



(the “Company”)

MANAGEMENT’S DISCUSSION AND ANALYSIS

Year End Report – December 31, 2022

General

This Management’s Discussion and Analysis (“MD&A”) supplements, but does not form part of, the annual audited consolidated financial statements of the Company for the fiscal year ended December 31, 2022. The following information, prepared as of April 24, 2023, should be read in conjunction with the December 31, 2022 consolidated financial statements. 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”). All amounts are expressed in Canadian dollars unless otherwise indicated.

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

Forward Looking Information

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

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

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

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

- risks associated with mineral exploration activities, and investing in companies which conduct mineral exploration and development activities;

- due diligence investigations on potential investments not identifying all relevant facts;
- inability to dispose of illiquid securities;
- receipt of royalty payments from the Tambor Project;
- fluctuations in commodity prices;
- fluctuations in foreign exchange rates and interest rates;
- credit and liquidity risks;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company does or may carry on business;
- reliance on key personnel;
- property title matters and local community relationships;
- risks associated with potential legal claims generally or with respect to environmental matters;
- adequacy of insurance coverage;
- dilution from further equity financing;
- competition;
- uncertainties relating to general economic conditions; and
- risks relating to a global pandemic, including the coronavirus COVID-19, which could result in government imposed restrictions that could cause a slowdown in global economic growth and impact the Company's business, operations, financial condition and share price.

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

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

- all required third party contractual, regulatory and governmental approvals will be obtained for the exploration and development of the Company's properties;
- there being no significant disruptions affecting operations, whether relating to 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.

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, 2021 to December 31, 2022, please see Note 6 of the Company's December 31, 2022 consolidated financial statements.

The Company's current cash and cash equivalents on hand is approximately \$1,528,000 and its current investments consist of:

<i>Medgold Resources Corp. ("Medgold")</i> 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.
<i>Rackla Metals Inc. ("Rackla")</i> 3,973,275 shares (10+% of issued) Current market value: \$795,000	Rackla is a TSXV-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.
<i>Volcanic Gold Mines Inc. ("Volcanic")</i> 830,412 shares Current market value: \$166,000	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 in the field in Mexico evaluating new targets to maintain the Company's pipeline of projects.

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.

Addition of Palmillas Property / El Cuervo Target

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

Pan American 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.

Phases 1 to 3 Drill Programs

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

Five drill holes (AMDD-001 / 003 / 007 / 008 / 009) were drilled within the San Pedro structural corridor, intercepting gold and silver mineralization in all holes and defining a 650 metre strike length of epithermal banded veining, stockworks and multiphase breccia with significant gold and silver mineralization. A table of drill results is listed below. This initial drill program resulted in discovery hole AMDD-009 which intersected 26 metres at 7.80 g/t Au and 517 g/t Ag, including bonanza interval of 5 metres at 14.71 g/t Au and 1,378 g/t Ag.

The Company commenced Stage 2 drilling at the San Pedro target in April 2019 completing six diamond holes, AMDD19-010 to AMDD19-015, totalling 1,743 metres. The Stage 2 drill program expanded multiphase gold and silver mineralization with high-grade mineralized shoots expanded at San Pedro. Geological controls on the mineralization are complex with multiple events of gold and silver mineralization within veins, stockworks and hydrothermal breccias. The Amalia structure trends 320/60E and can be traced for several kilometres. The Amalia fault is a large regional fault zone separating Tertiary rhyolitic ignimbrites from the Late Cretaceous Tarahumara formation with gold and silver mineralization typically occurring within the hanging wall.

With Pan American as operator, a Phase 3 drill program at Amalia was conducted in October 2019. The drill program included holes AMDD19-016 to AMDD19-021. The program was successful in proving that the high-grade mineralized shoot continued to depth, up to 300 metres, and its lateral extents were better defined.

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

DRILLING RESULTS - SAN PEDRO ZONE (PHASE 1 - 3)						
DRILLHOLE	FROM (m)	TO (m)	INTERVAL (m)	EST. TRUE WIDTH (m)	Ag (g/t)	Au (g/t)
AMDD18-001	44.35	56.35	12.00	9.5	44	0.10
AMDD18-002	no significant mineralized intercepts					
AMDD18-003	107.44	137.44	30.00	24	65	0.30
AMDD18-004	no significant mineralized intercepts					
AMDD18-005	no significant mineralized intercepts					
AMDD18-006	no significant mineralized intercepts					
AMDD18-007	129.10	133.10	4.00	3	229	0.29
AMDD18-008	98.65	99.65	1.00	0.8	521	2.28
And	126.65	131.65	5.00	4	571	1.14
AMDD18-009	140.35	174.35	34.00	29.44	406	6.13
Including	144.35	170.35	26.00	22	517	7.80
Including	165.35	170.35	5.00	4	1378	14.71
AMDD19-010	210.70	254.70	44.00	34	309	12.39
AMDD19-011	170.50	176.50	6.00	4	24	1.05
Including	173.50	175.00	1.50	1.06	31	2.52
AMDD19-012	176.90	181.90	5.00	4	647	0.09
AMDD19-013	no significant mineralized intercepts					
AMDD19-014	235.70	263.70	28.00	24	126	2.30
Including	256.70	259.70	3.00	2.6	761	9.85
AMDD19-015	213.70	317.70	104.00	74.8	55	3.10
Including	216.70	297.70	81.00	65	61	3.75
Including	234.70	255.70	21.00	17	65	7.91
AMDD19-016	251.20	371.20	120.00	78	21	1.53
Including	252.45	318.25	65.80	43	23	2.36
Including	293.20	316.40	23.20	15	41	4.61
AMDD19-017	316.55	322.10	5.55	4.19	-	0.88
AMDD19-018	268.15	269.45	1.30	0.75	2320	12.50
And	332.45	346.10	13.65	7.83	22	1.39
AMDD19-019	336.70	344.10	7.40	6.34	22	0.49

Phase 4 Drill Program

The Phase 4 drilling commenced in November 2020 and was designed to test down dip and lateral expansions of the high-grade gold and silver mineralization of the San Pedro structure that was previously defined by drilling Phases 1 to 3.

