RADIUS GOLD INC.

(the "Company")

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

For the Nine Months Ended September 30, 2023

General

This interim Management's Discussion and Analysis ("Interim MD&A") supplements, but does not form part of, the unaudited condensed interim consolidated financial statements of the Company for the nine months ended September 30, 2023. The following information, prepared as of November 27, 2023, should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for nine months ended September 30, 2023 and the related notes contained therein. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). In addition, the following should be read in conjunction with the Consolidated Financial Statements of the Company for the year ended December 31, 2022 and the related MD&A. All amounts are expressed in Canadian dollars unless otherwise indicated. The September 30, 2023 condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

The Company's public filings, including its most recent unaudited and audited financial statements can be reviewed on SEDAR+ at www.sedarplus.ca.

Forward Looking Information

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

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

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

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

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

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

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

- all required third party contractual, regulatory and governmental approvals will be obtained for the exploration and development of the Company's properties;
- there being no significant disruptions affecting operations, whether relating to labor, supply, power, damage to equipment or other matter;
- permitting, exploration and/or development activities proceeding on a basis consistent with the Company's current expectations;
- ability to sell our equity investments as needed;
- receipt of royalty payments from the Tambor Project will re-commence;
- due diligence investigations on potential investments will reveal all relevant facts;
- expected trends and specific assumptions regarding commodity prices and currency exchange rates; and
- prices for and availability of fuel, electricity, equipment and other key supplies remaining consistent with current levels.

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

Business of the Company

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

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

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

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

<u>Investments</u>

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

The Company's current cash and cash equivalents on hand is approximately $970,000 and its current investments consist of:

Medgold Resources Corp. ("Medgold") 10,126,500 shares Current market value: $51,000	Medgold is a TSX-V listed company whose property holdings include the Tlamino gold-silver project in Serbia which has an Inferred Mineral Resource containing approximately 680,000 oz AuEq. Medgold is in the process of completing, subject to regulatory, a transaction whereby it will acquire further property interests in Serbia, to become the largest holder of highly prospective exploration ground in Serbia.
Rackla Metals Inc. ("Rackla") 3,973,275 shares (10+% of issued) Current market value: $476,000	Rackla is a TSX-V listed mineral exploration company targeting Reduced Intrusion-Related Gold Systems (RIRGS) mineralization on its gold projects located in the Tombstone Gold Belt within the Selwyn Basin of the Yukon and Northwest Territories.
Volcanic Gold Mines Inc. ("Volcanic") 830,412 shares Current market value: $149,000	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 Motagua Norte gold/silver properties located in eastern Guatemala, and has published an Inferred Mineral Resource for the Holly property.

<u>Property Interests</u>

Regional Exploration

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

Mexico – Mining Law Reform

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

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

Mexico – Amalia Project

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

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

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

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

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

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

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

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

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

Quality Assurance / Quality Control

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

Concessions

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

Pan American Option Terms

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

Property Outlook

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

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

Mexico – Plata Verde Project

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

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

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

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

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

Geological Model and Silver Mineralization

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

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

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

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

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

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

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

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

Regional Geology and Stream Sediments

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

Discussion and Exploration Targets

The Company has defined two priority targets:

1) Extensions and repetitions of the shallow dipping large scale silver rich breccias, stockworks and disseminated silver mineralization exposed within the historic mines.

2) Sub-vertical feeder zones below the historic silver mines.

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

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

Metallurgical Tests

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

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

Exclusivity Agreement with Fresnillo

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

In April 2023, the exclusivity period was extended to July 7, 2023, and then further extended to January 7, 2024. Pursuant to the extensions, Minera San Julian has paid interim funding to the Company of US$171,000, and Minera San Julian has the right to extend the exclusivity agreement for six additional months beyond January 7, 2024 by providing to the Company an additional advance of US$500,000 to fund initial drill testing of the Plata Verde Project. Such drilling is to commence within three months following January 7, 2024.

