



(the “Company”)

MANAGEMENT’S DISCUSSION AND ANALYSIS

Year End Report – December 31, 2021

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, 2021. The following information, prepared as of April 26, 2022, should be read in conjunction with the December 31, 2021 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 and derivative investments;
- the suspension of receiving royalty payments from the Tambor Project;
- the intended use of proceeds received from past and possible future financing activities;
- the sufficiency of the Company’s cash position and its ability to raise, if needed, equity capital or access debt facilities; and
- maturities of the Company’s financial liabilities or other contractual commitments.

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

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

- risks associated with mineral exploration activities, and investing in companies which conduct mineral exploration and development activities;
- due diligence investigations on potential investments not identifying all relevant facts;
- inability to dispose of illiquid securities;
- receipt of royalty payments from the Tambor Project;
- fluctuations in commodity prices;
- fluctuations in foreign exchange rates and interest rates;
- credit and liquidity risks;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company does or may carry on business;
- reliance on key personnel;
- property title matters and local community relationships;
- risks associated with potential legal claims generally or with respect to environmental matters;
- adequacy of insurance coverage;
- dilution from further equity financing;
- competition;
- uncertainties relating to general economic conditions; and
- risks relating to a global pandemic, including the coronavirus COVID-19, which 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 and derivative 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.

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, 2020 to December 31, 2021, please see Note 6 of the Company's December 31, 2021 consolidated financial statements.

The Company's current cash and cash equivalents on hand is approximately \$1,136,000 and its current investments consist of:

<i>Medgold Resources Corp. ("Medgold")</i> 10,126,500 shares Current market value: \$202,000	Medgold is a TSX-V listed, project generator company targeting early-stage gold properties in the Balkan region. Its holdings include the Tlamino gold-silver project in Serbia which has an Inferred Mineral Resource containing approximately 680,000 oz AuEq.
<i>Rackla Metals Inc. ("Rackla")</i> 3,973,275 shares (10+% of issued) Current market value: \$715,000	Rackla is a TSXV-listed mineral exploration company actively looking for new projects to add to its mineral claims in the Yukon Territory.
<i>Volcanic Gold Mines Inc. ("Volcanic")</i> 830,412 shares Current market value: \$224,000	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 is currently conducting exploration programs on the properties.

Property Interests

Mexico – Amalia Project

The Amalia Project comprises 10,250 hectares located in the Sierra Madre gold belt in the State of Chihuahua, Mexico. In June 2017, the Company signed a binding agreement with a private individual to option 380 hectares of the project area which is host to high grade epithermal silver-gold mineralization. Following the signing of the option agreement, the Company staked an additional 9,081 hectares surrounding the Amalia Project, covering three new regional target areas. In late 2019, the Company signed a binding agreement with a private family to option

the adjacent 800-hectare Palmillas Property which hosts high-grade epithermal gold-silver mineralization. The Palmillas concessions cover the northeastern and southwestern strike extension of the Amalia fault zone.

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

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

Addition of Palmillas Property / El Cuervo Target

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

Pan American has elected to exercise its right to include the Palmillas Property within the Amalia Project joint venture. Pan American, as the operator will fund and manage the expanded project according to its option agreement with the Company. The Palmillas Property hosts multiple exploration targets, including 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. High grade shoot control is still uncertain but appears to be located by cross faults.

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 continues with depth, up to 300 metres, and its lateral extents have been 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 present the interesting results, with the highlighting indicate the high points.

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 4,752 metres of diamond drilling in 12 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 50m) 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, targets such as Oro Viejo, La Caverna, and California NW, are yet to be drill tested. At Oro Viejo, 1 kilometre northeast from the current drilling, high grade gold has been sampled in surface rock chips with assays up to 27 g/t gold.