On April 27, 2021, the Company announced the completion of the Phase 4 drill program with 10 diamond holes, AMDD20-022 to AMDD21-031, drilled totalling 4,385 metres. Significant results from the Phase 4 drilling include:

DRILLING RESULTS - SAN PEDRO ZONE (PHASE 4)						
DRILLHOLE	FROM (m)	TO (m)	INTERVAL (m)	EST. TRUE WIDTH (m)	Ag (g/t)	Au (g/t)
AMDD20-020	no significant mineralized intercepts					
AMDD20-021	no significant mineralized intercepts					
AMDD20-022	313.05	336.15	23.10	14.50	321	6.80
Including	319.40	325.65	6.25	4.18	813	18.34
AMDD21-023	520.85	530.40	9.55	6.50	151	0.59
AMDD21-024	no significant mineralized intercepts					
AMDD21-025	150.85	151.70	0.85	0.60	475	1.48
And	170.85	178.45	7.60	5.00	70	1.73
And	239.75	249.40	9.65	7.28	57	0.36
And	274.25	277.85	3.60	2.72	55	0.32
And	285.85	293.90	8.05	5.50	99	0.93
AMDD21-026	165.50	166.65	1.15	0.80	151	3.32
And	239.75	243.40	3.65	2.37	70	1.81
And	283.40	284.45	1.05	0.70	53	4.59
And	320.70	323.70	3.00	2.00	8	3.17
And	347.00	347.95	0.95	0.62	65	0.57
And	352.90	353.40	0.50	0.33	115	0.25
AMDD21-027	no significant mineralized intercepts					
AMDD21-028	no significant mineralized intercepts					
AMDD21-029	no significant mineralized intercepts					
AMDD21-030	no significant mineralized intercepts					
AMDD21-031	133.75	147.00	13.25	13.25	117	0.90

The drilling completed during stages 1 to 4, focused on the San Pedro target and has identified a coherent shoot of high-grade gold-silver mineralization commencing at surface and continuously defined 350 metres down dip. The first shoot now appears to be closed off at depth and immediately adjacent.

Phase 5 Drill Program

Phase 5 drilling commenced in August 2021 at California and El Cuervo targets. To date, 3,814 metres of diamond core drilling in 14 drill holes have been completed at California, and 8,656 metres of diamond drilling in 22 drill holes have been completed at El Cuervo.

California target drilling intersected multi-phase breccia and stock-work vein systems with significant widths (up to 50 metres) and high-grades up to 4210 g/t Ag and 33.1 g/t Au (AMDD21-038). Drill platforms were located on 6 sections, spaced 200 metres apart. The drill program defined a coherent and robust silver gold mineralized system over 1 kilometre and to a depth of 300 metres. The California structure has been mapped over 2.8 kilometres. Mineralization is open in all directions.

California drill testing was limited to pre-existing roads that allowed easy access. Further on strike, other targets are yet to be drill tested – see “Property Outlook” below.

DRILLING RESULTS - CALIFORNIA ZONE (PHASE 5)						
DRILLHOLE	FROM (m)	TO (m)	INTERVAL (m)	EST. TRUE WIDTH	Ag (g/t)	Au (g/t)
AMDD21-032	38.10	44.30	6.20	5.62	93	0.43
And	62.70	90.00	27.30	24.74	90	0.26
Including	78.00	80.35	2.35	2.13	220	0.61
Including	86.00	88.60	2.60	2.36	263	1.37
AMDD21-033	148.60	199.00	50.40	23.66	50	0.05
Including	178.80	194.25	15.45	7.25	68	0.07
Including	188.20	192.40	4.20	1.97	113	0.12
AMDD21-034	145.70	149.65	3.95	3.58	487	2.15
Including	146.80	149.65	2.85	2.58	658	2.96
Including	148.00	148.50	0.50	0.45	2810	15.15
AMDD21-035	212.65	229.80	17.15	10.32	35	0.07
And	243.10	243.50	0.40	0.24	482	3.36
AMDD21-036	108.60	110.35	1.75	1.59	578	0.27
Including	109.90	110.35	0.45	0.41	1930	0.71
AMDD21-037	177.95	180.40	2.45	1.30	37	0.18
Including	177.95	178.55	0.60	0.32	54	0.53
AMDD21-038	151.00	162.20	11.20	9.06	379	1.26
Including	156.20	157.00	0.80	0.65	4244	16.96
Including	156.20	156.55	0.35	0.28	4210	33.10
AMDD21-039	308.20	335.10	26.90	20.30	353	2.59
Including	308.20	331.90	23.70	17.89	394	2.93
Including	314.45	321.95	7.50	5.66	976	7.38
Including	317.85	321.95	4.10	3.09	1520	12.61
AMDD21-040	385.35	396.50	11.15	6.55	99	0.64
Including	385.35	393.55	8.20	4.82	120	0.78
Including	388.45	391.10	2.65	1.56	210	1.12
Including	389.60	391.10	1.50	0.88	249	1.28
AMDD21-041	144.00	145.25	1.25	1.13	36	0.03
AMDD21-042	216.95	218.50	1.55	0.89	24	0.003
AMDD21-043	102.25	115.00	12.75	9.48	259	0.54
Including	108.05	114.05	6.00	4.46	483	1.06
Including	108.05	111.25	3.20	2.38	705	1.92
AMDD21-044	273.00	312.65	39.65	29.47	204	0.35
Including	283.00	312.65	29.65	22.03	256	0.44
Including	287.50	306.55	19.05	14.16	346	0.63
Including	301.00	306.55	5.55	4.12	770	1.69
Including	304.00	305.65	1.65	1.23	1446	5.11
Including	305.00	305.65	0.65	0.48	2470	11.90
AMDD21-045	333.75	421.00	87.25	50.04	60	0.05
Including	339.50	350.45	10.95	6.28	104	0.09
Including	359.50	362.60	3.10	1.78	165	0.08
Including	413.90	417.20	3.30	1.89	187	0.29