Fresnillo has made significant advances at Plata Verde, completing**:**

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

Option terms discussed between the Company and Fresnillo include:

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

The Company's Earn-In Agreements

The Company may earn a 100% interest in the 300 hectare Don Benja concession by making staged payments totalling US$801,000 over four years with the final payment equal to US$400,000 at the end of year four. A total of US$401,000 has been paid to date. The owner retains a 1% NSR which the Company may buy back for US$1,000,000. In November 2023 a modification to the original contract was signed with the underlying owners whereby the final payment of US$400,000 was split into two payments of US$200,000 to be paid October 27, 2024 and 2025, extending the option agreement by one year.

The Company may earn a 100% interest in the 500 hectare Don Jose concession by making staged payments totalling US$500,000 over four years with a final payment of US$185,000 due at the end of year four. A total of US$75,000 has been paid to date. The owner retains a 1% NSR which the Company can buy back for US$600,000.

Quality Assurance and Quality Control

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

Mexico - Tropico Project

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

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

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

The Company has recently completed a drill program at Tropico (see "Exploration and Drilling Update" below).

Geology

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

Exploration and Drilling Update

Since acquiring the rights to the Tropico property, the Company completed the following:

- Negotiating and signing an access agreement with the local community and landowners.
- Geological mapping and sampling.
- CSAMT and IP Resistivity geophysical surveys.
- Environmental studies submitted and drill permits received.

The Company has completed a maiden 1,300 metre diamond drill program in eight drill holes at Tropico. Drilling defined a large gold mineralized breccia body that starts at surface and to date defined 250 metres down dip. Gold grades were starting to increase with depth from holes 1, 2, 3, 4, and 6 (see news release Nov. 7, 2023) but unfortunately the latest gold assay results from the deepest hole 8 are weak (see Table 1 below). The drilling encountered wide zones of classic low sulphidation epithermal alteration, high level chalcedonic silica, banded stockwork and massive quartz veining, and breccias with gold mineralization, but not significant high grade mineralization.

Table 1: Tropico Drill Results - Key Intercepts

Key Intercepts					
DRILLHOLE	**FROM (m)**	**TO (m)**	**INTERVAL (m)**	**GOLD (g/t)**	**SILVER (g/t)**
TDD001	24.20	54.90	29.18*	0.34	3.9
TDD002	55.50	85.60	30.10	0.35	2.7
TDD003	0.00	44.20	44.20	0.28	2.1
TDD004	54.00	82.52	28.52	0.28	2.6
TDD006	51.00	87.25	36.25	0.55	9.1
Incl.	66.00	73.52	7.52	1.40	29.3
And	96.40	108.70	12.30	0.44	2.7
TDD008	69.00	78.02	9.02	0.11	2.6
And	90.22	91.75	1.53	0.33	2.6
And	135.97	140.55	4.58	0.22	1.0
And	186.30	206.12	19.82	0.15	1.9
**Width of samples submitted, 1.52m of no recovery (gap)*					

Given the unexpected flat dip of the target breccia to the east and the significantly lower gold assays in hole 8, pursuing the breccia body down dip is not justified at this time. The Company's geological team interprets the breccia body to be part of a larger diatreme and/or explosive volcanic breccia system. Targeting the source of the epithermal gold mineralization will require further evaluation and likely an agreement with Geological Survey of Mexico (GSM), which controls ground surrounding the Tropico property. The Company has had formal and positive discussions with the GSM, but any agreement would take considerable time.

Quality Assurance and Quality Control

Drilling is carried out using PQ and NQ size tooling. Drill core is cut in half using a rock saw with one-half of the core then taken as a sample for analysis. Sample intervals are generally 1.5 metres, producing samples of between 2 to 9 kg. Half-core samples are delivered to the ALS Geochemistry laboratory facilities in 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. Overlimits 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.

The Company's Earn-In Agreement

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

Mexico – Maricela Project

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

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

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

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

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

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

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

Table 1. Significant continuous rock chip gold silver intervals.

