terms of an option to earn a 70% interest in the Plata Verde Project. During the period ended June 30, 2023, the exclusivity period was extended to July 7, 2023, and subsequent to June 30, 2023, extended further to January 7, 2024. Pursuant to this agreement, Fresnillo is to make payments totaling US$695,300 to the Company as follows:

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

As of June 30, 2023, a total of $652,766 (US$489,300) has been received, of which $222,938 (US$165,300) was received by the Company during the period ended June 30, 2023, with $161,926 being recorded as a recovery against acquisition costs and $61,012 recorded as a gain from mineral property option agreements.

Amalia Project (including the Palmillas Property) - Mexico

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

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

In November 2019, the Company signed a binding agreement with a private family to option the Palmillas Property that adjoins the Amalia Project in the State of Chihuahua, Mexico. The Company can earn a 100% interest in the Palmillas Property by completing staged payments over a period of five years totaling US$350,000, of which the final payment is US$200,000 at the end of five years. As of June 30, 2023, cash payments totaling $129,812 (US$100,000) have been paid, all of which $26,040 (US$20,000) was paid during the current period and recorded as an acquisition cost. If the Company exercises the option, the owners will retain a 1% NSR royalty.

Pursuant to the Company's option agreement with Pan American on the Amalia Project, Pan American elected during the 2020 fiscal year to pay the Company's acquisition costs of the Palmillas Property and add the property to the Amalia Project.

Legal Proceeding

During the period ended June 30, 2023, the Company filed a legal demand with a Federal Court in Mexico to obtain title to the Amalia 4 concession, a component of the Amalia Project which had been in the application stage. The mining authority of Chihuahua has processed and approved the submission without fault and passed the license to the Mexico Mining Directorate proposing title issuance. The regulated time for the mining authority to comment and request revision has passed and granting of title is a legal requirement under the mining law. The legal demand filed by the Company is to enforce the granting of title.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES

a) Common Shares

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

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

There was no share capital activity during the period ended June 30, 2022.

b) Share Purchase Warrants

The following is a summary of changes in warrants during the period ended June 30, 2023:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2022	-	-
Issued	11,376,425	$0.35
Balance, June 30, 2023	**11,376,425**	**$0.35**

As at June 30, 2023, there were 11,376,425 share purchase warrants outstanding with an exercise price of $0.35 per share and May 28, 2025 expiry date.

11. 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 regulations. The options are for a maximum term of ten years.

(Expressed in Canadian Dollars)

11. SHARE-BASED PAYMENTS (cont'd)

a) Option Plan Details (cont'd)

The following is a summary of changes in options for the period ended June 30, 2023:

Grant date	Expiry date	Exercise price	Opening balance	During the period Granted	During the period Exercised	During the period Expired / forfeited	Closing balance	Vested and exercisable
Oct 19, 2016	Oct 18, 2026	$0.15	1,230,000	-	-	-	1,230,000	1,230,000
May 22, 2018	May 21, 2028	$0.15	1,465,000	-	-	-	1,465,000	1,465,000
Nov 5, 2018	Nov 4, 2028	$0.15	75,000	-	-	-	75,000	75,000
Oct 8, 2019	Oct 7, 2029	$0.25	850,000	-	-	-	850,000	850,000
Mar 16, 2020	Mar 15, 2030	$0.15	280,000	-	-	-	280,000	280,000
Dec 9, 2020	Dec 8, 2030	$0.27	50,000	-	-	-	50,000	50,000
Feb 11, 2021	Feb 10, 2031	$0.34	50,000	-	-	-	50,000	50,000
Mar 4, 2021	Mar 3, 2031	$0.24	50,000	-	-	-	50,000	50,000
Oct 26, 2021	Oct 25, 2031	$0.34	300,000	-	-	-	300,000	300,000
Jan 10, 2023	Jan 9, 2033	$0.20	-	75,000	-	-	75,000	75,000
Jun 7, 2023	Jun 6, 2033	$0.18	-	2,070,000	-	-	2,070,000	2,070,000
			4,350,000	**2,145,000**	**-**	**-**	**6,495,000**	**6,495,000**
Weighted average exercise price			$0.19	$0.18	-	-	$0.19	$0.19

b) Fair Value of Options Granted During the Period

The weighted average fair value at grant date of options granted during the period ended June 30, 2023 was $0.14 per option. There were no options granted or exercised during the period ended June 30, 2022.

The weighted average remaining contractual life of the options outstanding at June 30, 2023 is 6.74 years (December 31, 2022: 5.67 years).

Options Issued to Employees

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

Options Issued to Non-Employees

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

The model inputs for options granted during the period ended June 30, 2023 included:

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

(Expressed in Canadian Dollars)

11. SHARE-BASED PAYMENTS (cont'd)

b) Fair Value of Options Granted 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 June 30, 2023 as part of share-based compensation expense was $297,056 (2022: $23,125).

12. RELATED PARTY TRANSACTIONS

The Company had transactions during the periods ended June 30, 2023 and 2022 with related parties who consisted of directors, officers and the following companies with common directors:

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

The Company reimburses Gold Group, a company controlled by Simon Ridgway, a Director of the Company, for shared administrative costs and other business-related expenses paid by Gold Group on behalf of the Company. During the periods ended June 30, 2023 and 2022, the Company reimbursed Gold Group the following:

	Three months ended June 30,		**Six months ended June 30,**	
	2023	**2022**	**2023**	**2022**
General and administrative expenses:				
Office and miscellaneous	$ 11,039	$ 8,562	$ 24,485	$ 17,028
Shareholder communications	6,460	2,765	10,059	5,326
Salaries and benefits	48,555	34,645	82,848	66,082
Transfer agent and regulatory fees	2,883	1,953	2,883	2,478
Travel and accommodation	11,166	2,773	17,022	3,665
	$ 80,103	**$ 50,698**	**$ 137,297**	**$ 94,579**
Exploration expenditures	**$ 2,367**	**$ -**	**$ 4,062**	**$ -**

Gold Group salaries and benefits costs for the period ended June 30, 2023 includes those for the Chief Financial Officer, Vice President Corporate Development, and Corporate Secretary (2022: includes those for the Chief Financial Officer and the Corporate Secretary).

