



CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in Canadian Dollars)

## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF RADIUS GOLD INC.

#### *Opinion*

We have audited the consolidated financial statements of Radius Gold Inc. and its subsidiaries (the "Company"), which comprise:

- ◆ the consolidated statements of financial position as at December 31, 2024 and 2023;
- ◆ the consolidated statements of loss and comprehensive loss for the years then ended;
- ◆ the consolidated statements of changes in equity for the years then ended;
- ◆ the consolidated statements of cash flows for the years then ended; and
- ◆ the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and 2023, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

#### *Basis for Opinion*

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

#### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of \$955,687 during the year ended December 31, 2024 and, as of that date, the Company's deficit is \$60,778,941. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our auditor's report.

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### *Other Information*

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Michelle Chi Wai So.

*Smythe LLP*

Chartered Professional Accountants

Vancouver, British Columbia

April 28, 2025

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**RADIUS GOLD INC.****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

<b>As at December 31</b>	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (Note 5)	\$ 838,209	\$ 910,755
Equity investments (Note 6)	565,963	1,009,900
Receivables (Notes 7 and 15)	51,236	190,286
Prepaid expenses and deposits (Note 15)	20,552	83,548
<b>Total current assets</b>	<b>1,475,960</b>	<b>2,194,489</b>
<b>Non-current assets</b>		
Long-term deposits (Note 15)	66,907	63,000
Sales tax recoverable (Note 7)	98,038	-
Property and equipment (Note 8)	38,143	43,048
Right-of-use assets (Note 9)	93,695	60,630
Mineral property and royalty interests (Note 10)	64,301	1
<b>Total non-current assets</b>	<b>361,084</b>	<b>166,679</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,837,044</b>	<b>\$ 2,361,168</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Notes 10 and 15)	\$ 342,047	\$ 89,938
Current portion of lease liabilities (Note 9)	14,202	81,942
	356,249	171,880
<b>Non-current liabilities</b>		
Lease liabilities (Note 9)	81,321	-
<b>Total liabilities</b>	<b>437,570</b>	<b>171,880</b>
<b>Shareholders' equity</b>		
Share capital (Note 12)	59,344,933	58,776,806
Other equity reserve (Note 13)	7,565,158	7,562,565
Accumulated other comprehensive loss	(4,731,676)	(4,326,829)
Deficit	(60,778,941)	(59,823,254)
<b>Total shareholders' equity</b>	<b>1,399,474</b>	<b>2,189,288</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 1,837,044</b>	<b>\$ 2,361,168</b>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS AND AUTHORIZED FOR ISSUE ON APRIL 28, 2025 BY:

"Bruce Smith", Director  
Bruce Smith

"William Katzin", Director  
William Katzin

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

**RADIUS GOLD INC.****CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

	<b>2024</b>	<b>2023</b>
Exploration expenditures (Note 15)	\$ 477,594	\$ 1,572,144
Write-off of mineral property interests (Note 10)	-	309,223
	477,594	1,881,367
General and administrative expenses		
Amortization (Note 8)	12,231	8,839
Depreciation of right-of-use asset (Note 9)	61,861	60,467
Interest expense on lease liabilities (Note 9)	4,907	11,646
Legal and audit fees	58,978	58,910
Management fees (Note 15)	51,500	64,000
Office and miscellaneous (Notes 11 and 15)	46,833	35,233
Salaries and benefits (Note 15)	177,891	160,787
Share-based compensation (Notes 13 and 15)	2,593	308,631
Shareholder communications (Note 15)	32,516	69,172
Transfer agent and regulatory fees (Note 15)	15,845	23,793
Travel and accommodation (Note 15)	25,118	46,106
	490,273	847,584
<b>Loss from operations</b>	<b>(967,867)</b>	<b>(2,728,951)</b>
Investment income	7,816	13,502
Foreign currency exchange gain (loss)	4,364	(28,409)
Gain from mineral property option agreements (Note 10)	-	106,202
<b>Net loss for the year</b>	<b>\$ (955,687)</b>	<b>\$ (2,637,656)</b>
<b>Other comprehensive loss</b>		
Items that will not be reclassified subsequently to profit or loss:		
Losses on sale of equity investments (Note 6)	(78,210)	-
Fair value losses on equity investments (Note 6)	(326,637)	(858,983)
<b>Total comprehensive loss</b>	<b>\$ (1,360,534)</b>	<b>\$ (3,496,639)</b>
<b>Basic and diluted loss per share (Note 3(h))</b>	<b>\$(0.01)</b>	<b>\$(0.03)</b>
<b>Weighted average number of common shares outstanding</b>	<b>100,545,992</b>	<b>94,086,896</b>

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

**RADIUS GOLD INC.****CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Obligation to issue shares	Other equity reserve	Accumulated other comprehensive loss	Deficit	Total
Balance, December 31, 2022	87,268,550	\$ 56,728,904	\$ 120,625	\$ 7,260,439	\$ (3,467,846)	\$(57,185,598)	\$ 3,456,524
Loss for the year	-	-	-	-	-	(2,637,656)	(2,637,656)
Shares issued for private placement	11,149,983	1,951,247	-	-	-	-	1,951,247
Shares issued for services	500,000	120,625	(120,625)	-	-	-	-
Options exercised	200,000	30,000	-	-	-	-	30,000
Transfer of other equity reserve on exercise of options	-	15,440	-	(15,440)	-	-	-
Share issuance costs	-	(69,410)	-	8,935	-	-	(60,475)
Equity investments	-	-	-	-	(858,983)	-	(858,983)
Share-based compensation	-	-	-	308,631	-	-	308,631
<b>Balance, December 31, 2023</b>	<b>99,118,533</b>	<b>58,776,806</b>	<b>-</b>	<b>7,562,565</b>	<b>(4,326,829)</b>	<b>(59,823,254)</b>	<b>2,189,288</b>
Loss for the year	-	-	-	-	-	(955,687)	(955,687)
Shares issued for private placement	8,292,859	580,500	-	-	-	-	580,500
Share issuance costs	-	(12,373)	-	-	-	-	(12,373)
Equity investments	-	-	-	-	(404,847)	-	(404,847)
Share-based compensation	-	-	-	2,593	-	-	2,593
<b>Balance, December 31, 2024</b>	<b>107,411,392</b>	<b>\$ 59,344,933</b>	<b>\$ -</b>	<b>\$ 7,565,158</b>	<b>\$ (4,731,676)</b>	<b>\$(60,778,941)</b>	<b>\$ 1,399,474</b>