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

Geological Model and Exploration Targets

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

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

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

The Company's Earn-In Agreement

Pursuant to an option agreement signed in March 2021, the Company can earn a 100% interest in the Maricela Project by making staged payments to the private property owner totalling US$1,250,000 over three years with a final payment of US$1,060,000 due at the end of year three. A total of US$30,000 has been paid to date. The owner retains a 1% NSR which the Company can buy back for US$1,000,000.

Quality Assurance and Quality Control

Reported assays are rock chip and channels samples taken by Company geologists and trained sampling teams. Sample intervals are generally 3 metre chip channels producing samples of between 2 to 9 kilograms. Reported samples were delivered to ALS in Chihuahua. The samples were crushed and pulverized and two 100 gram splits were taken. Company geologists transported a 100 gram split to SGN laboratory in Parral for rapid initial Ag and Au analysis. The second split was analyzed by ALS Geochemistry for Au and Ag and multi-elements using method code ME-ICP61 following a four-acid digestion. Overlimits are analyzed using an appropriate method. In effect duplicate analysis was done on all samples, ALS geochemistry an internationally certified laboratory, and by SGN Laboratories in Parral, a reliable mining laboratory that is not internationally certified. This was completed to prevent delays which have become common during the COVID pandemic. The Company routinely inserts multi-element geochemical standards and blanks into the sample stream to monitor both laboratories performance. Quality control samples submitted were returned within acceptable limits. Comparisons between sample splits demonstrate acceptable accuracy and precision.

Mexico – Rambler Project

In January 2019, the Company staked the 10,379 hectare Rambler Project located in the Sierra Madre Mountains of the State of Chihuahua, Mexico, approximately 20 kilometres northwest of the Company's Amalia Project. The project area is previously unexplored with only minor historic artisanal-scale pitting of surface outcrops known. The Company's geologists discovered the project during regional prospecting surveys. Epithermal silver/gold (plus significant copper, zinc and lead) mineralization has been sampled by the Company in several veins, vein breccias and disseminated zones over a 9 kilometre north-west trend. The property will be further evaluated once the license application has been granted.

Guatemala Properties

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 made a cash payment to the Company of $100,000.

In September 2023, the Option was modified to include the Motagua Norte project in substitution for the Banderas project. The original earn-in requirement to spend US$7.0 million in exploration of the properties remains unchanged. Under the modified option agreement, Volcanic has an exclusive option to earn a 60% interest in the Company's Holly and Motagua Norte properties by spending US$7.0 million on exploration of the properties, of which US$1,764,778 is required to be spent on Motagua Norte. Expenditures made by Volcanic on exploration of the Banderas property are credited towards the US$7.0 million expenditure requirement. Upon exercise of the Option, the Company will enter into a standard 40/60 joint venture with Volcanic in order to further develop the properties.

As the Company and Volcanic have a common director, the Option modification is subject to approval by the TSX Venture Exchange and the shareholders of the Company and Volcanic. Shareholder approval will be requested at the companies' annual general meetings to be held on December 14, 2023.