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS (cont'd)

During the period ended June 30, 2023, the Company charged $Nil (2022: $4,483) to Volcanic, a company which has a common director with the Company, for exploration costs incurred on behalf of Volcanic and relating to the option agreement between the two parties.

During the period ended June 30, 2023, the Company charged $Nil (2022: $8,983) to Rackla, a company which has three common directors with the Company, for shared exploration personnel costs.

Receivables include an amount of $Nil (December 31, 2022: $7,007) owed from Rackla.

Prepaid expenses and deposits include an amount of $21,030 (December 31, 2022: $5,850) paid to Gold Group for shared office and administrative services.

Long-term deposits include an amount of $60,000 (December 31, 2022: $60,000) paid to Gold Group as a deposit on the shared office and administrative services agreement.

Accounts payable and accrued liabilities include $11,101 (December 31, 2022: $17,927) payable to Gold Group for shared administrative costs, $21,600 (December 31, 2022: $571) to Bruce Smith, the Chief Executive Officer of the Company, for management fees and expense reimbursement, and $9,761 (December 31, 2022: $9,556) payable to Volcanic for shared exploration costs.

Key management compensation

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

	Three months ended June 30,		Six months ended June 30,	
	2023	**2022**	**2023**	**2022**
Geological fees included in exploration expenditures	$ 39,000	$ 39,000	$ 78,000	$ 78,000
Management fees	16,500	16,500	33,000	33,000
Salaries, benefits and fees*	19,725	7,800	35,556	14,842
Share-based payments – fair value of shares to be issued	-	23,125	-	23,125
Share-based payments – value of stock options granted	87,245	-	99,891	-
	$ 162,470	**$ 86,425**	**$ 246,447**	**$ 148,967**

*Included in reimbursements to Gold Group

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

As at June 30, 2023, the Company has an obligation to issue 500,000 common shares to the Chief Executive Officer of the Company per the terms of a shares for services agreement dated January 1, 2021.

(Expressed in Canadian Dollars)

13. SEGMENTED INFORMATION

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

Period ended June 30, 2023		**Canada**	**Guatemala**	**Mexico**	**Other**	**Consolidated**
Exploration expenditures		$ -	$ 24,973	$ 613,786	$ 17,994	$ 656,753
Gain from mineral property option agreements	-	-	-	61,012	-	61,012
Investment income		8,863	-	-	-	8,863
Amortization		772	-	1,188	-	1,960
Depreciation on right-of-use asset		29,985	-	-	-	29,985
Interest expense on lease liability		6,639	-	-	-	6,639
Net loss		(514,453)	(24,973)	(599,886)	(25,408)	(1,164,720)
Capital expenditures*		-	-	498,470	-	498,470

Period ended June 30, 2022		**Canada**	**Guatemala**	**Mexico**	**Other**	**Consolidated**
Exploration expenditures		$ -	$ 42,856	$ 290,447	$ 49,334	$ 382,637
Gain from mineral property option agreements	-	-	-	859,523	-	859,523
Investment income		1,847	-	-	-	1,847
Amortization		1,039	-	52	-	1,091
Depreciation on right-of-use asset		29,985	-	-	-	29,985
Interest expense on lease liability		9,768	-	-	-	9,768
Net loss		(202,309)	(42,856)	579,523	(55,221)	279,137
Capital expenditures*		-	-	823,851	-	823,851

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

As at June 30, 2023	**Canada**	**Guatemala**	**Mexico**	**Other**	**Consolidated**
Total current assets	$ 3,467,266	$ 23,258	$ 189,395	$ 8,233	$ 3,688,152
Total non-current assets	219,788	1	347,337	-	567,126
Total assets	**$ 3,687,054**	**$ 23,259**	**$ 536,732**	**$ 8,233**	**$ 4,255,278**
Total liabilities	**$ 183,087**	**$ 1,346**	**$ 5,149**	**$ -**	**$ 189,582**

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

(Expressed in Canadian Dollars)

14. 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 June 30, 2023, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	June 30, 2023			December 31, 2022		
	US Dollar (CDN equivalent)	**Mexican Peso** (CDN equivalent)	**Guatemala Quetzal** (CDN equivalent)	**US Dollar** (CDN equivalent)	**Mexican Peso** (CDN equivalent)	**Guatemala Quetzal** (CDN equivalent)
Cash	$ 32,938	$ 2,510	$ 10,903	$ 735,977	$ 8,141	$ 11,146
Receivables	-	162,381	-	14,681	51,634	-
Current liabilities	(9,238)	-	(1,346)	(15,867)	-	(1,376)
	$ 23,700	**$ 164,891**	**$ 9,557**	**$ 734,791**	**$ 59,775**	**$ 9,770**

Based on the above net exposures at June 30, 2023, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in an approximate $19,800 (December 31, 2022: $80,400) increase or decrease in profit or loss, respectively.

14. 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 June 30, 2023 and 2022.

Interest Rate Risk

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

Equity Price Risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's equity investments consisting of common shares are exposed to significant equity price risk due to the potentially volatile and speculative nature of the businesses in which the investments are held. The Company's equity investments are monitored by the Board with decisions on sale or exercise taken by Management. A 10% decrease in fair value of the shares would result in an approximate $145,500 (December 31, 2022: $187,000) decrease in comprehensive income and shareholders' equity.

b) Credit Risk

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

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At June 30, 2023, the Company had working capital of $3.5 million (December 31, 2022: $3.3 million) available to apply against short-term business requirements. All of the Company's financial liabilities have contractual maturities of less than 45 days and are subject to normal trade terms with the exception of the Company's lease liability which matures based on the lease agreement (Note 8).

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)

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

Fair Value Hierarchy

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

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

The equity investments are based on quoted prices and are therefore considered to be Level 1. The lease liability is based on prices and therefore considered to be Level 2. The formerly held derivative instruments were based on inputs other than quoted prices and therefore considered to be Level 3. As of June 30, 2023, there was no embedded derivative on royalty income receivables derived from gold prices to include as a Level 2 measurement and therefore no fair value measurement was necessary. There were no transfers between Levels 1, 2, or 3 during the period ended June 30, 2023.