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

**RADIUS GOLD INC.****CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

	<b>2024</b>	<b>2023</b>
<b>Cash provided (used in):</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	\$ (955,687)	\$ (2,637,656)
Items not involving cash:		
Amortization	12,231	8,839
Gain from mineral property option agreements	-	(106,202)
Depreciation of right-of-use asset	61,861	60,467
Write off of mineral property interests	-	309,223
Share-based compensation	2,593	308,631
	(879,002)	(2,056,698)
Changes in non-cash working capital items:		
Receivables	41,012	(110,103)
Prepaid expenses and deposits	62,996	30,017
Accounts payable and accrued liabilities	108,431	(10,121)
Cash used in operating activities	(666,563)	(2,146,905)
<b>FINANCING ACTIVITIES</b>		
Proceeds on issuance of common shares, net	568,127	1,920,772
Repayment of lease obligation	(81,345)	(72,689)
Cash provided by financing activities	486,782	1,848,083
<b>INVESTING ACTIVITIES</b>		
Long-term deposit	(3,907)	-
Expenditures on mineral property acquisition costs	(310,783)	(726,641)
Proceeds from mineral property option agreements	390,161	561,021
Proceeds from sale of equity investments	39,090	-
Purchase of property and equipment	(7,326)	(44,917)
Cash provided by (used in) investing activities	107,235	(210,537)
<b>Decrease in cash and cash equivalents</b>	<b>(72,546)</b>	<b>(509,359)</b>
Cash and cash equivalents, beginning of year	910,755	1,420,114
<b>Cash and cash equivalents, end of year (Note 5)</b>	<b>\$ 838,209</b>	<b>\$ 910,755</b>

**Supplemental Cash Flow Information (Note 19)**

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

## **RADIUS GOLD INC.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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#### **1. NATURE AND GOING CONCERN**

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

The Company is engaged in the acquisition and exploration of mineral properties and investment in companies which hold mineral property interests. The address of the Company’s head office and principal place of business is 1111 Melville Street, Suite 1000, Vancouver, BC V6E 3V6, Canada.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. As of December 31, 2024, the Company had not yet achieved profitable operations and has accumulated losses of \$60,778,941 (2023: \$59,823,254) since inception and is expected to incur further losses in the development of its business, all of which raises significant doubt about its ability to continue as a going concern. The Company will periodically have to raise funds to continue operations. Management cannot be certain it will continue to be able to obtain such funding. All of these conditions may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management continues to investigate and pursue opportunities to raise financing for the Company.

#### **2. BASIS OF PREPARATION**

##### **Statement of Compliance**

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

The accounting policies set out in Note 3 have been applied consistently by the Company and its subsidiaries to all periods presented.

##### **Basis of Measurement**

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The consolidated financial statements are presented in Canadian dollars (“CDN”), which is the Company’s and its subsidiaries’ functional currency.

The preparation of financial statements in compliance with IFRS Accounting Standards requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

## RADIUS GOLD INC.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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### 3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

#### a) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. A wholly owned subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. All material intercompany transactions and balances have been eliminated on consolidation. Subsidiaries are deconsolidated from the date control ceases.

Details of the Company's principal subsidiaries at December 31, 2024 and 2023 are as follows:

<u>Name</u>	<u>Place of Incorporation</u>	<u>Interest %</u>	<u>Principal Activity</u>
Minerales Sierra Pacifico S.A.	Guatemala	100%	Exploration company
Geometales Del Norte-Geonorte	Mexico	100%	Exploration company
Minera Aymara S.A.C.	Peru	100%	Exploration company
Radius (Cayman) Inc.	Cayman Islands	100%	Investment Holding company

#### b) Foreign Currency Translation

The functional and presentation currency of the Company and its principal subsidiaries is the Canadian dollar. Transactions denominated in a currency other than an entity's functional currency are translated as follows: unsettled monetary items denominated in a foreign currency are translated into Canadian dollars at exchange rates prevailing at the date of the statement of financial position and non-monetary items are translated at exchange rates prevailing when the assets were acquired or obligations incurred. Foreign currency denominated revenue and expense items are translated at exchange rates prevailing at the transaction date. Gains or losses arising from the translations are included in profit or loss.

#### c) Cash and Cash Equivalents

Cash and cash equivalents include cash at banks and on hand, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of change of value.

#### d) Mineral Property and Royalty Interests

##### *Exploration and evaluation assets*

Acquisition costs for exploration and evaluation assets are capitalized and include the cash consideration paid and the fair value of common shares issued on acquisition, at the earlier of the date the counterparty's performance is complete or the share issuance date. Exploration expenditures, net of recoveries, are charged to operations as incurred. After a property is determined by management to be commercially feasible, exploration and development expenditures on the property will be capitalized. On transfer to development properties, capitalized exploration and evaluation assets are assessed for impairment.

Options are exercisable entirely at the discretion of the optionee and amounts received from optionees in connection with option agreements are credited against the capitalized acquisition costs classified as exploration and evaluation assets on the consolidated statement of financial position, with amounts received in excess credited to gain from mineral property option agreements in profit or loss.

## **RADIUS GOLD INC.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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#### **3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)**

##### **d) Mineral Property and Royalty Interests (cont'd)**

###### *Exploration and evaluation assets (cont'd)*

Where the Company has entered into option agreements to acquire interests in exploration and evaluation assets that provide for periodic payments or periodic share issuances, amounts unpaid and unissued are not recorded as liabilities since they are payable and issuable entirely at the Company's option. Option payments are recorded as exploration and evaluation costs when the payments are made or received and the share issuances are recorded as exploration and evaluation costs using the fair market value of the Company's common shares at the earlier of the date the counterparty's performance is complete or the share issuance date.

The Company is in the process of exploring and developing its exploration and evaluation assets and has not yet determined the amount of reserves available. Management reviews the carrying value of exploration and evaluation assets on a periodic basis and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, the Company will test the asset for impairment based upon a variety of factors, including current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the asset or from the sale of the asset. Amounts shown for exploration and evaluation assets represent costs incurred to date, net of write-downs and recoveries, and are not intended to represent present or future values.