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

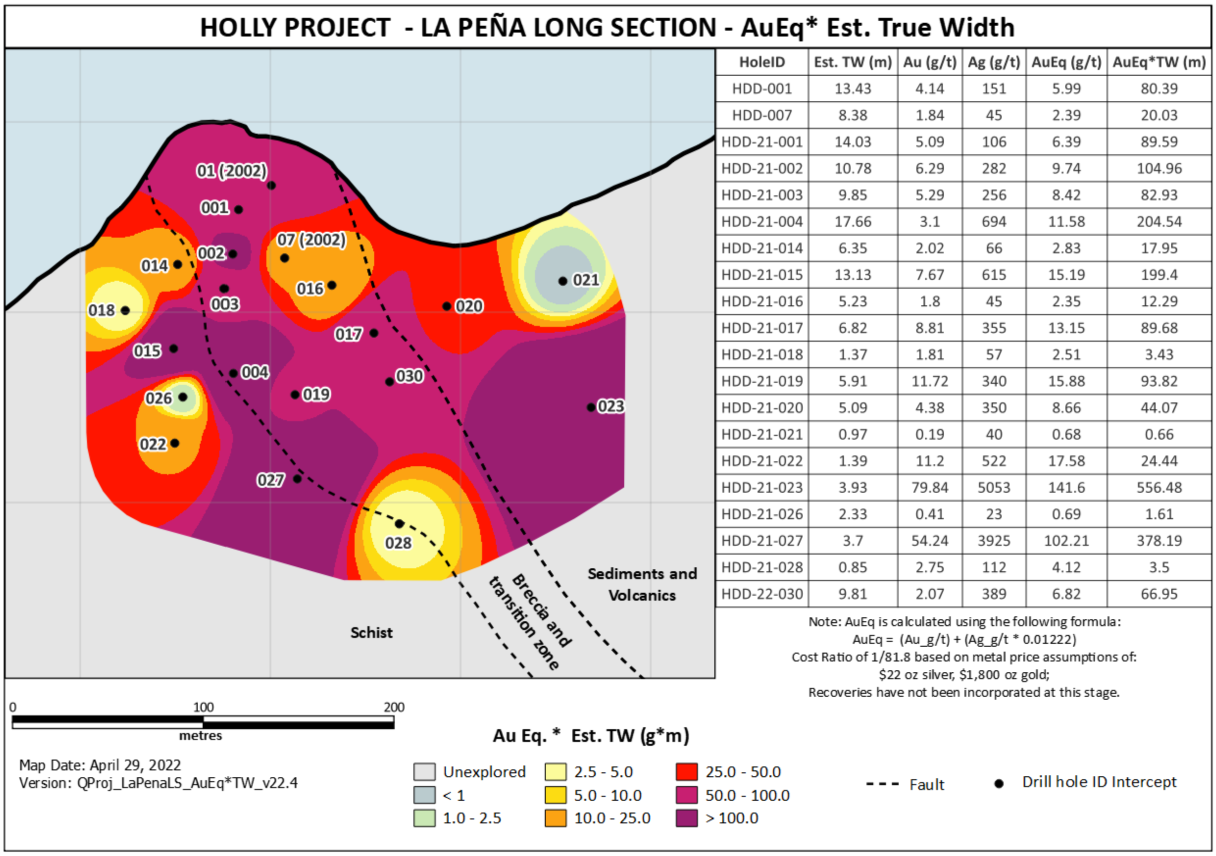
<u>Holly Project</u>

In April 2021, Volcanic commenced a diamond core drilling program at Holly to explore a series of high-grade northwest-striking veins cross-cutting a segment of the regional east-west trending Jocotan structure: La Peña, El Pino and Alpha veins. A total of 32 drill holes for 5,259 metres of drill core were completed, with the following highlights:

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

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

Figure 2: Holly Project: La Peña target long section with assay results table.



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

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

Highlights

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

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

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

Notes:

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

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

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

Community Relations

The Company and Volcanic have continued to work steadily to rebuild community relations since an incident in February 2022 in which a small group interrupted exploration activities and damaged a drilling rig and equipment. Misinformation spread by external anti-mining groups about our activities and the effects they say mining can have in the region was identified as the cause of the disturbance. To counter this threat Volcanic has made efforts to educate and inform the local community and local authorities on the exploration and mining process. In order to reassure the majority who have always supported the project and alleviate the concerns of the small minority that caused the disturbance Volcanic has engaged in open and transparent discussions on the potential social and environmental impacts, both positive and negative, that exploration and mining can have in the area. Approximately 70% of local residents (about 1,000 people) have attended Company informative tours of the project site and core shed, and ongoing communication has been maintained by regular meetings and participation in community projects.