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 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 (PHASE 5)						
DRILLHOLE	FROM (m)	TO (m)	INTERVAL (m)	EST. TRUE WIDTH	Ag (g/t)	Au (g/t)
AMDD21-046	214.35	214.80	0.45	0.4	214	0.52
And	225.55	228.35	2.80	2.7	122	0.13
And	239.25	270.20	30.95	29.9	44	0.13
Including	239.25	242.95	3.70	3.6	158	0.49
Including	239.25	240.95	1.70	1.6	233	0.31
And	292.00	295.50	3.50	3.4	203	0.53
Including	294.40	295.50	1.10	1.1	381	1.31
AMDD21-047	245.10	341.10	96.00	83.1	167	0.54
Including	279.90	341.10	61.20	53.0	232	0.65
Including	279.90	325.10	45.20	39.1	290	0.80
Including	290.40	297.75	7.35	6.4	592	0.69
Including	300.00	317.35	17.35	15.0	302	1.13
Including	309.50	317.35	7.85	6.8	438	1.12
AMDD21-048	214.85	216.45	1.60	1.5	116	1.39
And	222.15	223.50	1.35	1.3	302	0.56
And	227.00	233.30	6.30	6.1	77	0.61
Including	229.60	231.80	2.20	2.1	125	0.68
And	265.60	303.45	37.85	36.6	54	0.34
Including	286.90	297.40	10.50	10.1	84	0.75
Including	294.75	296.40	1.65	1.6	139	4.02
AMDD22-049	304.90	306.35	1.45	1.2	62	0.81
And	340.85	351.65	10.80	9.3	63	0.80
And	358.40	376.20	17.80	15.3	144	0.92
Including	365.55	376.20	10.65	9.1	190	1.01
Including	365.55	366.55	1.00	0.9	469	0.97
Including	375.00	376.20	1.20	1.0	483	3.94
AMDD22-050	336.75	337.55	0.80	0.60	107	2.60
And	347.10	349.00	1.90	1.50	53	0.27
And	394.90	409.50	14.60	11.20	117	0.92
Including	394.90	395.80	0.90	0.70	1185	6.93
Including	406.45	409.50	3.05	2.30	104	1.32
AMD22-051	348.50	349.55	1.05	0.80	125	2.10
And	398.65	416.00	17.35	13.70	253	1.11
Including	398.65	399.25	0.60	0.50	1510	2.52
Including	408.40	416.00	7.60	6.00	414	2.10
Including	410.50	413.15	2.65	2.10	555	4.94
Including	412.00	413.15	1.15	0.90	637	10.70
AMDD22-052	278.20	290.00	11.80	10.60	450	1.31
Including	281.35	288.00	6.65	6.00	695	1.44
Including	285.90	288.00	2.10	1.90	1577	2.27
Including	285.90	287.30	1.40	1.30	1800	0.50
And	308.70	310.00	1.30	1.20	37	1.22
And	327.10	328.35	1.25	1.10	55	0.68
And	332.85	336.00	3.15	2.80	84	0.87
Including	334.50	336.00	1.50	1.30	91	1.48

Surface rock chip samples at Cuervo range from below detection to 637 g/t Ag and 2.24 g/t Au. The initial drill results identified a significant mineralized system at the El Cuervo target. Drilling is ongoing to define the size potential.

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 the option to earn up to an initial 65% interest in the Company's Amalia Project and Palmillas Properties by making cash payments to the Company totaling US\$1.5 million (of which US\$800,000 has been received) and expending over four years 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.

Mexico – Plata Verde Project

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

The Company subsequently signed an option agreement with local concession holders to acquire the rights to the 500 hectare Don Jose concession that surrounds the 300 hectare Don Benja concession, bringing the Company's holdings at Plata Verde to 800 hectares. The Don Jose concession has no exploration history and covers the same prospective rocks that host the Plata Verde 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.

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 breccia zones with chimney type structures 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.

Regional Geology and Stream Sediments

At Plata Verde, silver mineralization occurs as massive to crustiform banded barite calcite with silver chlorides, sulphosalt minerals and native silver infilling and cementing breccias and fractures within a basaltic/andesite extrusive volcanic. The basaltic/andesite host occurs at the base of the Upper Rhyolitic Volcanics of the Northern Sierra Madre. In general, the 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

During February 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.

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.

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 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 recent geophysics.

The Company has completed an environmental study in support of drill permits which have been granted. Management is currently evaluating options to fund drilling later this year.

The Plata Verde 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. US\$61,000 has been paid to date. The owner retains a 1% NSR which the Company may buy back for US\$1,000,000.

The Company can 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. US\$18,000 has been paid to date. The owner retains a 1% NSR which the Company can buy back for US\$600,000.

The Company is responsible for paying taxes owing on the properties of up to US\$138,000 and is working to minimize and then pay the outstanding taxes, file outstanding claim reports and restore the properties to compliance.

Quality Assurance and Quality Control

Reported assays are rock chip and channels samples taken by Company geologists and trained sampling teams. Sample intervals are generally 2 metre chip channels or 2x2 metre panels producing samples of between 2 to 9 kilograms. Reported samples were delivered to SGN Laboratories in Paral, Chihuahua. The samples were crushed and pulverised. Two 100 gram splits were taken. The Company's geologists removed and stored the excess and a

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 analysed for Ag and multi-elements using method code ME-ICP61 following a four-acid digestion. Overlimits are analysed using an appropriate method. All assays reported above 30 g/t Ag have been analysed by ALS Geochemistry. The Company routinely inserts multi-element geochemical standards and blanks into the sample stream to monitor laboratories performance. Quality control samples submitted were returned within acceptable limits. Comparisons between sample splits demonstrate acceptable accuracy and precision.

Mexico – 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:

- 3m at 4.46 g/t Au and 1335 g/t Ag - Baby Gloria Vein
- 6m at 1.03 g/t Au and 418 g/t Ag - Ag Central Vein
- 25.3m 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 Marcela is well known for high grade low sulphidation epithermal vein systems that extend to significant depth with nearby examples: Silvercrest's Las Chispas deposit (55 kilometres south) and Equinox Gold's Mercedes mine (55 kilometres southwest).