15. CAPITAL MANAGEMENT

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company monitors its cash, equity investments, common shares, and stock options as capital. There were no changes in the Company's approach to capital management during the period ended June 30, 2023. The Company's investment policy is to hold cash in interest bearing bank accounts and highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company expects its current capital resources to be sufficient to carry out its planned exploration programs and operating costs for the next twelve months.

16. EVENT AFTER THE REPORTING DATE

Subsequent to June 30, 2023, the following event which has not been disclosed elsewhere in these condensed interim consolidated financial statements has occurred:

A total of 200,000 stock options with an exercise price of $0.15 per share were exercised for total proceeds of $30,000.

(the "Company")

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

For the Six Months Ended June 30, 2023

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 six months ended June 30, 2023. The following information, prepared as of August 24, 2023, should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for six months ended June 30, 2023 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, 2022 and the related MD&A. All amounts are expressed in Canadian dollars unless otherwise indicated. The June 30, 2023 condensed interim consolidated 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 SEDAR+ at www.sedarplus.ca.

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

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

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

- risks associated with mineral exploration activities, and investing in companies which conduct mineral exploration and development activities;
- due diligence investigations on potential investments not identifying all relevant facts;
- inability to dispose of illiquid securities;
- receipt of royalty payments from the Tambor Project;
- fluctuations in commodity prices;
- fluctuations in foreign exchange rates and interest rates;
- credit and liquidity risks;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company does or may carry on business;
- reliance on key personnel;
- property title matters and local community relationships;
- risks associated with potential legal claims generally or with respect to environmental matters;
- adequacy of insurance coverage;
- dilution from further equity financing;
- competition;
- uncertainties relating to general economic conditions; and
- risks relating to pandemics, epidemics and public health crises, and the impact they might have on the Company's business, operations, financial condition and/or share price,

as well as those factors referred to in the "Risks and Uncertainties" section in this 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 investments as needed;
- receipt of royalty payments from the Tambor Project will re-commence;
- due diligence investigations on potential investments will reveal all relevant facts;
- expected trends and specific assumptions regarding commodity prices and currency exchange rates; and
- prices for and availability of fuel, electricity, equipment and other key supplies remaining consistent with current levels.

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

Business of the Company

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

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

On May 29, 2023, the Company closed a non-brokered private placement of 11,149,983 units at $0.175 per unit for gross proceeds of $1,951,247. Each unit consists of one common share of the Company and one share purchase warrant, each warrant entitling the holder to purchase one additional common share of the Company at $0.35 for two years from closing. The proceeds of this financing are intended to be used for exploration and drilling of the Company's Tropico Project in Mexico (see property description below), and for general working capital.

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

Investments

For a description of the Company's equity investments activity during the period from January 1, 2022 to June 30, 2023, please see Note 5 of the Company's June 30, 2023 condensed interim consolidated financial statements.

The Company's current cash and cash equivalents on hand is approximately $1,812,000 and its current investments consist of:

Medgold Resources Corp. ("Medgold") 10,126,500 shares Current market value: $51,000	Medgold is a TSX-V listed company whose property holdings include the Tlamino gold-silver project in Serbia which has an Inferred Mineral Resource containing approximately 680,000 oz AuEq. Medgold is in the process of completing, subject to regulatory and other approvals, a transaction whereby it will acquire further property interests in Serbia, to become the largest holder of highly prospective exploration ground in Serbia.
Rackla Metals Inc. ("Rackla") 3,973,275 shares (10+% of issued) Current market value: $993,000	Rackla is a TSX-V listed mineral exploration company with gold projects covering over 46,000 hectares in the Tombstone Gold Belt within the Selwyn Basin of the Yukon and Northwest Territories.
Volcanic Gold Mines Inc. ("Volcanic") 830,412 shares Current market value: $116,000	Volcanic is a TSX-V listed company focused on building multi-million ounce gold and silver resources in underexplored countries. It holds an option to acquire a 60% interest in the Company's Holly and Banderas gold/silver properties located in eastern Guatemala, and recently published an Inferred Mineral Resource for the Holly property.

Property Interests

Regional Exploration

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

Mexico – Mining Law Reform

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

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

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.

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

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

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

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

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

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

Oro Viejo West, located 130 metres to the west of California, has a discontinuous length of 950 metres and width between 2 metres to 15 metres. Oro Viejo West is hosted in rhyolites and is composed of crystalline quartz veinlets, and silicification with brecciated sectors. Two kilometres to the northeast of central California, three structures called El Cancel, El Cancel SE and Nopalera have been identified. El Cancel is 650 metres long by 4 metres-10metres wide, with weak silicification and quartz veining. El Cancel SE is a hydrothermal breccia 200 metres long by 3.5 metres-80 metres wide, containing fragments of silicified rhyolite in silica matrix.

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

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

Quality Assurance / Quality Control

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

Concessions

The Company's Amalia project consists of 1,137 ha of core granted licenses and an 8,590 ha Amalia 4 claim application. The Company and project JV partner Pan American Silver Corp. have completed all the requirements, fee payments and surveys for the Amalia 4 application. The mining authority of Chihuahua has processed and approved the submission without fault and passed the license to the Mexico Mining Directorate proposing title issuance. The regulated time for the mining authority to comment and request revision has passed and granting of title is a legal requirement under the mining law. On May 4, 2023, the Company filed a legal demand to enforce the granting of title. Radius legal counsel believes the Company has clear legal right to the application and title. Legal counsel has been successful in obtaining granted concessions in similar situations recently.

Pan American Option Terms

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

Property Outlook

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

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

Mexico – Plata Verde Project

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

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

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

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

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

Geological Model and Silver Mineralization

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

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

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

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

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

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

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

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

Regional Geology and Stream Sediments

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

Discussion and Exploration Targets

The Company has defined two priority targets:

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

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

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

Metallurgical Tests

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

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

Exclusivity Agreement with Fresnillo

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

In April 2023, the exclusivity period was extended to July 7, 2023, and then further extended to January 7, 2024. The extension of the exclusivity agreement provides for interim funding to be paid to the Company by Minera San Julian of US$206,000. Minera San Julian has the right to extend the exclusivity agreement for six additional months beyond January 7, 2024, provided that Minera San Julian has made the payment of US$206,000 as mentioned above to the Company as well as an additional advance of US$500,000 to fund initial drill testing of the Plata Verde Project.