El Cuervo target is a subparallel structure situated southwest between the Amalia and California structures where stockwork veining and brecciation have been mapped up to maximum 40 metres wide and semi-continuously for 1.5 kilometres.

DRILLING RESULTS - EL CUERVO						
DRILLHOLE	FROM (m)	TO (m)	INTERVAL (m)	EST. TRUE WIDTH	Ag (g/t)	Au (g/t)
AMDD21-046	214.35	214.8	0.45	0.43	214	0.52
And	225.55	228.35	2.8	2.7	122	0.13
And	239.25	270.2	30.95	29.9	44	0.13
Including	239.25	242.95	3.7	3.57	158	0.49
Including	239.25	240.95	1.7	1.64	233	0.31
And	292	295.5	3.5	3.38	203	0.53
Including	294.4	295.5	1.1	1.06	381	1.31
AMDD21-047	245.1	341.1	96	83.14	167	0.54
Including	279.9	341.1	61.2	53	232	0.65
Including	279.9	325.1	45.2	39.14	290	0.8
Including	290.4	297.75	7.35	6.37	592	0.69
Including	300	317.35	17.35	15.03	302	1.13
Including	309.5	317.35	7.85	6.8	438	1.12
AMDD21-048	214.85	216.45	1.6	1.55	116	1.39
And	222.15	223.5	1.35	1.3	302	0.56
And	227	233.3	6.3	6.09	77	0.61
Including	229.6	231.8	2.2	2.13	125	0.68
And	265.6	303.45	37.85	36.56	54	0.34
Including	286.9	297.4	10.5	10.14	84	0.75
Including	294.75	296.4	1.65	1.59	139	4.02
AMDD22-049	304.9	306.35	1.45	1.24	62	0.81
And	340.85	351.65	10.8	9.26	63	0.8
And	358.4	376.2	17.8	15.26	144	0.92
Including	365.55	376.2	10.65	9.13	190	1.01
Including	365.55	366.55	1	0.86	469	0.97
Including	375	376.2	1.2	1.03	483	3.94
AMDD22-050	336.75	337.55	0.8	0.61	107	2.6
And	347.1	349	1.9	1.46	53	0.27
And	394.9	409.5	14.6	11.18	117	0.92
Including	394.9	395.8	0.9	0.69	1185	6.93
Including	406.45	409.5	3.05	2.34	104	1.32
AMDD22-051	348.5	349.55	1.05	0.83	125	2.1
And	398.65	416	17.35	13.67	253	1.11
Including	398.65	399.25	0.6	0.47	1510	2.52
Including	408.4	416	7.6	5.99	414	2.1
Including	410.5	413.15	2.65	2.09	555	4.94
Including	412	413.15	1.15	0.91	637	10.7
AMDD22-052	278.2	290	11.8	10.61	450	1.31
Including	281.35	288	6.65	5.98	695	1.44
Including	285.9	288	2.1	1.89	1577	2.27
Including	285.9	287.3	1.4	1.26	1800	0.5
And	308.7	310	1.3	1.17	37	1.22
And	327.1	328.35	1.25	1.12	55	0.68
And	332.85	336	3.15	2.83	84	0.87
Including	334.5	336	1.5	1.35	91	1.48
AMDD22-053	Abandoned					
AMDD22-054	No Significant Intercepts					

AMDD22-055	320.15	325.9	5.75	5.17	101	0.73
Including	320.15	320.8	0.65	0.58	508	3.23
AMDD22-056	298.8	302.05	3.25	2.97	3	2.55
Including	298.8	300.25	1.45	1.32	3	4.19
AMDD22-057	287.95	289.5	1.55	1.31	58	1.2
And	358.3	359.35	1.05	0.89	95	0.84
AMDD22-058	323	326	3	2.26	3	1.34
Including	323	324	1	0.75	7	2.64
And	384.25	385.5	1.25	0.94	4	1.26
And	391.5	393	1.5	1.13	3	1.26
And	396.5	398.7	2.2	1.66	42	0.9
AMDD22-059	154.2	155.7	1.5	1.36	115	0.3
And	166.7	168.3	1.6	1.45	102	0.26
And	193.8	195.6	1.8	1.63	102	0.48
AMDD22-060	211.1	213.8	2.7	1.74	61	0.57
Including	211.1	212.5	1.4	0.9	80	0.91
And	230	231	1	0.64	90	0.9
And	256.85	263.6	6.75	4.34	29	0.31
Including	259.4	260.35	0.95	0.61	57	1.36
AMDD22-061	304.95	309.3	4.35	3.77	401	0.79
Including	306.3	308.1	1.8	1.56	866	1.61
Including	306.3	306.9	0.6	0.52	1090	4.76
AMDD22-062	348	350.2	2.2	1.61	52	0.43
And	354.1	360	5.9	4.31	44	0.46
Including	354.1	354.6	0.5	0.37	244	3.03
And	369.3	371.05	1.75	1.28	24	1.41
And	384.95	386.85	1.9	1.39	69	0.9
Including	385.9	386.85	0.95	0.69	98	1.23
And	394.7	395.65	0.95	0.69	14	1.46
And	400.9	401.45	0.55	0.4	38	23
AMDD22-063	369.15	373.1	3.95	2.69	78	0.91
Including	370.75	373.1	2.35	1.6	107	1.36
Including	370.75	371.85	1.1	0.75	126	2.28
And	380	385.2	5.2	3.55	100	0.48
Including	382.55	383.95	1.4	0.95	250	0.96
Including	383.45	383.95	0.5	0.34	491	1.34
And	402.4	408.3	5.9	4.02	197	1.03
Including	405.55	408.3	2.75	1.88	310	1.3
Including	407.55	408.3	0.75	0.51	585	2.05
AMDD22-064	413.35	414.2	0.85	0.52	29	0.71
And	418.1	433.85	15.75	9.7	27	0.17
Including	418.1	419.6	1.5	0.92	53	0.67
And	468.55	470	1.45	0.89	81	0.4
AMDD22-065	286.40	303.40	17.00	15.15	438	0.80
Including	294.00	296.00	2.00	1.78	3,182	4.49
AMDD22-066	319.40	332.95	13.55	10.82	841	10.25
Including	327.30	332.95	5.65	4.51	1,560	19.16