The multiple intersecting mineralized veins at Maricela make for compelling drill targets that have never been tested. The Company's team is currently preparing drill and access permits for a planned first program this year.

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 Option 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 3m chip channels producing samples of between 2 to 9 kilograms. Reported samples were delivered to ALS in Chihuahua. The samples were crushed and pulverised 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 also has the exclusive right for 24 months following the execution of the Option to evaluate the Company's other property interests in Guatemala and to enter into an agreement to acquire an interest in any of such other properties on reasonable mutually agreed upon terms.

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

Holly Property

In April 2021, Volcanic commenced a 3,000 metre diamond core drilling program at Holly, with the emphasis on exploring for high grade shoots associated with the intersection of the Jocotan Fault Zone and the NW-SE trending high grade vein systems, El Pino and La Peña. To date, results received from the initial 30 diamond drill holes completed on the La Peña target and the El Pino and Alpha structures. Highlights include:

- 30 holes completed to date testing three distinct vein sets cutting the Jocotan fault zone.
- Drilling cuts high grade gold and silver at La Peña and confirms vein orientations.
- Veins appear to be increasing in size with depth.

Table 1. Diamond drill significant results from Holly Project La Peña Target. Drilled intervals are shown with true widths estimated to be 88% of drilled interval.

DRILLING RESULTS - HOLLY PROJECT						
DRILLHOLE	FROM (m)	TO (m)	INTERVAL (m)	EST. TRUE WIDTH	Ag (g/t)	Au (g/t)
HDD-001 (2002)	34.80	49.00	14.20	13.43	151	4.14
HDD-004 (2002)	39.10	46.60	7.50	6.03	220	3.47
And	54.10	60.10	6.00	4.82	1618	43.56
HDD-005 (2002)	19.10	22.70	3.60	2.93	697	22.03
HDD-007 (2002)	88.50	97.50	9.00	8.38	45	1.84
Including	88.50	90.00	1.50	1.40	123	7.19
HRC-001 (2003)	50.30	61.00	10.70	8.76	265	4.83
HRC-002 (2003)	76.20	79.30	3.10	1.99	125	2.30
HDD-21-001	46.10	47.70	1.60	1.55	568	24.10
And	53.70	60.60	6.90	6.68	85	4.90
HDD-21-002	95.15	106.27	11.12	10.78	282	6.29
Including	95.15	98.00	2.85	2.76	342	15.50
Including	102.35	105.22	2.87	2.78	633	8.08
HDD-21-003	101.85	112.50	10.65	9.85	256	5.29
HDD-21-004	119.5	143.5	24	17.66	694	3.10
Including	131.400	133.670	2.270	1.68	2035	9.79
Including	136.000	137.850	1.850	1.37	2801	5.60
And	154.02	163.17	9.15	6.79	380	0.06
HDD-21-005	no significant intercepts					
HDD-21-006	35.07	39.30	4.23	3.39	136	4.00
HDD-21-007	42.05	45.22	3.17	1.36	284	2.93
HDD-21-008	no significant intercepts					
HDD-21-009	80.82	82.35	1.53	1.23	150	2.19
HDD-21-010	no significant intercepts					
HDD-21-011	209.20	210.05	0.85	0.65	65.4	0.55
HDD-21-012	60.00	62.00	2.00	1.63	141	2.82
And	71.80	74.82	3.02	2.45	109	1.73
HDD-21-013	no significant intercepts					
HDD-21-014	52.22	54.75	2.53	2.12	108	2.90
And	57.70	59.80	2.10	1.76	92	3.60
HDD-21-015	108.65	124.20	15.55	13.13	615	7.67
Including	108.65	115.90	7.25	6.12	848	16.20
HDD-21-016	77.00	79.00	2.00	1.67	154	4.15
HDD-21-017	134.25	143.08	8.83	6.82	355	8.81
HDD-21-018	71.67	73.20	1.53	1.37	57	1.81

DRILLING RESULTS - HOLLY PROJECT						
DRILLHOLE	FROM (m)	TO (m)	INTERVAL (m)	EST. TRUE WIDTH	Ag (g/t)	Au (g/t)
HDD-21-019	28.97	30.50	1.53	1.39	539	191.80
And	171.90	178.42	6.52	5.91	340	11.72
Including	172.90	176.60	3.70	3.36	576	20.36
HDD-21-020	61.70	67.10	5.40	5.09	350	4.38
Including	63.00	64.00	1.00	0.94	1616	20.70
HDD-21-020	131.00	134.20	3.20	2.98	255	0.06
HDD-21-021	53.37	54.55	1.18	0.97	40	0.19
HDD-21-022	21.35	22.87	1.52	1.38	48	7.00
And	27.45	32.02	4.57	4.14	14	1.05
Including	28.97	30.90	1.93	1.75	12	1.86
And	50.32	51.85	1.53	1.39	5	5.34
And	199.77	201.30	1.53	1.39	522	11.20
HDD-21-023	196.72	198.25	1.53	1.50	171	1.93
And	202.82	207.40	4.58	4.50	5053	79.84
Including	204.45	205.70	1.25	1.23	18329	289.50
HDD-21-024	no significant intercepts					
HDD-21-025	no significant intercepts					
HDD-21-026	no significant intercepts					
HDD-21-027	210.45	215.02	4.57	3.70	3925	54.24
Including	212.3	214	1.70	1.38	10479	144.50
HDD-21-028	55.6	57.95	2.35		97	2.14
And	247.7	248.75	1.05	0.85	112	2.75
HDD-21-029	7.62	10.67	3.05		344	1.17
HDD-22-030	7.62	14.30	6.68		3	1.92
Including	9.15	12.60	3.45		3	3.54
And	28.80	29.80	1.00		10	8.64
And	160.12	170.80	10.68	9.81	389	2.07
Including	160.12	164.70	4.58	4.21	464	4.64
Including	161.65	163.17	1.52	1.40	1150	11.40