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and the costs can be reasonably estimated. Generally, the timing of these accruals would be when the actual environmental disturbance occurs.

###### *Royalties*

Royalty interests consist of acquired royalties in producing and exploration and evaluation stage properties. They are subsequently measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Producing properties are those that have generated revenue from steady-state operations for the Company. Exploration and evaluation stage properties represent early stage exploration properties that are speculative and are expected to require more than two years to generate revenue, if ever, or are currently not active.

Producing royalty interests are recorded at cost and capitalized in accordance with IAS 16, *Property, Plant and Equipment*. Producing royalty interests are depleted using the units-of-production method over the life of the property to which the interest relates, which is estimated using available estimates of proven and probable reserves specifically associated with the properties. Management relies on information available to it under contracts with the operators and/or public disclosures for information on proven and probable reserves and resources from the operators of the producing royalty interest.

Royalty interests for exploration and evaluation assets are recorded at cost and capitalized in accordance with IFRS 6, *Exploration for and Evaluation of Mineral Resources*. Acquisition costs of exploration and evaluation royalty interests are capitalized and are not depleted until such time as revenue-generating activities begin.

## RADIUS GOLD INC.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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### 3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

#### e) Property, Equipment and Amortization

##### *Recognition and Measurement*

On initial recognition, property and equipment are valued at cost, being the purchase price and directly attributable costs of acquisition required to bring the asset to the location and condition necessary to be capable of operating in a manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Property and equipment is subsequently measured at cost less accumulated amortization, less any accumulated impairment losses, with the exception of land, which is not amortized.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

##### *Gains and Losses*

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount, that are recognized net within other income in profit or loss.

##### *Amortization*

Amortization is recognized in profit or loss and property and equipment is amortized over their estimated useful lives using the following methods:

Trucks	4 – 8 years straight-line
Computer equipment	25% –50% declining balance
Geophysical equipment	20% declining balance
Field equipment	30% declining balance
Leasehold improvements	5 years straight-line

#### f) Right-of-Use Assets

Right-of-use (“ROU”) assets are initially recorded at cost, which comprises the initial amount of the lease liability and any initial direct costs incurred less any lease payments made at or before the initial recognition date. ROU assets are depreciated on a straight-line basis over the estimated useful life of the asset if the Company expects to take ownership of the asset at the end of the lease term, or over the lease term if the Company does not expect to take ownership of the asset at the end of the lease term. The lease term includes periods covered by an option to extend if the Company’s intention is to exercise that option. ROU assets are periodically reduced by impairment losses, if any, and adjusted for re-measurements of the lease obligation.

#### g) Earnings/Loss per Share

Basic earnings/loss per share is calculated by dividing the net earnings loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflects the potential dilution of securities that could share in earnings of the Company.

For the year ended December 31, 2024, there were no potentially dilutive common shares included in the computation of earnings/loss per share. During the year ended December 31, 2023, potentially dilutive common shares (relating to options outstanding at year-end) totaling 4,920,000 were not included in the computation of earnings/loss per share, because their effect was anti-dilutive. As such, basic and diluted earnings and losses per share were the same for the periods presented.

## **RADIUS GOLD INC.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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### **3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)**

#### **h) Share Capital**

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants, and options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Warrants issued by the Company typically accompany an issuance of shares in the Company (a "Unit") and entitle the warrant holder to exercise the warrants for a stated price and a stated number of common shares in the Company. The fair value of the Unit's components sold is measured using the residual value approach. The proceeds received are first allocated to common shares at the time the Units are priced, and any excess is allocated to warrants.

#### **i) Share-based Payments**

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss. Options or warrants granted related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model or the fair value of the shares granted.

All equity-settled share-based payments are reflected in other equity reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in other equity reserve is credited to share capital, adjusted for any consideration paid. Options that expire or are forfeited after vesting are not reclassified from other equity reserve to deficit.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

#### **j) Provisions**

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as accretion expense.

## **RADIUS GOLD INC.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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### **3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)**

#### **k) Impairment of Non-Financial Assets**

Impairment tests on non-financial assets, including exploration and evaluation assets, are undertaken whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs of disposal, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in other comprehensive loss/income.

#### **l) Financial Instruments**

##### Financial Assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

##### *Financial assets measured at amortized cost*

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

##### *Financial assets measured at fair value through other comprehensive income ("FVTOCI")*

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included in other comprehensive income.

##### *Financial assets measured at fair value through profit or loss ("FVTPL")*

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

## RADIUS GOLD INC.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

#### l) Financial Instruments (cont'd)

##### Financial Liabilities

The Company recognizes a financial liability when it becomes a party to the contractual provisions of the instrument. Financial liabilities are classified as amortized cost, based on the purpose for which the liability was incurred. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemptions, as well as any interest or coupon payable while the liability is outstanding.

Accounts payables represent liabilities for goods and services provided to the Company prior to the end of the period which are unpaid. Accounts payable amounts are unsecured and are usually paid within forty-five days of recognition.

The Company has made the following designations of its financial instruments:

Cash and cash equivalents	FVTPL
Equity investments	FVTOCI
Receivables	Amortized cost
Deposits	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Lease liabilities	Amortized cost

#### m) Lease Liabilities

A lease liability is measured at the present value of the expected lease payments over the lease term, discounted at the implicit rate in the lease; if the rate cannot be determined, the incremental borrowing rate of the asset or asset grouping is used. The lease liability is increased for the passage of time and payments on the lease are offset against the lease liability. The liability is subsequently re-measured when there is a change in the lease agreement, such as a change in future lease payments or if the Company decides to purchase, extend, or terminate the lease option. When the lease liability is re-measured, an adjustment is applied to the carrying value of the ROU asset.

#### n) Standards, Amendments and Interpretations Not Yet Effective

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

##### *IFRS 18, Presentation and Disclosure in Financial Statements*

IFRS 18 is a new standard that will replace *IAS 1 Presentation of Financial Statements*, setting out a new presentation requirement for the statement of profit or loss, and providing new definitions and disclosures related to non-IFRS performance measures.

This standard will be effective for the Company's annual period beginning January 1, 2027 with early application permitted. The Company is currently assessing the impact of IFRS 18 on its consolidated financial statements.