Surface rock chip samples at Cuervo range from below detection to 637 g/t Ag and 2.24 g/t Au. Drilling at El Cuervo has defined mineralization similar to the Amalia structure, consisting of epithermal quartz veins, breccias and veinlets stockworks hosted within rhyolite volcanics along a major fault system. El Cuervo remains open to expansion along strike and to depth.

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.

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.

Property Outlook

With Amalia Central, California and El Cuervo targets all demonstrating resource potential, the growing scale of the Amalia Project is apparent. With an excess of 10 kilometres of vein systems, mineralization extending over 1,000 vertical metres and multiple targets yet untested, the Amalia Project has great potential but still requires significant drilling to define the overall extents.

Since completion of drilling at El Cuervo, 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 mapped and sampled and 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 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 to-10 metres wide, with weak silicification and quartz veining. El Cancel SE is a hydrothermal breccia 200 metres long by 3.5 to 80 metres wide, containing fragments of silicified rhyolite in silica matrix.

The Amalia project is a large gold-silver epithermal system. 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.

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 which is also the proposed deadline for commencement of drilling on the property. As well, the extension requires Minera San Julian to cover anticipated US\$157,000 in project costs to underlying concession owners, landowners, and continuation of field work at Plata Verde.

In accordance with the exclusivity agreement, Minera San Julian has to date funded the following property costs:

US\$100,000 paid to the Company on signing the Agreement.
US\$65,000 paid to reimburse the Company's underlying property option payments.
US\$103,600 paid to clear historic back taxes and return the property to full legal compliance.
US\$63,400 paid for property taxes and investment costs at the project.

Fresnillo has made significant advances at Plata Verde in the last nine months, 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\$151,000 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\$33,000 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 move quickly to acquire drill permits and conduct deep penetrating resistivity surveys to define the subsurface pipe shape and commence drilling.

Target Model

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).

Geology and Geochemistry

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. 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.

The Company's Earn-In Agreement

The Company has the option to earn a 100% interest in the Tropicco 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 - 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	0.45	98
	2.7	0.34	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 Maricela 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

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 has agreed to extend this right until September 1, 2023.