Any minor variations in the numbers and interval reported are due to rounding.

* NSR = no significant result.

La Peña Target

The initial focus at the Peña vein system was to define the vein within the broad zone of the Jocotan fault breccia, and extend the mineralization down dip. The drilling to date has defined a very high grade and robust vein system at the Peña vein system, extending 200 metres along strike and 200 metres down dip, but open in all directions. Two holes in the deeper portion of the explored vein have returned exceptionally high grade mineralization with HDD-21-027 intersecting 4.57 metres (or approximately 4.1 metres true width) returning over 54 g/t gold and over 3.9 kg/t silver. At the same depth in the system hole HDD-21-23, located 150m to the south, intersected 4.58 metres at 79.84 g/t Au and 5,053 g/t Ag.

Future drilling will be focusing on extending this high-grade system at depth and along strike to the south with a goal of establishing a meaningful high-grade resource and improving confidence in the trend of the vein structure. Several other veins in the area with similar orientation warrant testing.

El Pino and Alpha Structures

Drill holes HDD21-005 to HDD21-013 tested the El Pino vein system. Narrow intercepts of medium and anomalous grade gold/silver were intersected. These holes tested historic surface anomalies. Drilling at El Pino cut the vein zone significantly higher than intercepts at La Peña and that may account for the narrow results. At the Alpha zone, the system was not targeted within the 200 metre wide Jocotan fault breccia, which drilling at La Peña indicates may be a key control on the mineralizing system.

Current Status

Field crews have continued detailed mapping and sampling at Holly project. This work has identified new drill targets on splay structures of the Jocotan fault where two large zones of mineralized breccia have been mapped and are coincident with high grade soil and rock chip results. Volcanic plans systematic drill testing of these new targets including the Jocotan splay faults and to continue testing the extensions, both strike and dip, of La Peña vein system.

Assays are still pending on some additional sample for drill hole HDD-21-026 and the samples from the detailed rock chip sampling of the Jocotan splay targets.

On February 24, 2022, the Company reported that a violent attack had occurred at the Holly project, significantly damaging the drill rig and equipment. No one was injured. In the latter part of 2021 and the first months of this year, a small group of individuals from the area have been aggressively spreading misinformation about our activities and the effects they say mining can have in the region. The main communities covering the Holly project area have expressed their support of the project and Volcanic has access agreements with community development councils and private landowners.

Despite significant effort, the anti-mining group has been unable to gain wide community support or legally halt the project. During the last 6 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 Volcanic's activities which employ many people, gaining general support for the project. Unfortunately, a small group has resorted to violent means to further their cause.

The Radius / Volcanic team has also been making good progress working with Central and Local governments. The Presidential Commission for Peace and Human Rights has held the first of a number of planned 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 and will work with Volcanic to regain the social license. Volcanic looks forward to a resolution of the issues and a resumption of work at the project and corresponding news flow.

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. Volcanic is in the process of concluding an inferred resource calculation and from that we will generate an approximate value of the deposit that has been discovered to date. Further, the deposit is open in all directions. We will continue to move forward at a pace that will protect the investment we have made and the value we have created.

Elsewhere in Guatemala, Volcanic is actively reviewing the land position it optioned from the Company in June 2020. Several of the areas have been reviewed, some have been rejected and the concession applications cancelled. To date, three have shown significant promise and the process of having these concessions granted is underway. There are many more areas to review and the work is ongoing.

Banderas Property

In March 2021, results were announced from Volcanic's continuing exploration program at the Banderas Property. Highlights of the results are:

- Pyramid Hill vein systems extended for over 1,800 metres along strike. Mapping and sampling defined a NW/SE broad zone of stockwork and brecciation hosting multiple quartz veins of up to 3 metres width with both shallow and vertical dips. Rock chip and sub crop sampling returned grades up to 6.2 g/t Au and 273 g/t Ag.
- Zapote mineralization identified 1,500 metres along strike to the southeast beyond extensive cover, returning up to 2.7 g/t Au and 14.7 g/t Ag from surface vein outcrop sampling. Zapote zone now mapped along a 3,100 metre strike length.