Fresnillo has made significant advances at Plata Verde, completing:

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

Option terms discussed between the Company and Fresnillo include:

- Fresnillo would have the right to acquire a 70% interest in the Plata Verde Project by spending over a four year period a minimum cumulative amount of US$5 million on exploration work at Plata Verde.
- Fresnillo would make option payments to the Company totaling US$3.117 million, which would include US$1.117 million to cover the Company's underlying property agreement obligations.
- If the option is exercised, a new company ("NewCo") would be set up to own the Project, which would be owned 70% by Fresnillo and 30% by the Company.
- Any additional funding required by NewCo would be provided by Fresnillo and the Company in proportion to their respective ownership interests in NewCo.
- Should either party's interest in NewCo fall below 10% interest, that party's interest would convert to a 2% NSR royalty.

The Company's Earn-In Agreements

The Company may earn a 100% interest in the 300 hectare Don Benja concession by making staged payments totalling US$801,000 over four years with the final payment equal to US$400,000 at the end of year four. A total of US$251,000 has been paid to date. The owner retains a 1% NSR which the Company may buy back for US$1,000,000.

The Company may earn a 100% interest in the 500 hectare Don Jose concession by making staged payments totalling US$500,000 over four years with a final payment of US$185,000 due at the end of year four. A total of US$54,000 has been paid to date. The owner retains a 1% NSR which the Company can buy back for US$600,000.

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

Mexico - Tropico Project

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

The Tropico Project is located 30 kilometres northwest of Fresnillo city, Zacatecas, Mexico. The Fresnillo mining district is one of the world's greatest epithermal systems and hosts the world's oldest continuously operating mines producing silver, gold, copper, lead, and zinc for approximately five centuries, since 1554. The district has over 150 veins, mantos and chimney deposits including +30 large scale ore producers and it continues to deliver new discoveries. In 2005, the Juanicipio project was discovered by MAG Silver Corp and Fresnillo Plc, located 8 km from Fresnillo city. This recent discovery is one of the world's highest grade and largest primary silver (plus gold) development projects *[MAG Silver PEA November 7, 2017]*.

The Tropico property is located 1 kilometre off the paved national highway route 45 between Fresnillo and Durango. The ground is flat and has easy access to all areas via farm tracks. The property is a mixture of rocky pasture and bean fields. A pre-existing lease agreement that allows for exploration has been signed with the local community.

The Company intends to acquire drill permits and commence drilling as soon as possible.

<u>Target Model</u>

Chimney bodies in the Fresnillo district are often cylindrical shaped brecciated pipes that crosscut the cretaceous volcano sedimentary host units and predate or are contemporaneous with silver, gold and base metal veins. The vein systems at Fresnillo are most frequently "blind", meaning they do not outcrop, and the tops of the orebodies are concealed to a depth of approximately 150 to 300 metres. Surface expressions can include geochemical path finder halos, thin discontinuous quartz carbonate veinlets, and critically low temperature chalcedonic silica and sinter.

Sinter is a formation of opaline silica deposited in a hot spring environment at surface. Sinter typically has very low grade or barren precious metal content but can be the surface indication of a mineralized system at depth. There are many famous examples of epithermal gold and silver mines located below sinter deposits, both within the Fresnillo district and globally (e.g. Waihi – New Zealand, Lihir – PNG, McLaughlin – USA).

<u>Geology and Geochemistry</u>

Outcrop within the Tropico property is sparse. From limited outcrop and float the Company's geologists have identified an elliptical zone of intensely silicified hydrothermal breccias approximately 450 metres x 250 metres. Several of the outcrops and float blocks are composed of chalcedonic and opaline sinter. The Tropico breccia is hosted within finely bedded siltstones and dirty limestones, interpreted to be part of the Proaño group which hosts the major Fresnillo deposits. The sinter and silicified breccia at Tropico contains gold, mercury and trace elements. There are known active hot spring and mercury occurrences nearby.

The Company collected and assayed 28 rock chip samples from the area of the silica breccia and sinter. Gold values ranged from 0.02 ppm to 0.88 ppm Au, with an average of 0.28 ppm Au which is considered significant for a sinter system. In actual sinter material the highest grade was 0.39 ppm Au. Mercury values are very high, with several samples exceeding >100 ppm Hg (the upper limit of detection). Typical epithermal path finder elements were also highly anomalous with Sb between 64 and 1135 ppm, As between 8 to 854 ppm, and Ag between 0.6 to 5.6 ppm.

<u>Exploration Update</u>

Since acquiring the rights to the Tropico property, the Company has advanced rapidly to prepare for drilling by completing the following:

- The Company has negotiated and signed an access agreement with the local community and land owners.
- Geological mapping and sampling has been completed, with 140 rock chip samples in the laboratory pending results.
- CSAMT geophysical surveys.
- Site visits with drill contractors have been completed and contracts are being finalized.
- Environmental studies are underway to submit with drill permits.

CSAMT geophysical surveys are a commonly used exploration method to define subsurface resistivity profiles up to 1 kilometre depth below surface. In epithermal systems silicified veins and breccias typically stand out as a resistive high. The Company completed 4 CSAMT sections between 1 and 1.5 kilometres long, on 100 metre line spacings, targeting the Tropico breccia pipe.

Tropico target is defined by surface mapping and geochemical sampling outlining a sinter and silicified breccia pipe with a strong gold mercury arsenic antimony geochemical signature (see press release dated 21 March 2023). The Tropico gold system is roughly oval shaped, 450 metres long by 250 metres wide orientated NNE. The CSAMT survey defined a coherent resistive feature that precisely matched the surface geology, defining a robust pipe shaped target that starts at surface directly below the outcropping silicification and extends to a 800 metre depth at the maximum extent of the survey. The resistive target is approximately 10 times more resistant than adjacent host rocks. In the coming months, the Company plans to commence a 2,000 metre drill program targeting a Fresnillo style gold silver mineralized system below the outcropping sinter.