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

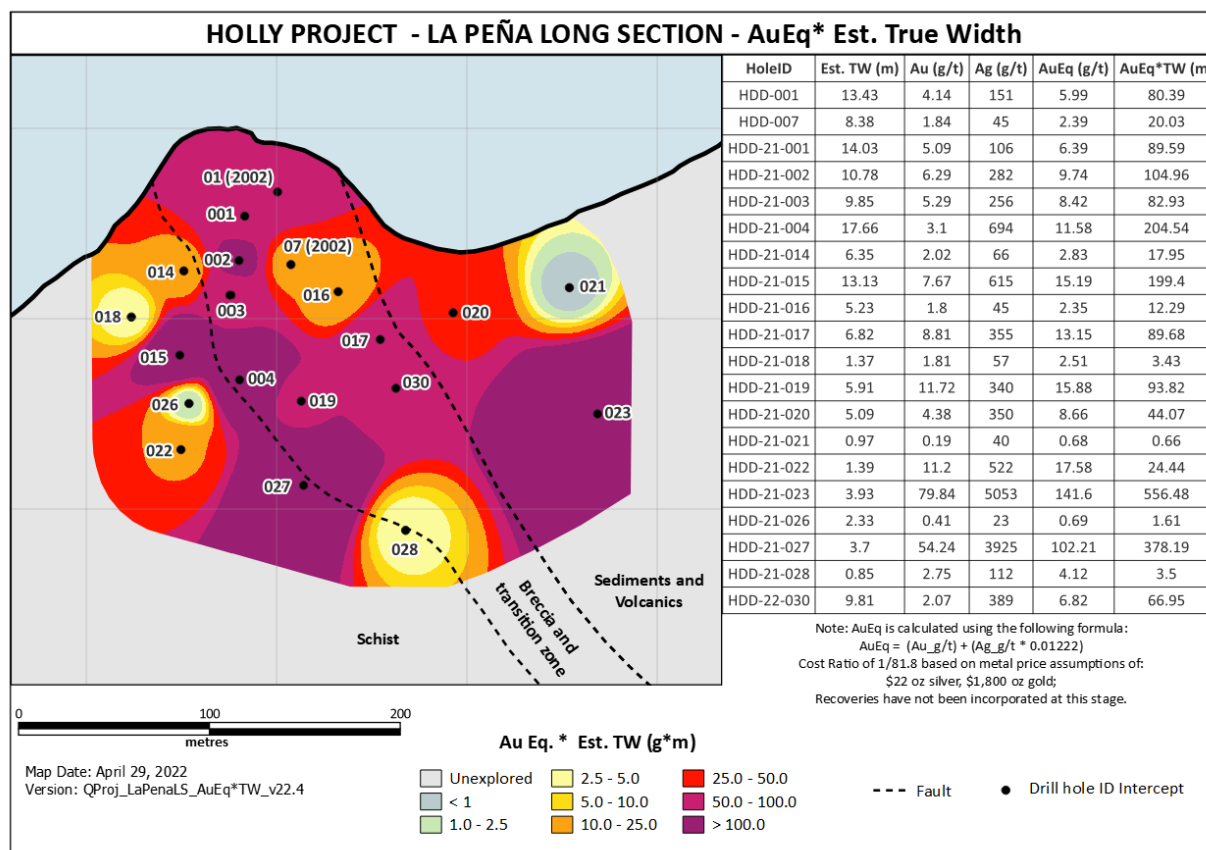
Holly Property

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.



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 $(\text{Au g/t} + (\text{Ag g/t} \times 0.01222))$
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, Ludvig 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.

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 main communities covering the Holly project expressed their support of the project and the Company has access agreements with community development councils and private landowners. During the last 12 months approximately 70% of local residents (approximately 1,000 people) have attended Company informative tours of the project site and core shed, keeping people educated about mining and informed of the Company’s activities which employ many people, gaining general support for the project.

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 incident at Holly and to address concerns of the small minority. From these meetings it is clear that the Central government and Departmental government of Chiquimula support the Holly project. The Radius / Volcanic project team held meetings with the local communities during July and August and the community has requested that we continue with exploration work.

Volcanic continues to work closely with the local communities whose primary areas of interest are employment and positive projects. 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 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. It will not require a processing plant as in the near future there will likely be two mills in operation within trucking distance; Pan American Silver Corporation's Escobal and Bluestone Resource Inc.'s Cerro Blanco mines. Further, the Holly deposit is open in all directions. The Company and Volcanic will continue to move forward at a pace that will protect the investment we have made and the value we have created.

Volcanic is currently advancing various studies and reports for the Holly property including a hydrogeological study, an environmental monitoring report and a mine design and facility report. Volcanic intends to resume drilling at Holly once Bluestone Resources has been granted a permit to build a mine nearby at Cerro Blanco. Bluestone has issued an update on Cerro Blanco (see Bluestone news release [October 3, 2022](#)).

Bluestone has made significant progress in advancing its Cerro Blanco Project and as a result has drawn attention from certain anti-mining groups known in the region for spreading misinformation. According to Volcanic's research, the lead anti-mining organization brought together opposition groups from El Salvador and other parts of Guatemala to unfairly portray public opinion on future mining activities within the municipal limits of Asuncion Mita where the Cerro Blanco deposit is located. However, according to local news reports (Prensa Libre/26 September), the constitutional court of Guatemala has annulled the illegitimate community consultation carried out by the anti-development groups, thereby establishing legal certainty that only the Guatemala mining ministry is competent to perform such consultations.

Current Work Program

In February 2023, Volcanic announced that it has commenced technical studies to support an upgrade of the Holly exploration licence to an exploitation licence. Volcanic continues to monitor and build environmental, hydrogeological, and social baseline studies for the Holly property. Guatemalan and Mexican-based engineering companies have been commissioned to compile the technical studies and civil engineering design for an underground mining project, with assumed processing off-site. The mine design will be an early-stage concept for permitting purposes and will not meet the requirements of a preliminary economic assessment.

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. The legal, environmental and community studies required to support the applications for the exploration licences have been submitted to the competent authorities. The Company is working with local community representatives, and local and national government authorities to have the exploration licences granted in the coming months.

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. In the last two years a total of 383 rock chip samples have been collected across this area of which 100 returned assays of over 10 g/t gold including 20 in excess of 100 g/t gold with 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. To the southeast, the mineralization disappears under an extensive area of thick colluvium. Recent sampling has identified the continuation of the Zapote system 850 metres along strike to the southeast with rock chip values up to 2.7 g/t gold and 14.7 g/t silver. No drilling has been conducted at Zapote target.

A planned drill program at Banderas has been suspended while Volcanic works on access agreements with an adjoining community. Access agreements are in place with the community covering the drill project at Banderas, but further consultation and work is required with the adjoining community to ensure the benefits of the project are spread out and all affected communities in the area consent. 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 continue its strategy of conducting property evaluations and grassroots exploration on properties in various jurisdictions with a focus on gold and silver in Mexico.

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

Selected Annual Information

The following table sets forth selected annual financial information of the Company for, and as at, the end of each of the last three financial years ended December 31, 2022, 2021, and 2020:

	2022 (\$)	2021 (\$)	2020 (\$)
Investment and other income	9,954	3,048	6,186
Exploration expenditures	732,140	690,258	731,021
Net income (loss) for the year			
Total	1,076,154	(892,648)	(893,037)
Basic & fully diluted per share	0.01	(0.01)	(0.01)
Total assets	3,711,214	2,803,553	3,753,243
Total long-term liabilities	81,942	154,631	218,891
Cash dividends	-	-	-

Investment and other income were higher for the 2022 fiscal year due to the periodic rise of interest rates throughout 2022. The 2022 fiscal year resulted in a net income compared to net losses for the 2021 and 2020 fiscal years due to a \$1,350,913 gain on reclassification as an equity investment. The gain relates to the Company's holding of Rackla shares that was previously treated as an investment in associate with a carrying cost of \$1 and their fair value being \$1,350,914 at the time of reclassification. Total assets trended lower for the 2020 and 2021 fiscal years as a result of the Company liquidating a portion of its equity investments over the course of that time to help fund operations and only the minimum carrying cost of Rackla shares held contributed to the total asset amount. With the Rackla reclassification, total assets increased in the current fiscal year. Long-term liabilities presented for all three fiscal years are related to a lease liability associated with an office lease, a right-to-use asset, which expires at the end of 2024. The lease liability decreases each year as the remaining term of the office lease decreases.