The Banderas Property is located 7 kilometres south of the Holly Property. Previous work on the Banderas property has identified two extensive gold/silver bearing vein systems, the Pyramid Hill and the Zapote Zones.

The Pyramid Hill zone consists of two northwest trending sub-parallel vein zones located approximately 500 metres apart, called the Pyramid Hill ("PH") and the "M28" zones. Each zone hosts several 1- to 5-metre-wide quartz veins. At the PH zone, the veins dip steeply to the northeast and are surrounded by a prominent alteration zone with an approximate 20 metre wide zone of stockwork veining and brecciation, and at M28, the veins dip shallowly to the west.

Mapping by Volcanic has extended both vein systems by 1.5 kilometres to the southeast, extending them both to nearly 3.5 kilometres in length. Historically, over 40 shallow drill-holes have explored the PH and M28 systems and returned broad zones of low-grade gold/silver mineralization in both mineralized corridors including:

DRILLING RESULTS - BANDERAS PROJECT						
DRILLHOLE	FROM (m)	TO (m)	INTERVAL (m)	Ag (g/t)	Au (g/t)	AuEq* (g/t)
BDD-003	12.20	38.10	25.90	34	0.74	1.19
BDD-004	53.10	74.70	21.60	30	1.25	1.64
BDD-005	24.40	40.20	15.80	22	0.89	1.18
BDD-007	67.10	83.70	16.60	22	1.22	1.52
BDD-008	81.70	114.00	32.30	30	1.25	1.64
BDD-014	36.30	58.50	22.20	48	0.90	1.54
BDD-015	79.20	114.30	35.10	7	0.50	0.60
BDD-016	126.50	156.10	29.60	3	0.70	0.74
BDD-018	65.20	89.90	24.70	42	0.68	1.23
BDD-019	74.70	94.50	19.80	42	1.05	1.61
BDD05-031	152.50	188.80	36.30	2	1.03	1.06
BDD11-013	61.50	82.30	20.80	38	2.10	2.61
BRC04-024	167.00	171.50	4.50	185	24.60	27.10
BRC04-027	67.50	85.50	18.00	5	0.40	0.47
BRC04-028	85.50	129.00	43.50	6	0.40	0.48
*AuEq calculated using a 75:1 Ag to Au ratio						

The Zapote Zone is located 1,500 metres to the west of the Pyramid Hill. 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 an area 150 metres wide along 800 metres of this contact has returned strongly anomalous gold/silver mineralization. To the southeast, the mineralization disappears under an extensive area of thick colluvium. No drilling has been conducted at Zapote target.

Recent sampling has identified the continuation of the Zapote system 850 metres along strike to the southeast, where recent sampling returned values up to 2.7 g/t Au and 14.7 g/t Ag.

The planned drill program at Banderas has been suspended while Volcanic works on access agreements with an adjoining community. Volcanic has access agreements 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.

USA – Nevada – Bald Peak Property

The Company acquired in 2017 a 100% interest in an epithermal gold prospect located in the Aurora gold camp, Nevada known as the Bald Peak gold property from Ely Gold & Minerals Inc. (“Ely Gold”) (TSX-V: ELY) and its wholly owned subsidiary, Nevada Select Royalty Inc. Subsequently, the Company increased its land position by staking an additional 113 unpatented mining claims which are contiguous to the claims acquired from Ely Gold.

While the Company’s exploration work has defined prospective zones in the California portion of the property which warrant further exploration, management has determined that continuing the onerous permitting requirements imposed by the California State Lands Commission is not in the best interests of the Company or its shareholders. Accordingly, the Company has relinquished all of its rights to the Bald Peak Property.

Royalty Interests

Guatemala – Tambor Project Royalty

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

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

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

Mexico - Tlacolula Property Royalty

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

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, 2021, 2020, and 2019:

	2021 (\$)	2020 (\$)	2019 (\$)
Investment and other income	3,048	6,186	43,875
Exploration expenditures	690,258	731,021	753,960
Net loss for the year			
Total	(892,648)	(893,037)	(2,563,125)
Basic & fully diluted per share	(0.01)	(0.01)	(0.03)
Total assets	2,803,553	3,753,243	4,319,672
Total long-term liabilities	154,631	218,891	275,487
Cash dividends	-	-	-

Investment and other income was significantly higher for the 2019 fiscal year due to a one-time dividend distribution of \$34,500 the Company received from an equity investment. The net loss for the 2019 fiscal year was significantly higher than the net losses for the 2021 and 2020 fiscal years due to a \$1,259,505 write-off of a formerly held royalty interest. Total assets have trended lower for each year as a result of the Company liquidating a portion of its equity investments over the course of the past three fiscal years to help fund operations. Long-term liabilities presented for all three fiscal years are related to the adoption of an accounting standard on January 1, 2019 whereby the Company began recording a lease liability associated with a right-to-use asset.