## **RADIUS GOLD INC.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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#### **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

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

- a) The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of the functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.
- b) The application of the Company's accounting policy for exploration and evaluation assets and royalty interests requires judgment in determining whether it is likely that future economic benefits will flow to the Company.  
If, after exploration and evaluation assets are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the Company carries out an impairment test at the cash-generating unit or group of cash-generating units level in the year the new information becomes available.
- c) The determination of when receivables are impaired requires significant judgment as to their collectability.
- d) The Company applies judgment in determining whether a lease contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.
- e) The assessment of the Company's ability to continue as a going concern to pay for its operating expenditures and meet its liabilities for the subsequent year involves significant judgment based on historical experiences and other factors including expectation of future events that are believed to be reasonable under the circumstances.

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

- a) To determine the recoverable amount of impaired assets, the Company estimates the higher of fair value less costs to sell and value in use. The actual results may vary and may cause significant adjustments to the Company's assets within the next financial year. There were no impairments or write-offs of exploration and evaluation asset costs during the 2024 fiscal year. During the 2023 fiscal year, the Company recorded write-offs of exploration and evaluation asset costs totaling \$37,401 on the Maricela Project and \$271,822 on the Tropicico Project (Note 10). A value in use calculation was not applicable for these write-offs as the Company did not have any expected cash flows from using the properties at this stage of operations. In estimating the fair value less costs of disposal, management did not have observable or unobservable inputs to estimate the recoverable amount greater than \$nil. As this valuation technique requires management's judgment and estimates of the recoverable amount, it is classified within Level 3 of the fair value hierarchy.
- b) In estimating the fair value of share-based payments, using the Black-Scholes option pricing model, management is required to make certain assumptions and estimates. Changes in assumptions used to estimate fair value could result in materially different results.
- c) The Company uses estimation in determining the incremental borrowing rate used to measure the lease liability. Where the rate implicit in the lease is not readily determinable, the discount rate of the lease obligations is estimated using a discount rate similar to the Company's specific borrowing rate.

**RADIUS GOLD INC.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023

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**5. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Company does not hold any deposits with maturities of greater than three months from the date of acquisition. Cash at banks and cash equivalents consisting of money market funds earn interest at floating rates based on daily bank deposit rates. As at December 31, 2024 and 2023, cash and cash equivalents is comprised of the following:

	<b>2024</b>	<b>2023</b>
Cash	\$ 781,282	\$ 700,844
Cash equivalents	56,927	209,911
	<u>\$ 838,209</u>	<u>\$ 910,755</u>

**6. EQUITY INVESTMENTS**

As of December 31, 2024, and 2023, equity investments consisted of the following:

<b>Number of common shares held as at December 31:</b>	<b>2024</b>	<b>2023</b>		
Electrum Discovery Corp. ("Electrum") (formerly Medgold Resources Corp.)	632,906	632,906		
Rackla Metals Inc. ("Rackla")	3,628,275	3,973,275		
Volcanic Gold Mines Inc. ("Volcanic")	830,412	830,412		
	<u>Electrum</u>	<u>Rackla</u>	<u>Volcanic</u>	<u>Total</u>
Balance, December 31, 2022	\$ 50,633	\$ 1,668,776	\$ 149,474	\$ 1,868,883
Net change in fair value recorded in other comprehensive income (loss)	-	(933,720)	74,737	(858,983)
Balance, December 31, 2023	50,633	735,056	224,211	1,009,900
Disposition of shares	-	(117,300)	-	(117,300)
Net change in fair value recorded in other comprehensive income (loss)	31,645	(200,504)	(157,778)	(326,637)
<b>Balance, December 31, 2024</b>	<b>\$ 82,278</b>	<b>\$ 417,252</b>	<b>\$ 66,433</b>	<b>\$ 565,963</b>

Volcanic has one common director and Rackla has three common directors with the Company. All of the Company's equity investment companies are publicly listed companies as of December 31, 2024 and 2023.

During the year ended December 31, 2024, Medgold Resources Corp. changed its name to Electrum Discovery Corp. and completed a one-for-sixteen share consolidation which reduced the number of Electrum shares held by the Company from 10,126,500 to 632,906.

During the year ended December 31, 2024, the Company sold 345,000 common shares of Rackla for net proceeds of \$39,090 and recorded a loss of \$78,210 on the sale in other comprehensive income.

During the year ended December 31, 2023, there were no equity investment transactions conducted by the Company.

**RADIUS GOLD INC.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023

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**7. RECEIVABLES**

	December 31, 2024	December 31, 2023
Royalty receivable	\$ 784,180	\$ 784,180
Provision for impairment (Note 10 – Guatemala Tambor Project)	(784,180)	(784,180)
Royalty revenue receivable, net	-	-
Sales taxes	31,154	190,286
Other receivables (Note 15)	20,082	-
	<b>\$ 51,236</b>	<b>\$ 190,286</b>

The provision for impairment of the royalty receivable was included in profit or loss during the 2016 fiscal year. Uncollectable amounts included in the provision are written off against the provision when there is no expectation of recovery. The royalty revenue receivable remains uncollected as of December 31, 2024 as the Company has allowed Kappes, Cassiday & Associates (“KCA”) to defer payment of the balance while KCA awaits a ruling on an arbitration hearing to overturn the suspension of operations of its mine-site and seek compensation from the Guatemalan authorities (Note 10).

During the year ended December 31, 2024, the Company reclassified sales tax totaling \$98,038 from a current receivable to a non-current sales tax recovery.