This approach appears to be paying dividends and Volcanic has successfully maintained access agreements with private landowners and community development councils. Volcanic is diligently working with the various community participants and is encouraged by steps taken by the Community Councils for Urban and Rural Development (COCODE) of Guatemala to look for further discussion. The COCODE is configured as the coordinating entity for participation at the community level and is made up of residents of the corresponding communities.

Technical studies and permitting

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

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

Current Work Program and Way Forward

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

The gold and silver discovery made at Holly is significant. It is a high-grade vein deposit that could be mined from underground, causing very little surface disruption. With a paved highway adjacent to the deposit, it will not require a processing plant, but is well situated to truck the high-grade ore to a nearby mill. Pan American Silver Corporation's Escobal silver mine is within trucking distance. However, this nearby mining project is not currently operating as operations have been suspended until they complete additional community consultations, and the path to production at the nearby Cerro Blanco feasibility stage gold and silver project of Bluestone Resources Inc. is unclear whilst Bluestone works through a recently announced strategic review (see announcement on July 6, 2023, Bluestone Resources Inc. (TSX-V: BSR)). Volcanic intends to resume drilling at Holly once either the Escobal mine re-opens and/or Bluestone has been granted a permit to build a mine at Cerro Blanco.

Motagua Norte Project

Volcanic conducted widespread exploration of the Company's large regional land position under the option agreement signed in May 2020 and identified Motagua Norte as an area with significant promise. Volcanic has successfully completed all the legal, environmental and community studies required to support four exploration licence applications comprising the Motagua Norte area and in September 2023 the first exploration licence, Cirilo 1, was granted. The Cirilo 1 exploration licence covers an area of 13.5 square kilometre (4.5 x 3 km) and includes the highly prospective Mila gold discovery. The other three applications cover an additional 72.68 square kilometres of the Motagua Norte orogenic gold corridor. Volcanic is continuing to work with the permitting authorities towards granting the remaining three licences. In October 2023, the Company published an exploration update on the Cirilo 1 exploration licence.

Volcanic's initial prospecting samples returned exceptional gold grades at Mila prospect, a surface concentration of bonanza-grade and visible gold in quartz veins and boulders spread over a 250 x 570 metre area (see news release Sept 1, 2022). High-grade gold assays and visible gold occur in both quartz veins and in quartz stockwork zones in the wallrock. In order to determine whether the very high gold grades (many samples above 1 oz gold / tonne) were the result of selective sampling or are widespread across the target zones, a program of continuous 2 metre chip sampling was conducted across mixed terrain of outcrop, subcrop and float boulders. In these areas it is not possible to be sure of true widths, so sampling was designed to define the broad distribution of gold mineralization and to identify targets for trench and drill testing. Continuous chip channel sampling across one prominent ridge of mixed outcrop and collapsed outcrop boulder piles with quartz boulders up to 2 metres in diameter returned average grades of up to 95 g/t gold across a 10-metre width. Continuous chip channel sampling across a large quartz boulder field at the centre of the Mila prospect area, interpreted as an area where multiple close-spaced veins reach surface, returned average grades of 42 g/t gold along a 34 metre line, and 54 g/t gold over a 24 metre line from two parallel lines 70 metres apart.

The Company and Volcanic are extremely encouraged by these surface assay results and preparations are underway to start trenching and drilling to look beneath the quartz boulder cover and establish the true geometry, width and grade of the mineralized veins and wallrock stockwork zones in the Mila prospect.

Additional gold vein discoveries

Beyond the Mila prospect ongoing prospecting and rock chip sampling has identified a number of additional mineralized veins within the licence area including:

1. Two gold quartz veins have already been identified approximately 500 metres to the south of the Mila prospect with two high-grade rock chip samples of 9.34 g/t and 29.6 g/t gold some 280 metres apart.

2. Quartz veins grading up to 60.2 g/t gold have also been identified at a couple of locations further along the regional Motagua Norte trend between 800 and 1700 metres to the west of the Mila prospect.