Quarterly Information

The following table provides information for the eight fiscal quarters ended December 31, 2021:

Quarter ended	Dec. 31, 2021 (\$)	Sep. 30, 2021 (\$)	June 30, 2021 (\$)	Mar. 31, 2021 (\$)	Dec. 31, 2020 (\$)	Sep. 30, 2020 (\$)	June 30, 2020 (\$)	Mar. 31, 2020 (\$)
Investment and other income	583	669	839	957	1,076	1,030	857	3,223
Exploration expenditures	165,417	242,398	156,033	126,410	157,573	144,379	119,517	309,552
Net income (loss)	(476,632)	(330,655)	287,608	(372,969)	(300,131)	(134,368)	(3,642)	(454,896)
Basic and diluted income (loss) per share	(0.01)	(0.00)	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)

The quarter ended June 30, 2021 resulted in a net income position and the net loss for the quarter ended June 30, 2020 is less than all other quarters presented due to gains of \$488,705 and \$206,398, respectively, from the Amalia Project option agreement with Pan American. The results for the quarter ended September 30, 2020 also included a gain of \$100,000 from the Holly and Banderas properties option agreement with Volcanic.

Results of Operations

Quarter ended December 31, 2021

The quarter ended December 31, 2021 had a net loss of \$476,632 compared to a net loss of \$300,131 for the quarter ended December 31, 2020, an increase of \$176,501.

Exploration expenditures for the current quarter totaled \$165,417 compared to \$157,573 for the comparative quarter, an increase of \$7,844.

General and administrative expenses for the current quarter were \$296,632, compared to \$126,196 for the comparative quarter, an increase of \$170,436. This increase is primarily due to a share-based compensation expense of \$151,310 in the current quarter compared to \$12,244 for the comparative quarter, an increase of \$139,066. Stock-based compensation expense for the current quarter relates to the fair value of stock options granted during the quarter to various employees in addition 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 entirely to the granting of stock options. Other notable cost increases for the current quarter were in shareholder communications, office and administration, salaries and benefits, and management fees. Shareholder communication costs were higher due to more promotional and tradeshow activity. Costs for salaries and benefits and office and administration costs were higher due to an increase in the Company's portion of shared administrative and personnel costs. Management fees were higher due to the addition of Bruce Smith as the Company's President and Chief Executive Officer at the beginning of the current fiscal year. A portion of Mr. Smith's compensation is allocated to general and administrative expenses and a portion to exploration expenditures.

Year ended December 31, 2021

The year ended December 31, 2021 had a net loss of \$892,648 compared to \$893,037 for the year ended December 31, 2020, a decrease of \$389. The current year resulted in a lower net loss due in part to the current year recording a gain from mineral property option agreements of \$488,705 compared to \$306,398 for the comparative year. The current year also recorded a gain of \$62,964 on the sale and disposal of equipment located in Guatemala whereas there was no such gain in the comparative year. The current year recorded a fair value loss of \$3,589 on derivative investments whereas the comparative year recorded a fair value gain of \$2,060, a difference of \$5,649. Derivative investments consist of share purchase warrants that were acquired along with common shares in private placement investments and the fair value gains and losses on such are charged to profit or loss.

Exploration expenditures for the current year totaled \$690,258 compared to \$731,021 for the comparative year, a decrease of \$40,763. Exploration expenditures for both current and comparative years were both reduced by Pan American funding the exploration activity on the Amalia Project. The current year also recorded a mineral property write-off of \$117,816 relating to the Bald Peak property whereas there were no such write-offs for the comparative year.

General and administrative expenses for the current year were \$629,033, compared to \$432,821 for the comparative year, an increase of \$196,212. This increase is partly due to the current year recording a share-based compensation expense of \$174,845 compared to \$55,694 for the comparative year, an increase of \$119,151. As in the quarterly comparison, the current year had notable cost increases in shareholder communication, management fees, salaries and benefits, and office and administration costs. These increases are due in part to the same reasons as in the quarterly comparison in addition to there being more cost-cutting efforts during the comparative year in response to the COVID-19 pandemic. A notable cost decrease for the current year was in legal and audit fees. While actual audit fees for the current year are expected to be fairly similar to those for the comparative year, a higher estimate for such fees was used for a yearend accrual in the comparative year.

Mineral Properties Expenditures

A summary of the Company's expenditures on its mineral properties during the year ended December 31, 2021 is as follows:

Mexico – A total of \$850,418, excluding cost recoveries, was incurred on exploration, property investigation, and miscellaneous administrative costs, of which \$267,969 was incurred on the Amalia property, \$120,019 was incurred

on the Plata Verde property and \$117,883 on the Maricela property. A cost recovery of \$268,827 relating to funding from the optionee on the Amalia property resulted in a net recovery of \$858 for that property.

United States – A total of \$12,099 was incurred on exploration, permitting, property investigation, and miscellaneous administrative costs.

Guatemala – A total of \$62,183 was incurred on miscellaneous exploration and administrative costs.

Other – A total of \$34,385 was incurred on property investigation costs in regions other than USA, Mexico, and Guatemala.

Further details regarding exploration expenditures for the years ended December 31, 2021 and 2020 are provided in the schedules at the end of this MD&A.