**8. PROPERTY AND EQUIPMENT**

	Trucks	Computer equipment	Geophysical equipment	Field equipment	Leasehold improvements	Total
<b>Cost</b>						
Balance, December 31, 2022	\$ 37,457	\$ 5,745	\$ 56,604	\$ 4,665	\$ -	\$ 104,471
Additions	38,682	1,044	-	5,191	-	44,917
Balance, December 31, 2023	76,139	6,789	56,604	9,856	-	149,388
Additions	-	-	-	-	7,326	7,326
<b>Balance, December 31, 2024</b>	<b>\$ 76,139</b>	<b>\$ 6,789</b>	<b>\$ 56,604</b>	<b>\$ 9,856</b>	<b>\$ 7,326</b>	<b>\$ 156,714</b>
<b>Accumulated amortization</b>						
Balance, December 31, 2022	\$ 37,457	\$ 2,382	\$ 52,997	\$ 4,665	\$ -	\$ 97,501
Charge for year	6,613	1,296	721	209	-	8,839
Balance, December 31, 2023	44,070	3,678	53,718	4,874	-	106,340
Charge for year	9,795	1,120	577	619	120	12,231
<b>Balance, December 31, 2024</b>	<b>\$ 53,865</b>	<b>\$ 4,798</b>	<b>\$ 54,295</b>	<b>\$ 5,493</b>	<b>\$ 120</b>	<b>\$ 118,571</b>
<b>Carrying amounts</b>						
At December 31, 2023	\$ 32,069	\$ 3,111	\$ 2,886	\$ 4,982	\$ -	\$ 43,048
<b>At December 31, 2024</b>	<b>\$ 22,274</b>	<b>\$ 1,991</b>	<b>\$ 2,309</b>	<b>\$ 4,363</b>	<b>\$ 7,206</b>	<b>\$ 38,143</b>

**RADIUS GOLD INC.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023

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**9. RIGHT-OF-USE ASSET AND LEASE LIABILITY**

The Company had a lease agreement for its headquarter office space in Vancouver, British Columbia that expired on December 31, 2024. During the year ended December 31, 2024, the Company co-signed with two related parties, Volcanic and Rackla, a lease agreement for shared headquarter office space. In accordance with IFRS 16 – Leases, the Company recognized \$94,926 for a right-of-use asset (“ROU asset”) and \$94,926 for a lease liability. The term of the new lease is five years, commencing on January 1, 2025, with the Company taking early possession of the office space in December 2024.

The continuity of the ROU assets and lease liabilities for the years ended December 31, 2024 and 2023 is as follows:

<b>Right-of-use assets</b>	
Value of right-of-use asset recognized as at December 31, 2022	\$ 121,097
Depreciation	(60,467)
Value of right-of-use asset as at December 31, 2023	60,630
Value of right-of-use asset recognized during the year	94,926
Depreciation	(61,861)
<b>Value of right-of-use asset as at December 31, 2024</b>	<b>\$ 93,695</b>
<b>Lease liabilities</b>	
Lease liability recognized as of December 31, 2022	\$ 154,631
Lease payments	(84,335)
Lease interest	11,646
Lease liability recognized as of December 31, 2023	81,942
Lease liability recognized during the year	94,926
Lease payments	(86,252)
Lease interest	4,907
<b>Lease liability recognized as of December 31, 2024</b>	<b>\$ 95,523</b>
<b>Lease liability</b>	
Current portion	\$ 14,202
Long-term portion	81,321
	<b>\$ 95,523</b>

**10. MINERAL PROPERTY AND ROYALTY INTERESTS**

<b>Acquisition costs</b>	<b>Mexico</b>	<b>Guatemala</b>	<b>Peru</b>	<b>Total</b>
Balance, December 31, 2022	\$ 37,401	\$ 1	\$ -	\$ 37,402
Additions – cash	726,641	-	-	726,641
Acquisition costs recovered	(454,819)	-	-	(454,819)
Write-off of acquisition costs	(309,223)	-	-	(309,223)
Balance, December 31, 2023	-	1	-	1
Additions – cash	246,483	-	64,300	310,783
Acquisition costs recovered	(246,483)	-	-	(246,483)
<b>Balance, December 31, 2024</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 64,300</b>	<b>\$ 64,301</b>

## **RADIUS GOLD INC.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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#### **10. MINERAL PROPERTY AND ROYALTY INTERESTS (cont'd)**

##### **Peru**

###### **i) Tierra Roja Project**

In September 2024, the Company was granted the exclusive option to acquire the Tierra Roja exploration-stage copper porphyry project, located in southern Peru. The Company may acquire a 100% interest in the Tierra Roja Project by making cash payments to the property owners totalling US\$5.0 million over a five-year period which will commence upon issuance of initial drill permits. Of this total amount, US\$1.0 million is required to be paid in instalments over the first three years, and US\$2.0 million is payable on each of the fourth and fifth anniversaries of the drill permit date. As of December 31, 2024, the Company has paid \$27,155 (US\$20,000) in option payments and \$37,145 in additional staking and finders' fee costs, all of which were recorded as acquisition costs.

Subsequent to December 31, 2024, the Company signed a six month exclusivity agreement with a local landowner regarding nine exploration concessions, two of which are adjoining and seven which are within the broader district of the Tierra Project. The agreement allows the Company to conduct prospecting and evaluation of the licences, and the exclusive right to enter into an option agreement for any or all nine of the concessions.

##### **Mexico**

###### **i) Amalia Project (including the Palmillas Property)**

In 2022, the Company exercised its option to acquire the Amalia Project located in Chihuahua State, Mexico, and pursuant to the option granted to Pan American Silver Corp. ("Pan American") in 2018, Pan American earned an initial 65% interest in the Amalia Project and the Palmillas Property (described below). Pan American was granted a second option to earn an additional 10% by advancing the property to a preliminary feasibility stage.

In 2019, the Company signed an agreement with a private family to option the Palmillas Property that adjoins the Amalia Project. The Company could earn a 100% interest in the Palmillas Property by completing staged payments over a period of five years totaling US\$350,000. As of December 31, 2024, cash payments totaling \$348,709 (US\$250,000) were paid, of which \$185,578 (US\$125,000) was paid during the current year. During the current year, the Company exercised the option to acquire 100% interest in the Palmillas Property and it was agreed that the final payment of US\$100,000 would be paid at a future date upon satisfaction of certain closing conditions. The owners will retain a 1% NSR royalty.

Pursuant to the Company's option agreement with Pan American on the Amalia Project, Pan American elected during the 2020 fiscal year to pay the Company's acquisition costs of the Palmillas Property and add the property to the Amalia Project. During the year ended December 31, 2024, the Company received \$329,256 (US\$225,000) from Pan American to reimburse the Company for Palmillas option payments made to the Palmillas Property owners (2023: \$59,359 / US\$45,000), of which \$143,678 (US\$100,000) is recorded as a liability for the final option payment to be made to the property owner at a date yet to be determined.

##### ***Legal Proceeding***

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

## **RADIUS GOLD INC.**

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#### **10. MINERAL PROPERTY AND ROYALTY INTERESTS (cont'd)**

##### **Mexico** (cont'd)

###### ii) Plata Verde Project

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

The Company could have earned a 100% interest in the Don Benja concession by making staged payments to the concession owner totaling US\$801,000 over a period of five years. As of December 31, 2024, the Company had made payments totaling \$534,905 (US\$401,000), of which all was paid prior to the current year.