Gold mineralization and geology

The mineralized quartz veins and stockwork zones are hosted by biotite schist and phyllite of the Motagua Suture Zone, an east-west striking belt of metamorphic rocks that formed at the line of collision between the North American and Caribbean tectonic plates. Gold mineralization appears to be hosted by north-south and east to southeast-striking veins.

High-grade assays have been returned from both sulphide-bearing quartz veins and quartz stockwork in the wallrock. The mineralized quartz veins are enriched in gold, silver, lead and minor copper and have textures and a geological host consistent with emplacement from a mesothermal system in an orogenic setting. The mineralization appears to be zoned with quartz veins at the eastern end of the licence area at Mila and to the south of Mila containing the highest gold values, and veins to the west of Mila with generally lower gold but higher silver and lead values.

Exploration potential

The Mila prospect is a new discovery with a sizeable footprint of abundant high-grade quartz at surface, pointing to a significant gold system. The abundance of high-grade quartz vein and quartz stockwork spread across a 250 x 570 metre area, the identification of multiple cross-cutting gold mineralized quartz veins at surface, and the demonstration that high-grade quartz is not confined to the quartz veins but also occurs in the wallrock, point to a broad, high-grade and extensive gold system. The mineralization is orogenic style, with mineralization at mesothermal depths within a major transform structure. These systems and structures typically support mineralization over significant vertical distances, and so there is potential for mineralization to continue to significant depths.

Planned exploration and permitting

Trenching and drilling is planned to map out individual veins, vein sets, and stockwork zones, quantify the width and grade of mineralization, and explore the gold mineralization to depth. An application has been lodged for an extension to the current environmental permit on the Cirilo 1 exploration license to permit drilling. At the same time Volcanic is working with landowners, the local authorities and community groups to establish a secure social permit to operate.

<u>Royalty Interests</u>

Guatemala – Tambor Project Royalty

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

Commercial production commenced at the Tambor project in December 2014 and receipt of royalty payments by the Company commenced during the third quarter of 2015. To date, the Company has recognized net royalty income of $1,530,555 of which $746,375 has been received. In May 2016, KCA informed the Company that mining operations were suspended by the Supreme

Court of Guatemala due to a lack of consultation by the Guatemalan Ministry of Mines with local indigenous people when the mine was permitted in 2011.

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. The Arbitration hearing has been completed and a ruling is expected in early 2024. Until these proceedings are concluded, the Company is allowing KCA to defer payment of the remaining balance owing to the Company. Due to these circumstances, for accounting purposes, a provision was recorded against the KCA receivable in the 2016 fiscal year.

Mexico - Tlacolula Property Royalty

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

Outlook

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

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

Quarterly Information

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

Quarter ended	Sep. 30, 2023 ($)	June 30, 2023 ($)	Mar. 31, 2023 ($)	Dec. 31, 2022 ($)	Sep. 30, 2022 ($)	June 30, 2022 ($)	Mar. 31, 2022 ($)	Dec. 31, 2021 ($)
Investment and other income	2,276	3,550	5,313	4,674	3,433	1,348	499	583
Exploration expenditures	462,942	403,814	252,939	177,248	172,255	201,132	181,505	165,417
Net income (loss)	(533,636)	(791,913)	(372,807)	1,028,546	(231,529)	567,114	(287,977)	(476,632)
Basic and diluted income (loss) per share	(0.01)	(0.01)	(0.00)	0.01	(0.00)	0.00	(0.00)	(0.01)

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

Results of Operations

Quarter ended September 30, 2023

The quarter ended September 30, 2023 had a net loss of $533,636 compared to $231,529 for the quarter ended September 30, 2022, an increase of $302,107. The comparative quarter recorded a gain of $45,190 on mineral property option agreements compared to no such gains in the current quarter.

Exploration expenditures for the current quarter were $462,942 compared to $172,255 for the comparative quarter, an increase of $290,687 that was due largely to the acquisition of the Tropico Project in March 2023 and subsequent exploration activity, including a drill program that commenced during the current quarter.