Liquidity and Capital Resources

The Company's cash and cash equivalents were \$1.53 million at December 31, 2021 compared to \$2.22 million at December 31, 2020. As at December 31, 2021, working capital was \$2.22 million compared to \$3.06 million at December 31, 2020. Included in working capital is the fair value of the Company's equity investments which as of December 31, 2021 was \$0.74 million compared to \$0.90 million as of December 31, 2020. During the year ended December 31, 2021, the Company received an option payment of \$488,705 (US\$400,000) relating to the Amalia Project option agreement with Pan American.

In addition to its working capital assets, the Company held 3,973,275 common shares in Rackla with a fair value of \$1.61 million as at December 31, 2021; however, the investment is being accounted for as an investment in associate, using the equity method, since the Company may be able to exercise significant influence on Rackla.

The Company did not earn any royalty revenue from the 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 carry out its exploration and investment plans and operating costs for the next twelve months.

Commitment

The Company has entered into an operating lease agreement for its office premises. The Company 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:

2022	\$	130,035
2023		131,952
2024		133,869
	\$	395,856

For the year ended December 31, 2021, the Company received a total of \$96,255 (2020: \$90,708) 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, 2021, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	December 31, 2021			December 31, 2020		
	US Dollar	Mexican	Guatemala	US Dollar	Mexican	Guatemala
	(CDN	Peso	Quetzal	(CDN	Peso	Quetzal
	equivalent)	(CDN	(CDN	equivalent)	(CDN	(CDN
	equivalent)	equivalent)	equivalent)	equivalent)	equivalent)	equivalent)
Cash	\$ 404,866	\$ 2,341	\$ 14,507	\$ 130,620	\$ 1,128	\$ 2,843
Receivables	-	6,625	-	11,300	5,235	-
Current liabilities	(27,883)	-	(1,050)	(10,557)	-	(2,780)
	\$ 376,983	\$ 8,966	\$ 13,457	\$ 131,363	\$ 6,363	\$ 63

Based on the above net exposures at December 31, 2021, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in approximately a \$39,900 (2020: \$13,800) 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, 2021 and 2020.

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 \$74,000 (2020: \$90,000) decrease in comprehensive income and shareholders' equity.

b) Credit Risk

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

c) Liquidity Risk

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

Related Party Transactions

The Company had transactions during the years ended December 31, 2021 and 2020 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 (Associate)	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, 2021 and 2020:

	Three months ended December 31,		Year ended December 31,	
	2021	2021	2020	2020
General and administrative expenses:				
Salaries and benefits	\$ 4,800	\$ 3,200	\$ 16,400	\$ 9,200
Exploration expenditures:				
Salaries and benefits	-	-	-	17,1862
	\$ 4,800	\$ 3,200	\$ 16,400	\$ 26,386

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, 2021 and 2020, the Company reimbursed Gold Group the following:

	Three months ended December 31,		Year ended December 31,	
	2021	2021	2020	2020
General and administrative expenses:				
Office and miscellaneous	\$ 9,506	\$ 8,057	\$ 33,311	\$ 28,086
Shareholder communications	5,559	500	19,859	10,450
Salaries and benefits	25,304	17,518	98,297	77,744
Transfer agent and regulatory fees	92	446	4,402	4,439
Travel and accommodation	1,609	389	5,091	5,962
	\$ 42,070	\$ 26,910	\$ 160,960	\$ 126,681
Exploration expenditures	\$ 261	\$ 628	\$ 868	\$ 1,214

Gold Group salaries and benefits costs for the years ended December 31, 2021 and 2020 include those for the Chief Financial Officer and Corporate Secretary.

During the year ended December 31, 2021, the Company was reimbursed \$32,095 (2020: \$164,835) by Volcanic, a company which has a common director with the Company, for exploration costs incurred on behalf of Volcanic and relating to an option agreement between the two parties. As well, the Company sold its field equipment and supplies located in Guatemala to Volcanic for \$50,000.

During the year ended December 31, 2021, the Company was reimbursed \$821 (2020: \$6,053) by Rackla, a company which has three common directors with the Company, for shared exploration personnel costs.

During the year ended December 31, 2021, the Company sold its previously dormant Guatemalan subsidiary, Recursos del Golfo S.A., to Volcanic for a nominal value.

Receivables include an amount of \$2,500 (2020: \$11,735) owed from Volcanic, \$15,106 (2020: \$4,700) owed from Gold Group, and \$Nil (2020: \$6,053) owed from Rackla.

Prepaid expenses and deposits include an amount of \$10,530 (2020: \$1,823) paid to Gold Group for shared office and administrative services.

Long-term deposits include an amount of \$60,000 (2020: \$60,000) paid to Gold Group as a deposit on the shared office and administrative services agreement.

Accounts payable and accrued liabilities include \$Nil (2020: \$4,853) payable to Gold Group for shared administrative costs.