Quarterly Information

The following table provides information for the eight fiscal quarters ended December 31, 2022:

Quarter ended	Dec. 31, 2022 (\$)	Sep. 30, 2022 (\$)	June 30, 2022 (\$)	Mar. 31, 2022 (\$)	Dec. 31, 2021 (\$)	Sep. 30, 2021 (\$)	June 30, 2021 (\$)	Mar. 31, 2021 (\$)
Investment and other income	4,674	3,433	1,348	499	583	669	839	957
Exploration expenditures	177,248	172,255	201,132	181,505	165,417	242,398	156,033	126,410
Net income (loss)	1,028,546	(231,529)	567,114	(287,977)	(476,632)	(330,655)	287,608	(372,969)
Basic and diluted income (loss) per share	0.01	0.00	0.00	(0.00)	(0.01)	(0.00)	0.00	(0.00)

The most recently completed quarter 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 quarters ended June 30, 2022 and 2021 resulted in a net income position due to gains of \$859,523 and \$488,705, respectively, from the Amalia Project option agreement with Pan American.

Results of Operations

Quarter ended December 31, 2022

The quarter ended December 31, 2022 had a net income of \$1,028,546 compared to a net loss of \$476,632 for the quarter ended December 31, 2021, a difference of \$1,505,178. As noted above, the current quarter recorded a net income due to the gain on reclassification of shares held in Rackla.

Exploration expenditures for the current quarter totaled \$177,248 compared to \$165,417 for the comparative quarter, an increase of \$11,831.

General and administrative expenses for the current quarter were \$185,846, compared to \$296,632 for the comparative quarter, a decrease of \$110,786. This decrease is primarily due to a share-based compensation expense of \$23,750 in the current quarter compared to \$151,310 for the comparative quarter, a decrease of \$127,560. Stock-based compensation expense for the current quarter relates to the value of shares to be issued as part of a compensation package for the Chief Executive Officer of the Company whereas the comparative quarter expense relates to this and also the fair value of stock options granted during the quarter to various employees. Another notable cost decrease in the current quarter was in shareholder communications costs, which were \$17,882 less than those for the comparative quarter due to less promotional activities. Notable cost increases for the current quarter were in salaries and benefits, travel and accommodation, and legal and audit fees. Salaries and benefits costs were higher due to the addition of more personnel and the allocation of costs that are shared amongst a group of companies increasing since the comparative quarter. Travel costs were higher due to increased travel activities in the current quarter than in the comparative quarter. Audit and legal fees were higher due to more costs associated with subsidiaries and a slight increase in estimated audit fees for the current year.

Year ended December 31, 2022

The year ended December 31, 2022 had a net income of \$1,076,154 compared to a net loss of \$892,648 for the year ended December 31, 2021, a difference of \$1,968,802. As with the quarterly comparison, the current year resulted in a net income position due to the gain on reclassification of Rackla shares. The current year also recorded a gain of \$894,097 on mineral property option agreements compared to a gain of \$488,705 in the comparative year, an increase of \$405,392. Both the current and comparative years recorded a gain on the disposal of equipment located in Guatemala with the gains being \$12,440 and \$62,964, respectively.

Exploration expenditures, net of cost recoveries, for the current year totaled \$732,140 compared to \$690,258 for the comparative year, an increase of \$41,882. The comparative year also recorded a mineral property write-off of \$117,816 relating to a formerly held property in the United States. There were no such write-offs for the current year.

General and administrative expenses for the current year were \$522,680, compared to \$629,033 for the comparative year, a decrease of \$106,353. As with the quarterly comparison, this decrease is primarily due to a share-based compensation expense of \$46,875 in the current year compared to \$174,845 for the comparative year, a decrease of \$127,970. Other notable cost decreases for the current year were in shareholder communications due to less promotional activity, and reduced office and administration costs associated with maintaining foreign subsidiaries. Also similar to the quarterly comparison, notable cost increases for the current year were in salaries and benefits, travel and accommodation, and audit and legal fees and for the same reasons. There was no change in management fees, and the current and comparative years recorded similar costs for transfer agent and regulatory fees.

Mineral Properties Expenditures

A summary of the Company's expenditures on its mineral properties during the year ended December 31, 2022 is as follows:

Mexico – A total of \$716,599, excluding cost recoveries, was incurred on exploration, property investigation, and miscellaneous administrative costs, of which \$127,493 was on the Amalia property, \$209,590 was on the Plata Verde property, \$25,583 was on the Maricela property, and \$353,933 was on general exploration. Cost recoveries relating to funding from Pan American on the Amalia property totaled \$788,839 for option payments and \$13,978 for exploration costs. Cost recoveries relating to funding from Fresnillo on the Plata Verde property totaled \$241,108 for the Company's underlying option payments and \$157,530 for exploration costs.

Guatemala – A total of \$81,466 was incurred on investigation of new opportunities and maintenance of its Southeast Guatemala properties.

Other – A total of \$105,583 was incurred on property investigation costs in regions other than Mexico and Guatemala.