Capricorn is a new and “blind” target identified in the recently completed CSAMT geophysical survey. Located parallel to the Tropico target, approximately 300 metres to the west, the CSAMT survey defines a robust deep penetrating (to 800 metres) resistive pipe shaped body, on each of the 4 x 100 metre spaced survey lines. The resistive target is approximately 200 metres wide and similar in shape and format to the Tropico target. Capricorn system is not exposed at surface. When the Company’s team received the geophysical survey results, the lines were immediately walked and each 25 metre point inspected in detail for evidence of mineralization below. The entire Capricorn target is covered in a thick layer of calcrete (caliche) and soil with no outcrop exposed. At two locations within the target area, the Company dug pits 2 metres deep through the calcrete and soil cover and encountered pervasive kaolin alteration and minor silicification confirming the presence of a hydrothermal system.

The host rocks for the Tropico property are unaltered thinly bedded limestones and sediments, which are exposed at several locations on the margins of the property and away from the known mineralization. The Company’s geological team considers it is significant to encounter intense and destructive clay alteration on top of the Capricorn target and consistent with the geological model. Capricorn is open to expansion, both north and south. The Company plans further pitting and geochemical sampling to define mineralization and aid drill targeting.

The Company expects to conclude preparations for drilling along with drill permitting within 3 to 4 months and plans to commence drilling immediately upon receipt of permits.

The Company’s Earn-In Agreement

Pursuant to an agreement signed in March 2023, the Company has the option to earn a 100% interest in the Tropico Project by making a US$200,000 payment upon signing of the agreement (paid), with further payments totalling US$200,000 that can be paid in six monthly instalments over a period of 42 months, starting with US$25,000 at month 12 in order to maintain the option, and a payment of US$5,000,000 at month 48. An additional milestone payment of US$5,000,000 is conditional on the Company delivering a compliant feasibility study or at the start of mine construction. A further US$3,000,000 is to be paid if reserves exceed 2 million gold equivalent (Au + Ag) ounces. If the Company exercises the option but does not complete payment of the US$5,000,000 milestone within 8 years of signing of the option agreement, the property would return 100% to the original owners.

Mexico – Maricela Project

In March 2021, the Company optioned the Maricela group of mineral concessions covering 155 hectares in the State of Sonora, Mexico. The project is within a prolifically mineralized Arizona – Sonora porphyry belt, one of the most important centres of copper mineralization world-wide. Spatially and genetically related to this giant porphyry trend are numerous epithermal gold and silver deposits. The project has excellent infrastructure, with good road access and internal roads, nearby power, water, and low rolling terrain.

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

In June 2021, the Company announced that its rock sampling programs identified both high-grade gold-silver vein targets and wide (up to 25 metres) stockwork and breccia zones. The combination of multiple intersecting vein systems, with mineralized stockworks on the vein margins, result in large breccia and stockwork zones at the vein intersections and compelling drill targets. Highlights from recent rock chip continuous sampling include:

- 3 metres at 4.46 g/t Au and 1335 g/t Ag - Baby Gloria Vein
- 6 metres at 1.03 g/t Au and 418 g/t - Ag Central Vein
- 25.3 metres at 0.31 g/t Au and 62 g/t Ag - (intersecting veins)

The project hosts an epithermal silver & gold mineralized vein system extending approximately 1.5 kilometres long by 300 metres wide, within which occurs multiple veins, stockworks and breccias which at intersections have exposed widths +25 metres. Recent mapping and sampling (273 rock chips) identified 6 major veins with combined strike approximately of 5 kilometres.

The main vein Virgin de Plata strikes NW-SE and has been defined for approximately 1 kilometre. Virgin de Plata is intersected by at least 5 veins (striking NE-SW) forming a horse tail structure of intersecting veins. The veins are generally 1 to 3 metres of massive quartz with mineralized stockworks and brecciated veins selvages, extending commonly +10 metres across the vein zones. At intersections, larger stockwork zones are observed. The mineralization type is silver plus gold epithermal vein system hosted within an andesite volcanic sequence, with felsic dykes emplaced sub-parallel to mineralized structures.

Continuous rock chip sampling was used to estimate the average grade and thickness of the outcropping veins. Significant mineralized intervals are reported in Table 1:

Table 1. Significant continuous rock chip gold silver intervals.

Vein zone	**Width (m)**	**Au (g/t)**	**Ag (g/t)**
Baby Gloria	3	4.46	1335
Virgin de Plata & Baby Gloria	25.3	0.31	62
Baby Gloria	22	0.15	39
Baby Gloria	5	0.33	127
Baby Gloria	4	1.23	111
Virgin de Plata	6.9	0.34	110
Virgin de Plata	10	0.62	142
El Arco (9.7m with 3m missing in middle)	4 2.7	0.45 0.34	98 81
El Arco	10.5	0.50	105
Central	6	1.03	417
SE	62	0.03	6
North	1	0.53	349
Amarilla	1.5	0.54	494

Geological Model and Exploration Targets

The Company's geological team believes the recent geochemical results demonstrate potential for both high-grade silver gold veins and bulk tonnage lower grade mineralization that could be amenable to open pit mining. Most of the known veins and associated stockworks occur within a tightly spaced area approximately 1 kilometre x 600 metres, defining an obvious open pit target.

The district around Marcela is well known for high-grade low sulphidation epithermal vein systems that extend to significant depth with nearby examples: Silvercrest's Las Chispas deposit (55 kilometres south) and Equinox Gold's Mercedes mine (55 kilometres southwest).

The multiple intersecting mineralized veins at Maricela make for compelling drill targets that have never been tested. The Company has received drill permits for the property and is currently awaiting final registration of the Company's option agreement with federal mining authority.