The Company could have earned a 100% interest in the Don Jose concession by making staged payments to the concession owner totaling US\$500,000 over a period of four years. As of December 31, 2024, the Company had made payments totaling \$162,567 (US\$120,000), of which \$60,905 (US\$45,000) was paid during the current year.

During the 2022 fiscal year, the Company entered into an exclusivity agreement with Fresnillo plc ("Fresnillo") whereby Fresnillo had the exclusive right to negotiate with the Company the terms of an option to earn a 70% interest in the Plata Verde Project. Pursuant to the exclusivity agreement, Fresnillo made payments totaling US\$740,300 to the Company and comprising US\$100,000 upon signing the exclusivity agreement, US\$402,000 to reimburse underlying property option payments, US\$103,600 to clear historic back taxes and return the property to full legal compliance; and US\$134,700 for property taxes and investment costs at the project. Of the total amount of \$992,394 (US\$740,300) received to-date, \$60,905 (US\$45,000) was received during the current year.

During the year ended December 31, 2024, an option agreement was signed which replaced the exclusivity agreement and provided for an initial payment from Fresnillo of US\$250,000 to mobilize drilling and field teams and a second payment of US\$250,000 due when drilling commenced. Both payments, totaling US\$500,000, were received by the Company during the current year.

The Company conducted a drill program on the Plata Verde Project in the fall of 2024, and the results did not warrant further work. Accordingly, Fresnillo relinquished its option on the property, and the Company terminated its options to acquire the property.

###### iii) Maricela Project

During the 2021 fiscal year, the Company entered into an option agreement to acquire the Maricela group of properties located in the State of Sonora that covers several mineral concessions. The Company could have earned a 100% interest in the Maricela Project by making staged payments to the property owner totaling US\$1,250,000 over three years. A total of US\$30,000 (\$37,401) was paid and recorded as an acquisition cost during the year 2021 fiscal year. The Company decided to terminate the option agreement and as a result, the acquisition cost of \$37,401 was written off during the 2023 fiscal year.

###### iv) Tropic Project

The Company had the option to earn a 100% interest in the Tropic Project located within the Fresnillo mining district in the State of Zacatecas, Mexico by making a US\$200,000 payment to the property owners upon signing the agreement (paid), and further payments totalling US\$200,000 over four years.

Early during the 2024 fiscal year, the Company decided to relinquish the option and as a result, the acquisition cost of \$271,822 (US\$200,000) was written off during the 2023 fiscal year.

## **RADIUS GOLD INC.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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(Expressed in Canadian Dollars)

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#### **10. MINERAL PROPERTY AND ROYALTY INTERESTS (cont'd)**

##### **Mexico** (cont'd)

v) Rambler Project

During the 2019 fiscal year, the Company staked a property called the Rambler Project, located in the State of Chihuahua.

vi) Lithium Brine Project

The Company held a mineral concession application for a lithium brine project located in the State of Coahuila, Mexico. During the 2024 fiscal year, this application was relinquished due to the nationalization of lithium in Mexico.

##### **Guatemala**

i) Guatemala Properties

The Company owns several mineral concessions in southeast Guatemala which are either granted exploration licences or applications for exploration or exploitation licences. These include the Cirilo I exploration licence in the Motagua Norte project area which was granted in 2023.

In 2020, the Company signed an agreement whereby it granted Volcanic the exclusive option (the "Mineral Rights Option") to acquire a 60% interest in the Company's Holly and Banderas gold-silver properties. In 2023, the Option was modified to include the Motagua Norte project in substitution for the Banderas project. Management determined the projects were of equivalent value and accordingly no gain or loss was recognized on this substitution. The original earn-in requirement to spend US\$7.0 million in exploration of the properties remained unchanged. Expenditures made by Volcanic on exploration of the Banderas property were credited towards the US\$7.0 million expenditure requirement.

During the year ended December 31, 2024, Volcanic completed the expenditure requirement for the Mineral Rights Option and exercised the option. As a result, the Company and Volcanic will form a standard 40/60 joint venture in order to further develop the properties.

In 2023, the Company entered into a surface rights option agreement (the "Surface Rights Option") with the owner of certain lands comprising a portion of the Motagua Norte project, and the Company granted to Volcanic the option to acquire a 60% interest in such lands by assuming the option payments due to the landowner. At that time, the Company paid \$204,873 (US\$150,000) as an initial option payment and was reimbursed for the cost by Volcanic. During the year ended December 31, 2024, the Company and Volcanic decided to terminate the Surface Rights Option.

ii) Tambor Project Royalty

In 2012, the Company sold its interest in its subsidiary, Exploraciones Mineras de Guatemala S.A., which holds the Tambor gold project, to KCA, giving KCA a 100% interest in the project. KCA agreed to make royalty payments to the Company, upon commercial production, based on the then price of gold and the number of ounces produced from the property.

Commercial production commenced in December 2014. 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. To date, the Supreme Court has not made a decision on when the mine may re-open.

There was no royalty income recognized for the years ended December 31, 2024 and 2023.

All gold sales subject to the Company's royalty have been final settled and the balance that remained unpaid to the Company as at December 31, 2024 is \$784,180. Due to the uncertainty as to when the mine may re-open and when the amount owing by KCA to the Company will be paid, a provision of \$784,180 against the receivable amount was charged to operations in 2016.

## **RADIUS GOLD INC.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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#### **11. COMMITMENTS**

During the year ended December 31, 2024, the Company entered into an operating lease agreement for its office premises and paid a security deposit of \$3,907. The term of the lease is five years, commencing January 1, 2025 and includes an early termination option whereby the Company can terminate the lease upon the third anniversary date with a payment equal to two months gross rent. The annual commitments under the lease, if the early termination option is not exercised, are as follows:

2025	\$	40,798
2026		40,798
2027		43,759
2028		41,612
2029		44,648
	\$	<b>211,615</b>

The Company was a party to an operating lease agreement for office premises that expired on December 31, 2024. The Company also rented space to other companies related by common directors and officers on a month-to-month basis, the amounts of which were netted against the Company's rental expense. For the year ended December 31, 2024, the Company received a total of \$92,474 (2023: \$96,775) from those companies which shared office space with the Company.