General and administrative expenses for the quarter ended September 30, 2023 were $129,928, compared to $109,821 for the comparative quarter, an increase of $20,107. The current quarter recorded a share-based compensation expense of $11,575 compared to no such charge for the comparative quarter. Share-based compensation expense for the current quarter relates to the fair value of stock options granted during that period. A notable cost increase in the current quarter was $9,773 in office and miscellaneous costs due to cost sharing of information technology system upgrades. Management fees, salaries and benefits, shareholder communications, travel and accommodation, legal and audit fees, and transfer agent and regulatory costs were either the same or similar for the current and comparative quarters.

Nine-month period ended September 30, 2023

The nine-month period ended September 30, 2023 had a net loss of $1,698,356 compared to a net income of $47,608 for the nine-month period ended September 30, 2022, a difference of $1,745,964. The comparative period resulted in a net income due to the gain of $859,523 on mineral property option agreements and foreign currency gain of $74,531 compared to a gain of $106,202 on mineral property option agreements and foreign currency loss of $10,277 in the current period.

Exploration expenditures for the current period totaled $1,119,695 compared to $554,892 for the comparative period, an increase of $564,803. As with the quarterly comparison, the acquisition of the Tropical Project during the current fiscal year led to an increase in exploration activity and the start of a drill program funded solely by the Company.

General and administrative expenses for the current period were $685,725, compared to $336,834 for the comparative period, an increase of $348,891. Both the current and comparative periods recorded a share-based compensation expense but the expense for the current period totaled $308,631 compared to $23,125 for the comparative period. The current period share-based compensation expense relates to the fair value of stock options that were granted and became fully vested during that period whereas the expense for the comparative period relates to the fair value of shares issued pursuant to a compensation agreement. Other notable cost increases for the current period were $15,899 in shareholder communications, $11,114 in travel and accommodations, $15,332 in salaries and benefits, and $20,784 in office and miscellaneous costs. Shareholder communications and salaries and benefits costs were higher due to an increase in the use of shared personnel and promotional activities. Office costs were higher due in part to more information technology maintenance needs and increased office rent while travel costs were minimal during the first quarter of the comparative period. There was no change in management fees, and costs for legal and audit fees and transfer agent and regulatory fees were similar for the current and comparative periods.

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

Mineral Properties Expenditures

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

Mexico – A total of $1,089,765, excluding cost recoveries, was incurred on exploration, property investigation, and miscellaneous administrative costs, of which $438,436 was on the Tropico property, $228,039 was on the Plata Verde property, $134,989 was on the Amalia property, $29,310 was on the Maricela property, and $258,991 was on general exploration.

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

Cost recoveries relating to the Plata Verde property totaled $161,926 for the Company's underlying option payments. Cost recoveries relating to funding from Pan American on the Amalia property totaled $26,040 for option payments and $30,182 for exploration costs.

Guatemala – A total of $34,618 was incurred on investigation of new opportunities and maintenance of the Company's Guatemala properties.

Other – A total of $25,494 was incurred on property investigation costs in regions other than Mexico and Guatemala.

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

Liquidity and Capital Resources

The Company's cash and cash equivalents were $1.65 million at September 30, 2023 compared to $1.42 million at December 31, 2022. As at September 30, 2023, working capital was $2.83 million compared to $3.25 million at December 31, 2022. Included in working capital is the fair value of the Company's equity investments which as of September 30, 2023 was $1.24 million compared to $1.87 million as of December 31, 2022. During the period ended September 30, 2023, the Company raised gross proceeds of $1.95 million by way of equity financing to provide working capital for corporate and exploration operations.

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

The Company intends to use the proceeds from any equity financings, sales of its equity investments, option payments received, and royalty income payments received to fund its exploration programs, investment opportunities, and general working capital requirements. The Company expects its current capital resources to be sufficient to cover its operating costs and carry out limited exploration programs for the next twelve months. Actual funding requirements may vary from those planned due to a number of factors, including potential property acquisitions and exploration activity. The Company will continue to seek to raise additional capital in the future and believes it will be able to do so, but recognizes the uncertainty attached thereto.