Maricela Drone Videos

The Company has flown drone videos over the property during the recent geological mapping program. The drone videos highlight some of the property geology and potential and a short presentation clip is available on the Company's website and at the following link: https://youtu.be/s9SDtTRt0SM

The Company's Earn-In Agreement

Pursuant to an option agreement signed in March 2021, the Company can earn a 100% interest in the Maricela Project by making staged payments to the private property owner totalling US$1,250,000 over three years with a final payment of US$1,060,000 due at the end of year three. A total of US$30,000 has been paid to date. The owner retains a 1% NSR which the Company can 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 3 metre chip channels producing samples of between 2 to 9 kilograms. Reported samples were delivered to ALS in Chihuahua. The samples were crushed and pulverized and two 100 gram splits were taken. Company geologists transported a 100 gram split to SGN laboratory in Parral for rapid initial Ag and Au analysis. The second split was analyzed by ALS Geochemistry for Au and Ag and multi-elements using method code ME-ICP61 following a four-acid digestion. Overlimits are analyzed using an appropriate method. In effect duplicate analysis was done on all samples, ALS geochemistry an internationally certified laboratory, and by SGN Laboratories in Parral, a reliable mining laboratory that is not internationally certified. This was completed to prevent delays which have become common during the COVID pandemic. The Company routinely inserts multi-element geochemical standards and blanks into the sample stream to monitor both 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. The property will be further evaluated once the license application has been granted.

Guatemala - Southeast Guatemala Ag-Au Epithermal Fields

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

Volcanic was also granted the exclusive right until September 1, 2022 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. Pursuant to an amending agreement dated November 21, 2022, the Company agreed to extend this right until September 1, 2023. See "*Motagua Norte Project*" below.

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

Holly Project

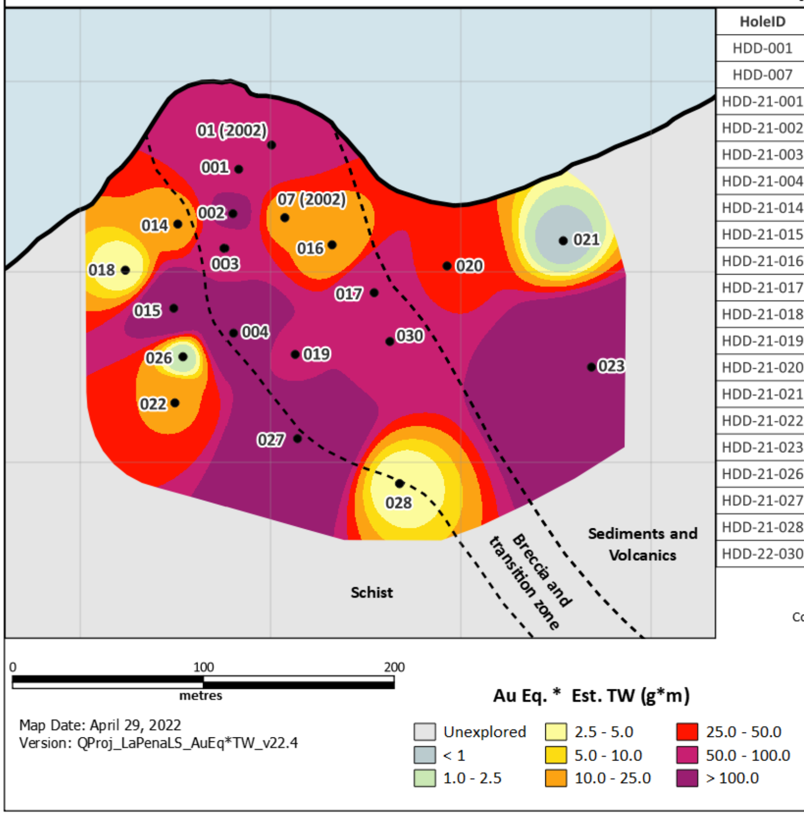
In April 2021, Volcanic commenced a diamond core drilling program at Holly, with the emphasis on exploring the high-grade shoots associated with the intersection of the Jocotan Fault Zone and the NW-SE trending high-grade vein systems, La Peña, El Pino and Alpha. A total of 32 drill holes for 5,259 metres of drill core were completed, with the following highlights:

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

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

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

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



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

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

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

Highlights

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

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

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

Notes:

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

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

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

Community Relations

In the latter part of 2021 and the first months of 2022, a small group of individuals had been spreading misinformation about our activities and the effects they say mining can have in the region, and on February 24, 2022 the Company reported that an incident had occurred at the Holly project, with a fire damaging the drill rig and equipment.

Despite significant effort, the anti-mining group has been unable to gain wide community support or halt the project. The Radius / Volcanic project team held meetings with the local communities a few months after the incident, in July and August 2022, and the main communities covering the Holly project expressed their support of the project. Since then, approximately 70% of local residents (approximately 1,000 people) have attended Volcanic informative tours of the project site and core shed. These tours and regular ongoing communication are keeping people educated about mining and informed of Volcanic's activities which employ many people, gaining general support for the project. Volcanic continues to work closely with the local communities whose primary areas of interest are employment and positive projects.

Access agreements have been signed with private landowners and community development councils. Volcanic is diligently working with the various community participants and is encouraged by steps taken by the Community Councils for Urban and Rural Development (COCODE) of Guatemala to look for further discussion. The COCODE is configured as the coordinating entity for participation at the community level and is made up of residents of the corresponding communities.

The Presidential Commission for Peace and Human Rights held coordination meetings with institutions and authorities at the national, departmental, and municipal levels regarding the February 2022 incident at Holly to address the concerns of the small minority. From these meetings it is clear that the Central government and Departmental government of Chiquimula support the Holly Project.

Technical studies and permitting

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

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

Current Work Program and Way Forward

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

The gold and silver discovery made at Holly is significant. It is a high-grade vein deposit that could be mined from underground, causing very little surface disruption. With a paved highway adjacent to the deposit, it will not require a processing plant, but is well situated to truck the high-grade ore to a nearby mill. Both Pan American Silver Corporation's Escobal silver-gold mine and Bluestone Resource Inc.'s Cerro Blanco feasibility stage gold and silver project are within trucking distance. However, neither of these nearby mining projects are currently operating; operations at the Escobal mine have been suspended until they complete additional community consultations and the path to production at Cerro Blanco is unclear whilst Bluestone Resources work through a recently announced strategic review (see announcement on July 6, 2023, Bluestone Resources Inc. (TSX-V: BSR)). Volcanic intends to resume drilling at Holly once either the Escobal mine re-opens and/or Bluestone has been granted a permit to build a mine at Cerro Blanco.