Key management compensation

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

	Three months ended December 31,		Year ended December 31,	
	2021	2021	2020	2020
Geological fees included in exploration expenditures	\$ 39,000	\$ 15,000	\$ 156,000	\$ 58,000
Management fees	16,500	10,500	66,000	39,750
Salaries, benefits and fees*	7,367	5,958	27,409	22,733
Share-based payments – fair value of shares to be issued	73,750	-	73,750	-
	\$ 136,617	\$ 31,458	\$ 323,159	\$ 120,483

*Included in reimbursements to Gold Group

As at December 31, 2021, the Company has an obligation to issue 250,000 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 \$73,750 was recorded during the year ended December 31, 2021 for the fair value of the shares to be issued.

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

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 87,243,550 common shares and the following incentive stock options are outstanding:

<u>STOCK OPTIONS</u>		
Number of options	Exercise price	Expiry date
1,495,000	\$0.20	December 12, 2022
1,230,000	\$0.15	October 18, 2026
1,490,000	\$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
5,870,000		

Investments in Associate

Rackla

As at December 31, 2021, the Company held 3,973,275 (2020: 3,973,275) common shares of Rackla, representing 11.4% (2020: 15.7%) of Rackla's outstanding common shares. Although the Company holds less than 20% of the ownership interest and voting control of Rackla, the Company has the ability to exercise significant influence through both its shareholding and the number of common directors with Rackla. As such, Rackla meets the definition of an associate and has been equity accounted for in the consolidated financial statements.

The following table shows the continuity of the Company's investment in Rackla for the years ended December 31, 2021 and 2020:

Balance, December 31, 2019, 2020, and 2021	\$	1
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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, 2021 and 2020. The cumulative unrecognized share of losses for the associate as at December 31, 2021 is \$715,782 (2020: \$689,982).

The financial statement balances of Rackla are as follows:

	December 31, 2021	December 31, 2020
Total current assets	\$ 35,036	\$ 36,563
Total assets	\$ 1,319,441	\$ 107,564
Total liabilities	\$ 294,671	\$ 47,748
Net loss	\$ 221,818	\$ 220,441

At December 31, 2021, the fair value of the 3,973,275 common shares of Rackla was \$1,609,176 (2020: \$595,991) based on the market price of the common shares of Rackla.

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, 2021.

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

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 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.

Royalty revenue

The Company cannot predict future revenues from or operating results of mining activity. Management expects any future royalty revenues from the Tambor Project to fluctuate depending on the level of future production and the price of gold. The owner of the Tambor Project is not obligated to re-start or continue production from the Tambor Project and the Company will not be entitled to any compensation if this mining operation does not meet its forecasted gold production targets or if the mine operations are discontinued on a temporary or permanent basis. Risks that could negatively affect a mine's operations include, but are not limited to economics, lack of financial

capital, floods, fire, mechanical malfunctions, social unrest, expropriation, environmental regulations, and legal and/or political changes. The Tambor Project is currently subject to a suspension of operations imposed by the Supreme Court of Guatemala.

Competition

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

Inability to dispose of illiquid securities

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

Due diligence

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

Mineral property exploration and mining

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

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

Joint venture funding

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

whether the Company can find another partner or has enough capital resources to fund the exploration and development on its own.

Commodity price

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

Financing and share price fluctuation

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

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

Political, regulatory and currency

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

Insurance

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, earthquakes, and pandemics. Such occurrences could result in damage to

the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

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

Environmental and social

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

Mineral Properties Expenditure Detail (see following page)

Mineral Properties Expenditure Detail

CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES

For the year ended December 31, 2021

	USA		Guatemala		Mexico		Other	
	General	Mineral	General	Mineral	General	Mineral	General	
	Exploration	Properties	Exploration	Properties	Exploration	Properties	Exploration	Total
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

CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES

For the year ended December 31, 2020

	USA		Guatemala		Mexico		Other	
	General	Mineral	General	Mineral	General	Mineral	General	
	Exploration	Properties	Exploration	Properties	Exploration	Properties	Exploration	Total
Exploration administration	\$ 1,779	\$ -	\$ 865	\$ 4,341	\$ 6,815	\$ 1,943	\$ 3,777	\$ 19,520
Field and camp	-	-	-	-	478	22,034	-	22,512
Geochemistry	7,248	-	-	-	41,440	3,331	-	52,019
Geological services	13,751	8,332	-	24,863	151,652	113,301	58,000	369,899
Legal and accounting	-	-	2,024	2,442	39,817	615	1,185	46,083
Licenses, rights and taxes	691	15,273	-	-	1,779	46,982	-	64,725
Salaries and wages	31,752	564	12,228	523	19,657	89,364	19,560	173,648
Travel and accommodation	6,487	793	2,861	-	48,805	59,038	3,564	121,548
	61,708	24,962	17,978	32,169	310,443	336,608	86,086	869,954
Expenditures recovered	-	-	-	-	-	(138,933)	-	(138,933)
	\$ 61,708	\$ 24,962	\$ 17,978	\$ 32,169	\$ 310,443	\$ 197,675	\$ 86,086	\$ 731,021