Related Party Transactions

See Note 12 of the condensed interim consolidated financial statements for the nine months ended September 30, 2023 for details of other related party transactions which occurred in the normal course of business.

Other Data

Additional information related to the Company is available for viewing on SEDAR+ at www.sedarplus.ca.

Share Position and Outstanding Warrants and Options

As at the date of this Interim MD&A, the Company's outstanding share position is 99,118,533 common shares and the following share purchase warrants and incentive stock options are outstanding:

WARRANTS

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

STOCK OPTIONS

Number of options	Exercise price	Expiry date
1,230,000	$0.15	October 18, 2026
1,265,000	$0.15	May 21, 2028
75,000	$0.15	November 4, 2028
850,000	$0.25	October 7, 2029
280,000	$0.15	March 15, 2030
50,000	$0.27	December 8, 2030
50,000	$0.34	February 10, 2031
50,000	$0.24	March 3, 2031
300,000	$0.34	October 25, 2031
75,000	$0.20	January 9, 2033
2,070,000	$0.18	June 6, 2033
50,000	$0.23	September 18, 2033
6,345,000		

Accounting Policies and Basis of Presentation

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

Future Accounting Changes

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

Risks and Uncertainties

Royalty revenue

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

Competition

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

Inability to dispose of illiquid securities

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

Due diligence

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

Mineral property exploration and mining

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

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

Joint venture funding

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

Commodity price

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

Financing and share price fluctuation

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

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

Political, regulatory and currency

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

Insurance

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

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

Environmental and social

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

Mineral Properties Expenditure Detail (see following page)

Mineral Properties Expenditure Detail

INTERIM CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES
For the nine months ended September 30, 2023

	Guatemala		Mexico		Other	
	General Exploration	Mineral Properties	General Exploration	Mineral Properties	General Exploration	**Total**
Administration	$ 420	$ 3,773	$ 18,129	$ 3,064	$ -	$ 25,386
Drilling	-	-	-	118,589	-	118,589
Environmental	-	-	-	60,550	-	60,550
Geochemistry	-	-	17,502	12,298	2,693	32,493
Geological services	1,425	10,081	79,329	219,063	22,801	332,699
Legal and accounting	-	-	14,202	138,882	-	153,084
Licenses, rights and taxes	-	-	68,620	62,619	-	131,239
Salaries and wages	1,883	16,919	22,947	60,792	-	102,541
Travel and accommodation	-	117	38,262	154,917	-	193,296
	3,728	30,890	258,991	830,774	25,494	1,149,877
Expenditures recovered	-	-	-	(30,182)	-	(30,182)
	$ 3,728	**$ 30,890**	**$ 258,991**	**$ 800,592**	**$ 25,494**	**$1,119,695**

INTERIM CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES
For the nine months ended September 30, 2022

	Guatemala		Mexico		Other	
	General Exploration	Mineral Properties	General Exploration	Mineral Properties	General Exploration	**Total**
Administration	$ 31	$ 4,033	$ 4,412	$ 1,004	$ -	$ 9,480
Geochemistry	-	-	59,948	-	7,234	67,180
Geological services	10,024	29,373	103,867	66,111	37,138	246,513
Legal and accounting	1,639	-	18,486	18,996	-	39,121
Licenses, rights and taxes	-	-	340	147,882	-	148,222
Salaries and wages	-	17,928	37,497	45,405	12,768	113,598
Travel and accommodation	-	1,166	60,397	22,947	7,992	92,502
	11,694	52,500	284,947	302,345	65,132	716,618
Expenditures recovered	-	-	-	(161,726)	-	(161,726)
	$ 11,694	**$ 52,500**	**$ 284,947**	**$ 140,619**	**$ 65,132**	**$ 554,892**