Motagua Norte Project

Volcanic conducted widespread exploration of the Company's large regional land position under the option agreement signed in May 2020. Motagua Norte is an area that has been identified with significant promise. Volcanic has successfully completed all the legal, environmental and community studies required to support the applications, and most importantly the applications have been approved at local government level. Volcanic is now in the final stage of the process and is working with national government authorities to have the exploration licences granted.

Motagua Norte is interpreted as an orogenic vein and stockwork system with extensive areas of bonanza-grade quartz float, subcrop and outcrop. On the main Mila prospect quartz vein outcrop and locally displaced quartz boulders cover an area of 550 x 270 metres. Visible gold can be seen in both the vein and the wallrock stockwork zones, supported by high-grade rock chip assays with well over one hundred samples returning assays of over 10 g/t gold up to a best of 692 g/t.

With these extremely high gold grades already defined at surface it is intended to move quickly to drilling as soon as the exploration licenses are granted. The Company is currently considering terms for a possible option of the Project to Volcanic.

Banderas Property

The Banderas project, located some 7 kilometres south of the Holly project, contains two styles of gold-silver mineralisation: the extensive Banderas gold-silver vein systems and the Zapote breccias.

The Banderas vein system is an approximately 500 metre-wide corridor of gold-silver quartz veins and stockwork recognized along a 3.5 kilometre strike length. Shallow, wide-spaced drilling along the two principal veins returned best intercepts of 1.5 metres at 70 g/t gold and 516 g/t silver, and 6.7 metres at 4 g/t gold and 70 g/t silver.

The Zapote Zone is a less advanced exploration target located some 1.5 kilometres to the west of the Banderas veins. Numerous quartz veins and extensive alteration occurs at the contact between a large dacitic dome and the andesite and rhyolite country rock. Historic rock chip sampling over a 150 metre-wide belt along an 800 metre length of this contact has returned strongly anomalous gold-silver mineralization. Thick colluvium covers the mineralized contact for a further 850 metre strike length to the southeast beyond which rock chip sampling has shown that the mineralization continues with rock chip samples returning up to 2.7 g/t gold and 14.7 g/t silver. No drilling has been conducted on the Zapote target.

The Banderas project is strategically linked to the nearby Holly project and so, as at Holly, further drilling has been suspended until the decision is made to resume activity at Holly. Volcanic is maintaining its application for an exploitation licence for the property which will be advanced when exploration is resumed.

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 yet to occur. Until these proceedings are concluded, the Company is allowing KCA to defer payment of the remaining balance owing to the Company. Due to these circumstances, for accounting purposes, a provision was recorded against the KCA receivable in the 2016 fiscal year.

Mexico - Tlacolula Property Royalty

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

Outlook

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

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

Quarterly Information

The following table provides information for the eight fiscal quarters ended June 30, 2023:

Quarter ended	June 30, 2023 ($)	Mar. 31, 2023 ($)	Dec. 31, 2022 ($)	Sep. 30, 2022 ($)	June 30, 2022 ($)	Mar. 31, 2022 ($)	Dec. 31, 2021 ($)	Sep. 30, 2021 ($)
Investment and other income	3,550	5,313	4,674	3,433	1,348	499	583	669
Exploration expenditures	403,814	252,939	177,248	172,255	201,132	181,505	165,417	242,398
Net income (loss)	(791,913)	(372,807)	1,028,546	(231,529)	567,114	(287,977)	(476,632)	(330,655)
Basic and diluted income (loss) per share	(0.01)	(0.00)	0.01	(0.00)	0.00	(0.00)	(0.01)	(0.00)

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

Results of Operations

Quarter ended June 30, 2023

The quarter ended June 30, 2023 had a net loss of $791,913 compared to a net income of $567,114 for the quarter ended June 30, 2022, a difference of $1,359,027. The comparative quarter recorded a net income due to a gain of $859,523 on mineral property option agreements compared to a gain of $49,931 in the current quarter.

Exploration expenditures for the current quarter were $403,814 compared to $201,132 for the comparative quarter, an increase of $202,682 that was due largely to the acquisition of the Tropico Project in March 2023 and subsequent exploration activity.

General and administrative expenses for the quarter ended June 30, 2023 were $420,694, compared to $125,263 for the comparative quarter, an increase of $295,431. The current quarter recorded a share-based compensation expense of $284,410 compared to $23,125 for the comparative quarter. Share-based compensation expense for the current quarter relates to the fair value of stock options granted during that period while the expense for the comparative quarter relates to the fair value of shares which may be issued as part of a compensation agreement. Other notable cost increases in the current quarter were $20,254 in shareholder communications and $12,452 in salaries and benefits, which were the result of increased use of shared personnel and promotional activities. Management fees, travel and accommodation, legal and audit fees, and transfer agent and regulatory costs were either the same or similar for the current and comparative quarters.

Six-month period ended June 30, 2023

The six-month period ended June 30, 2023 had a net loss of $1,164,720 compared to a net income of $279,137 for the six-month period ended June 30, 2022, a difference of $1,443,857. As in the quarterly comparison, the comparative period resulted in a net income due to the gain of $859,523 on mineral property option agreements compared to a gain of $61,012 in the current period.

Exploration expenditures for the current period totaled $656,753 compared to $382,637 for the comparative period, an increase of $274,116. As with the quarterly comparison, the acquisition of the Tropical Project during the current fiscal year led to an increase in exploration activity funded solely by the Company.

General and administrative expenses for the current period were $555,797, compared to $227,013 for the comparative period, an increase of $328,784. Both the current and comparative periods recorded a share-based compensation expense but the expense for the current period totaled $297,056, an increase of $273,931 over the comparative period. As with the quarterly comparison, the current period share-based compensation expense relates to the fair value of stock options that were granted and became fully vested during that period whereas the expense for the comparative period relates to the fair value of shares to be issued as part of a compensation agreement. Other notable cost increases for the current period were $17,569 in shareholder communications, $14,795 in travel and accommodations, $13,850 in salaries and benefits, and $11,011 in office and miscellaneous costs. Shareholder communications and salaries and benefits costs were higher for the same reasons as in the quarterly comparison. Office costs were higher due in part to more information technology maintenance needs and increased office rent while travel costs were minimal during the first half of the comparative period. There was no change in management fees, and costs for legal and audit fees and transfer agent and regulatory fees were similar for the current and comparative periods.