#### **12. SHARE CAPITAL AND RESERVES**

##### **a) Common Shares**

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

During the year ended December 31, 2024, the Company closed a private placement of 8,292,859 units at \$0.07 per unit for gross proceeds of \$580,500. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase an additional common share exercisable for one year at a price of \$0.10. Of the total gross proceeds, \$580,500 was allocated to share capital and nil to warrants. In connection with this financing, the Company paid finder's fees totalling \$7,560 cash. Other share issuance costs associated with this financing totalled \$4,813.

During the year ended December 31, 2023, the following share capital activity occurred:

- i) The Company closed a private placement of 11,149,983 units at \$0.175 per unit for gross proceeds of \$1,951,247. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase an additional common share exercisable for two years at a price of \$0.35. Of the total gross proceeds, \$1,951,247 was allocated to share capital and nil to warrants. In connection with this financing, the Company paid finder's fees totaling \$39,627 cash and issued a total of 226,442 warrants which have the same terms as the unit warrants. The fair value of the finders' fee warrants was \$8,935 and was recorded as share issuance costs and an offset to other equity reserve. The fair value of each finders' fee warrant was estimated as of the date of the issuance using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 4.23%, dividend yield of 0%, volatility of 67% and expected life of two years. Other share issuance costs associated with this financing totalled \$20,848;
- ii) The Company issued 500,000 common shares with a value of \$120,625 to the Chief Executive Officer of the Company pursuant to the terms of a shares for services agreement dated January 1, 2021; and
- iii) A total of 200,000 stock options were exercised for proceeds of \$30,000. The Company reallocated the fair value of these options previously recorded in the amount of \$15,440 from other equity reserve to share capital.

**RADIUS GOLD INC.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**12. SHARE CAPITAL AND RESERVES (cont'd)**

## b) Share Purchase Warrants

The following is a summary of changes in warrants during the years ended December 31, 2023 and 2024:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2022	-	-
Issued	11,376,425	\$0.35
Balance, December 31, 2023	11,376,425	\$0.35
Issued	8,292,859	\$0.10
<b>Balance, December 31, 2024</b>	<b>19,669,284</b>	<b>\$0.24</b>

As at December 31, 2024, the following warrants were outstanding:

Expiry date	Number of warrants	Exercise price
May 28, 2025	11,376,425	\$0.35
October 28, 2025	8,292,859	\$0.10
	<b>19,669,284</b>	

**13. SHARE-BASED PAYMENTS**

## a) Option Plan Details

The Company has a formal stock option plan in accordance with the policies of the TSX Venture Exchange (“TSX-V”) under which it is authorized to grant options up to 10% of its outstanding shares to officers, directors, employees, and consultants. The exercise price of each option is not less than the closing market price of the Company’s stock on the trading day prior to the date of grant. Options granted to investor relations personnel vest in accordance with TSX-V regulations. The options are for a maximum term of ten years.

The following is a summary of changes in options for the year ended December 31, 2024:

Grant date	Expiry date	Exercise price	Opening balance	During the year			Closing balance	Vested and exercisable
				Granted	Exercised	Expired / forfeited		
Oct 19, 2016	Oct 18, 2026	\$0.15	1,230,000	-	-	-	1,230,000	1,230,000
May 22, 2018	May 21, 2028	\$0.15	1,265,000	-	-	-	1,265,000	1,265,000
Nov 5, 2018	Nov 4, 2028	\$0.15	75,000	-	-	-	75,000	75,000
Oct 8, 2019	Oct 7, 2029	\$0.25	850,000	-	-	-	850,000	850,000
Mar 16, 2020	Mar 15, 2030	\$0.15	280,000	-	-	-	280,000	280,000
Dec 9, 2020	Dec 8, 2030	\$0.27	50,000	-	-	-	50,000	50,000
Feb 11, 2021	Feb 10, 2031	\$0.34	50,000	-	-	-	50,000	50,000
Mar 4, 2021	Mar 3, 2031	\$0.24	50,000	-	-	-	50,000	50,000
Oct 26, 2021	Oct 25, 2031	\$0.34	300,000	-	-	-	300,000	300,000
Jan 10, 2023	Jan 9, 2033	\$0.20	75,000	-	-	-	75,000	75,000
Jun 7, 2023	Jun 6, 2033	\$0.18	2,070,000	-	-	-	2,070,000	2,070,000
Sep 19, 2023	Sep 18, 2033	\$0.23	50,000	-	-	-	50,000	50,000
Mar 27, 2024	Mar 26, 2034	\$0.15	-	25,000	-	-	25,000	25,000
			<b>6,345,000</b>	<b>25,000</b>	-	-	<b>6,370,000</b>	<b>6,370,000</b>
Weighted average exercise price			\$0.19	\$0.15	-	-	\$0.19	\$0.19

**RADIUS GOLD INC.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**13. SHARE-BASED PAYMENTS (cont'd)**

The following is a summary of changes in options for the year ended December 31, 2023:

Grant date	Expiry date	Exercise price	Opening balance	During the year			Closing balance	Vested and exercisable
				Granted	Exercised	Expired / forfeited		
Oct 19, 2016	Oct 18, 2026	\$0.15	1,230,000	-	-	-	1,230,000	1,230,000
May 22, 2018	May 21, 2028	\$0.15	1,465,000	-	(200,000)	-	1,265,000	1,265,000
Nov 5, 2018	Nov 4, 2028	\$0.15	75,000	-	-	-	75,000	75,000
Oct 8, 2019	Oct 7, 2029	\$0.25	850,000	-	-	-	850,000	850,000
Mar 16, 2020	Mar 15, 2030	\$0.15	280,000	-	-	-	280,000	280,000
Dec 9, 2020	Dec 8, 2030	\$0.27	50,000	-	-	-	50,000	50,000
Feb 11, 2021	Feb 10, 2031	\$0.34	50,000	-	-	-	50,000	50,000
Mar 4, 2021	Mar 3, 2031	\$0.24	50,000	-	-	-	50,000	50,000
Oct 26, 2021	Oct 25, 2031	\$0.34	300,000	-	-	-	300,000	300,000
Jan 10, 2023	Jan 9, 2033	\$0.20	-	75,000	-	-	75,000	75,000
Jun 7, 2023	Jun 6, 2033	\$0.18	-	2,070,000	-	-	2,070,000	2,070,000
Sep 19, 2023	Sep 18, 2033	\$0.23	-	50,000	-	-	50,000	50,000
			<b>4,350,000</b>	<b>2,195,000</b>	<b>(200,000)</b>	<b>-</b>	<b>6,345,000</b>	<b>6,345,000</b>
	<b>Weighted average exercise price</b>		<b>\$0.19</b>	<b>\$0.18</b>	<b>\$0.15</b>	<b>-</b>	<b>\$0.19</b>	<b>\$0.19</b>

The weighted average stock price on the date of exercise for options exercised during the year ended December 31, 2023 was \$0.19 per share.