Further details regarding exploration expenditures for the years ended December 31, 2022 and 2021 are provided in the schedules at the end of this MD&A.

Liquidity and Capital Resources

The Company's cash and cash equivalents were \$1.42 million at December 31, 2022 compared to \$1.53 million at December 31, 2021. As at December 31, 2022, working capital was \$3.25 million compared to \$2.22 million at December 31, 2021. Included in working capital is the fair value of the Company's equity investments which as of December 31, 2022 was \$1.87 million compared to \$0.74 million as of December 31, 2021. During the year ended December 31, 2022, the Company received an option payment of \$859,523 (US\$700,000) and in the 2021 fiscal year, received an option payment of \$488,705 (US\$400,000), both relating to the Amalia Project option agreement with Pan American.

Included in working capital for the current year are 3,973,275 common shares in Rackla that were previously accounted for as an investment in associate and thereby excluded from working capital in prior reporting periods. The change in accounting treatment for the investment in Rackla was due to Rackla issuing a significant amount of shares during the 2022 fiscal year and the Company no longer considered to be able to exercise significant influence on Rackla.

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 but not significant exploration activity for the next twelve months and as such will seek to raise additional capital as needed to carry out planned exploration programs.

Commitment

The Company is party to an operating lease agreement for its office premises. The Company shares its office space with other companies related by common directors and officers on a month-to-month basis, and the portion of the rent paid by these companies is netted against the Company's rental expense. However, as there are no commitments from these companies, the amounts presented below are the gross commitments of the Company. The annual commitments under the lease are as follows:

2023	\$	131,952
2024		133,869
	\$	265,821

For the year ended December 31, 2022, the Company received a total of \$99,875 (2021: \$96,255) from those companies which share office space with the Company.

Financial Instruments and Risk Management

The Company is exposed to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

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

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board

of Directors receive periodic reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

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

a) Market Risk

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

Foreign Currency Risk

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

	December 31, 2022			December 31, 2021		
	US Dollar	Mexican Peso	Guatemala Quetzal	US Dollar	Mexican Peso	Guatemala Quetzal
	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)
Cash	\$ 735,977	\$ 8,141	\$ 11,146	\$ 404,866	\$ 2,341	\$ 14,507
Receivables	14,681	51,634	-	-	6,625	-
Current liabilities	(15,867)	-	(1,376)	(27,883)	-	(1,050)
	\$ 734,791	\$ 59,775	\$ 9,770	\$ 376,983	\$ 8,966	\$ 13,457

Based on the above net exposures at December 31, 2022, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in approximately a \$80,400 (2021: \$39,900) increase or decrease in profit or loss, respectively.

Commodity Price Risk

The Company's royalty revenue is derived from a royalty interest that is based on the extraction and sale of gold. Factors beyond the control of the Company may affect the marketability of gold discovered. Gold prices have historically fluctuated widely. Consequently, the economic viability of the Company's royalty interest cannot be accurately predicted and may be adversely affected by fluctuations in gold prices. The Company has not engaged in any hedging activities. The Company is not exposed to commodity price risk as the Company has not earned any royalties during the years ended December 31, 2022 and 2021.

Interest Rate Risk

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

Equity Price Risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's equity investments consisting of common shares and derivative investments consisting of share purchase warrants are exposed to significant equity price risk due to the potentially volatile and speculative nature of the businesses in which the investments are held. The Company's equity investments are monitored by the Board with decisions on sale or exercise taken by Management. A 10% decrease in fair value of the shares and warrants would result in an approximate \$187,000 (2021: \$74,000) decrease in comprehensive income and shareholders' equity.

b) Credit Risk

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

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities.

Related Party Transactions

The Company had transactions during the years ended December 31, 2022 and 2021 with related parties who consisted of directors, officers and the following companies with common directors:

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

The Company incurred the following expenditures charged by non-key management officers and companies which have common directors with the Company during the years ended December 31, 2022 and 2021:

	Three months ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
General and administrative expenses:				
Salaries and benefits	\$ 3,600	\$ 4,800	\$ 12,720	\$ 16,400
Exploration expenditures:				
Salaries and benefits	4,492	-	17,224	-
	\$ 8,092	\$ 4,800	\$ 29,944	\$ 16,400

The Company reimburses Gold Group, a company controlled by Simon Ridgway, a Director of the Company, for shared administrative costs and other business-related expenses paid by Gold Group on behalf of the Company. During the years ended December 31, 2022 and 2021, the Company reimbursed Gold Group the following:

	Three months ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
General and administrative expenses:				
Office and miscellaneous	\$ 11,089	\$ 9,506	\$ 37,743	\$ 33,311
Shareholder communications	3,768	5,559	14,238	19,859
Salaries and benefits	44,807	25,304	144,496	98,297
Transfer agent and regulatory fees	525	92	3,169	4,402
Travel and accommodation	3,154	1,609	11,514	5,091
	\$ 63,343	\$ 42,070	\$ 211,160	\$ 160,960
Exploration expenditures	\$ 670	\$ 261	\$ 670	\$ 868

Gold Group salaries and benefits costs for the years ended December 31, 2022 include those for the Chief Financial Officer, Vice President Corporate Development, and Corporate Secretary (2021: includes those for the Chief Financial Officer and the Corporate Secretary).

During the year ended December 31, 2022, the Company charged \$4,795 (2021: \$32,095) to Volcanic, a company which has a common director with the Company, for shared exploration personnel costs. During the 2021 fiscal year, the Company sold its field equipment and supplies located in Guatemala to Volcanic for \$50,000 and recorded a gain on disposal of equipment for this amount.