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

Mineral Properties Expenditures

A summary of the Company's expenditures on its mineral properties during the six months ended June 30, 2023 is as follows:

Mexico – A total of $643,394, excluding cost recoveries, was incurred on exploration, property investigation, and miscellaneous administrative costs, of which $208,019 was on the Tropico property, $183,739 was on the Plata Verde property, $111,825 was on the Amalia property, $9,620 was on the Maricela property, and $130,191 was on general exploration.

A total of $459,788, excluding cost recoveries, was incurred on option payments and recorded as mineral property acquisition costs, of which $271,822 was on the Tropico property, $161,926 on the Plata Verde property, and $26,040 on the Amalia property.

Cost recoveries relating to the Plata Verde property totaled $161,926 for the Company's underlying option payments. Cost recoveries relating to funding from Pan American on the Amalia property totaled $26,040 for option payments and $29,608 for exploration costs.

Guatemala – A total of $24,973 was incurred on investigation of new opportunities and maintenance of the Company's Southeast Guatemala properties.

Other – A total of $17,994 was incurred on property investigation costs in regions other than Mexico and Guatemala.

Further details regarding exploration expenditures for the periods ended June 30, 2023 and 2022 are provided in the schedules at the end of this Interim MD&A.

Liquidity and Capital Resources

The Company's cash and cash equivalents were $2.02 million at June 30, 2023 compared to $1.42 million at December 31, 2022. As at June 30, 2023, working capital was $3.54 million compared to $3.25 million at December 31, 2022. Included in working capital is the fair value of the Company's equity investments which as of June 30, 2023 was $1.45 million compared to $1.87 million as of December 31, 2022. During the period ended June 30, 2023, the Company raised gross proceeds of $1.95 million by way of equity financing to provide working capital for corporate and exploration operations.

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

The Company intends to use the proceeds from any sales of its equity investments, option payments received, and royalty income payments received to fund its exploration programs, investment opportunities, and general working capital requirements. The Company expects its current capital resources to be sufficient to cover its corporate operating costs and carry out planned exploration programs for the next twelve months.

Related Party Transactions

See Note 12 of the condensed interim consolidated financial statements for the six months ended June 30, 2023 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 on SEDAR+ at www.sedarplus.ca.

Share Position and Outstanding Warrants and Options

As at the date of this Interim MD&A, the Company's outstanding share position is 98,618,533 common shares and the following share purchase warrants and incentive stock options are outstanding:

WARRANTS

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

STOCK OPTIONS

Number of options	Exercise price	Expiry date
1,230,000	$0.15	October 18, 2026
1,265,000	$0.15	May 21, 2028
75,000	$0.15	November 4, 2028
850,000	$0.25	October 7, 2029
280,000	$0.15	March 15, 2030
50,000	$0.27	December 8, 2030
50,000	$0.34	February 10, 2031
50,000	$0.24	March 3, 2031
300,000	$0.34	October 25, 2031
75,000	$0.20	January 9, 2033
2,070,000	$0.18	June 6, 2033
6,295,000		

Accounting Policies and Basis of Presentation

The Company's significant accounting policies and future changes in accounting policies are presented in Note 3 the Company's audited consolidated financial statements for the year ended December 31, 2022.

Future Accounting Changes

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

Risks and Uncertainties

Royalty revenue

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

Competition

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

Inability to dispose of illiquid securities

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

Due diligence

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

Mineral property exploration and mining

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

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

Joint venture funding

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

Commodity price

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

Financing and share price fluctuation

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

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

Political, regulatory and currency

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

Insurance

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

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

Environmental and social

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

Mineral Properties Expenditure Detail

INTERIM CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES
For the six months ended June 30, 2023

	Guatemala		**Mexico**		**Other**	
	General Exploration	Mineral Properties	General Exploration	Mineral Properties	General Exploration	**Total**
Exploration administration	$ 280	$ 2,525	$ 3,495	$ 1,751	$ -	$ 8,051
Environmental	-	-	-	59,398	-	59,398
Geochemistry	-	-	17,280	10,259	2,693	30,232
Geological services	950	8,545	58,557	169,037	15,301	252,390
Legal and accounting	-	-	6,423	63,942	-	70,365
Licenses, rights and taxes	-	-	560	45,297	-	45,857
Salaries and wages	1,255	11,301	19,017	35,008	-	66,581
Travel and accommodation	-	117	24,859	128,511	-	153,487
	2,485	22,488	130,191	513,203	17,994	686,361
Expenditures recovered	-	-	-	(29,608)	-	(29,608)
	$ 2,485	**$ 22,488**	**$ 130,191**	**$ 483,595**	**$ 17,994**	**$ 656,753**

INTERIM CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES
For the six months ended June 30, 2022

	Guatemala		**Mexico**		**Other**	
	General Exploration	Mineral Properties	General Exploration	Mineral Properties	General Exploration	**Total**
Exploration administration	$ 2,974	$ 2,682	$ 1,781	$ 1,003	$ -	$ 8,440
Geochemistry	-	-	39,278	-	-	39,278
Geological services	4,839	18,059	62,687	39,775	29,638	154,998
Legal and accounting	-	-	12,697	12,546	-	25,243
Licenses, rights and taxes	-	-	533	13,978	-	14,511
Salaries and wages	645	11,846	31,315	26,695	11,704	82,205
Travel and accommodation	645	1,166	34,610	20,903	7,992	65,316
	9,103	33,753	182,901	114,900	49,334	389,991
Expenditures recovered	-	-	-	(7,354)	-	(7,354)
	$ 9,103	**$ 33,753**	**$ 182,901**	**$ 107,546**	**$ 49,334**	**$ 382,637**