During the year ended December 31, 2022, the Company charged \$27,832 (2021: \$821) to Rackla, a company which has three common directors with the Company, for shared exploration personnel costs.

Receivables include an amount of \$7,007 (2021: \$ Nil) owed from Rackla, \$Nil (2021: \$2,500) owed from Volcanic, and \$Nil (2021: \$15,106) owed from Gold Group.

Prepaid expenses and deposits include an amount of \$5,850 (2021: \$10,530) paid to Gold Group for shared office and administrative services.

Long-term deposits include an amount of \$60,000 (2021: \$60,000) paid to Gold Group as a deposit on the shared office and administrative services agreement.

Accounts payable and accrued liabilities include \$17,927 (2021: \$Nil) payable to Gold Group for shared administrative costs, \$571 (2021: \$Nil) to Bruce Smith, the President and Chief Executive Officer of the Company, for expense reimbursement, and \$9,556 (2021: \$Nil) payable to Volcanic for shared exploration costs.

Key management compensation

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

	Three months ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
Geological fees included in exploration expenditures	\$ 39,000	\$ 39,000	\$ 156,000	\$ 156,000
Management fees	16,500	16,500	66,000	66,000
Salaries, benefits and fees*	10,726	7,367	32,610	27,409
Share-based payments – fair value of shares to be issued	23,750	73,750	46,875	73,750
	\$ 89,976	\$ 136,617	\$ 301,485	\$ 323,159

*Included in reimbursements to Gold Group

As at December 31, 2022, 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. A share-based compensation expense of \$46,875 was recorded during the year ended December 31, 2022 for the fair value of the shares to be issued during that period (2021: \$73,750).

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

Other Data

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

Share Position and Outstanding Options

As at the date of this MD&A, the Company's outstanding share position is 87,268,550 common shares and the following incentive stock options are outstanding:

<u>STOCK OPTIONS</u>		
Number of options	Exercise price	Expiry date
1,230,000	\$0.15	October 18, 2026
1,465,000	\$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
4,425,000		

Investment in Associate

Rackla

As at December 31, 2022, the Company held 3,973,275 (2021: 3,973,275) common shares of Rackla, representing 6.8% (2021: 11.4%) of Rackla's outstanding common shares.

Rackla previously met the definition of an associate and was equity accounted for in the consolidated financial statements. During the year ended December 31, 2022, Rackla no longer met the definition of an associate when its interest in Rackla was

diluted to a level significantly below 20% on December 22, 2022 when Rackla issued 12,615,000 common shares by way of private placements to different parties. Therefore, the Company's investment in Rackla was reclassified as an equity investment. Upon discontinuing the use of the equity method, an investment, if a financial asset, is to be measured at fair value and the difference between the fair value and the carrying value of the investment recognized in profit or loss. The fair value of the investment in Rackla at the time of reclassification was \$1,350,914 and its carrying cost was \$1. As a result, a gain of \$1,350,913 was recognized in the consolidated statement of income and comprehensive income for the year ended December 31, 2022.

The following table shows the continuity of the Company's investment in Rackla for the years ended December 31, 2022 and 2021:

Balance, December 31, 2020 and 2021	\$	1
Reclassification as equity investment		(1)
Balance, December 31, 2022	\$	-

Prior to the 2015 fiscal year the Company's share of losses in Rackla exceeded the carrying value of its interest and therefore the Company has not recognized any of its share of losses for the year ended December 31, 2022 and 2021. The cumulative unrecognized share of losses for the associate as at December 22, 2022 is \$859,282 (2021: \$715,782).

The financial statement balances of Rackla are as follows:

	December 31, 2022	December 31, 2021
Total current assets	\$ 4,442,533	\$ 35,036
Total assets	\$ 4,662,131	\$ 1,319,441
Total liabilities	\$ 1,253,257	\$ 294,671
Net loss	\$ 1,678,387	\$ 221,818

Accounting Policies and Basis of Presentation

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

Future Changes in Accounting Policies

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

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.

Global Pandemic

The Company faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions. The Company's business could be adversely impacted by the effects of the COVID-19 coronavirus which was declared a global pandemic by the World Health Organization in March 2020 and continues to be to the present time. The COVID-19 pandemic did not have a significant impact on the Company's operations during the current period.

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

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

Mineral Properties Expenditure Detail (see following page)

Mineral Properties Expenditure Detail

CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES

For the year ended December 31, 2022

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

CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES

For the year ended December 31, 2021

	USA		Guatemala		Mexico		Other		Total
	General Exploration	Mineral Properties	General Exploration	Mineral Properties	General Exploration	Mineral Properties	General Exploration		
Exploration administration	\$ 1,241	\$ -	\$ 126	\$ 137	\$ 4,193	\$ 6,785	\$ 1,427		\$ 13,909
Geochemistry	1,526	-	-	-	38,387	15,193	-		55,106
Geological services	-	-	21,024	28,350	201,700	183,557	30,000		464,631
Legal and accounting	-	-	-	-	24,814	15,753	-		40,567
Licenses, rights and taxes	1,527	-	-	-	1,868	43,253	-		46,648
Salaries and wages	4,973	1,046	474	-	23,420	187,119	-		217,032
Travel and accommodation	1,786	-	1,463	10,609	44,715	54,211	2,958		115,742
Value-added taxes	-	-	-	-	5,450	-	-		5,450
	11,053	1,046	23,087	39,096	344,547	505,871	34,385		959,085
Expenditures recovered	-	-	-	-	-	(268,827)	-		(268,827)
	\$ 11,053	\$ 1,046	\$ 23,087	\$ 39,096	\$ 344,547	\$ 237,044	\$ 34,385		\$ 690,258