## b) Fair Value of Options Granted During the Year

The fair value at grant date of options granted during the year ended December 31, 2024 was \$0.10 per option (2023: weighted average fair value of \$0.14 per option).

The weighted average remaining contractual life of the options outstanding at December 31, 2024 is 5.34 years (2023: 6.32 years).

*Options Issued to Employees*

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

*Options Issued to Non-Employees*

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

The model inputs for options granted during the year ended December 31, 2024 included:

Grant date	Expiry date	Share price at grant date	Exercise price	Risk-free interest rate	Expected life	Volatility factor	Dividend yield
Mar 27, 2024	Mar 26, 2034	\$0.13	\$0.15	3.42%	10 years	77%	0%

**RADIUS GOLD INC.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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(Expressed in Canadian Dollars)

**13. SHARE-BASED PAYMENTS (cont'd)**

## b) Fair Value of Options Granted During the Year (cont'd)

The model inputs for options granted during the year ended December 31, 2023 included:

<b>Grant date</b>	<b>Expiry date</b>	<b>Share price at grant date</b>	<b>Exercise price</b>	<b>Risk-free interest rate</b>	<b>Expected life</b>	<b>Volatility factor</b>	<b>Dividend yield</b>
Jan 10, 2023	Jan 9, 2033	\$0.21	\$0.20	3.10%	10 years	75%	0%
Jun 7, 2023	Jun 6, 2033	\$0.18	\$0.18	2.18%	10 years	75%	0%
Sep 19, 2023	Sep 18, 2033	\$0.28	\$0.23	3.82%	10 years	75%	0%

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

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

## c) Expenses Arising from Share-based Payment Transactions

Total expenses arising from the share-based payment transactions recognized during the year ended December 31, 2024 as part of share-based compensation expense were \$2,593 (2023: \$308,631) (Note 15).

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**14. INCOME TAXES**

Taxation in the Company and its subsidiaries' operational jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The difference between tax expense for the year and the expected income taxes based on the statutory tax rate arises as follows:

	<b>2024</b>	<b>2023</b>
Income (loss) before income taxes	\$ (955,688)	\$ (2,637,656)
Tax expense (recovery) based on the Canadian statutory rate of 27%	(258,000)	(712,000)
Items not deductible for tax purposes	(8,000)	86,000
Different tax rates in other jurisdictions	(2,000)	(45,000)
Under provided in prior years	283,000	718,000
Changes in unrecognized deferred tax assets	(15,000)	(47,000)
<b>Total income tax expense / (recovery)</b>	<b>\$ -</b>	<b>\$ -</b>

The Company incurred income tax expense of \$Nil (2023: \$Nil) during the year.

The tax rates represent the federal statutory rate applicable for the 2024 taxation year, 0% for Cayman Islands, 27% for the United States, 30% for Mexico and 25% for Guatemala.

No deferred tax asset has been recognized in respect of the following losses and temporary differences as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered:

	<b>2024</b>	<b>2023</b>
Loss carry forwards	\$ 2,841,000	\$ 2,710,000
Property and equipment	58,000	68,000
Lease liability	26,000	22,000
Mineral properties	2,135,000	2,135,000
Available-for-sale investments	528,000	497,000
Other deductible temporary differences	1,196,000	1,168,000
Unrecognized tax assets	(6,784,000)	(6,600,000)
	<b>\$ -</b>	<b>\$ -</b>

As at December 31, 2024, the Company has estimated non-capital losses of \$9,229,000 (2023: \$8,704,000) for Canadian income tax purposes and \$1,020,000 (2023: \$1,199,000) for Mexico income tax purposes that may be carried forward to reduce taxable income derived in future years. Non-capital Canadian tax losses expire in various amounts from 2026 to 2044. Non-capital Mexico tax losses expire in various amounts until 2033.

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**15. RELATED PARTY TRANSACTIONS**

The Company had transactions during the years ended December 31, 2024 and 2023 with related parties who consisted of directors, officers, and the following companies with common directors:

<b>Related Party</b>	<b>Nature of Transactions</b>
Mill Street Services Ltd. ("Mill Street")	Management fees
Gold Group Management Inc. ("Gold Group")	Shared general and administrative expenses
Rackla	Investment and shared office lease
Volcanic	Investment, property transactions, exploration support and shared office lease

The following are balances and transactions with related parties not disclosed elsewhere in these consolidated financial statements.

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, 2024 and 2023, the Company reimbursed Gold Group the following:

	<b>2024</b>	<b>2023</b>
<b>General and administrative expenses:</b>		
Office and miscellaneous	\$ 49,793	\$ 52,018
Shareholder communications	12,739	26,851
Salaries and benefits	177,891	160,787
Transfer agent and regulatory fees	2,454	7,309
Travel and accommodation	16,978	24,714
	<b>\$ 259,855</b>	<b>\$ 271,679</b>
<b>Exploration expenditures</b>	<b>\$ 12,933</b>	<b>\$ 4,062</b>

Gold Group salaries and benefits costs for the years ended December 31, 2023 and 2024 include those for the Chief Financial Officer and Corporate Secretary, and formerly for the Vice President Corporate Development.

During the year ended December 31, 2024, Volcanic charged \$19,136 (2023: \$38,083) to the Company for shared exploration costs and \$72,480 (2023: \$Nil) for joint venture costs.

Receivables include an amount of \$4,074 (2023: \$Nil) owed from Gold Group for shared administrative costs.

Prepaid expenses and deposits include an amount of \$1,456 (2023: \$4,153) paid to Gold Group for shared office and administrative services.

Long-term deposits include an amount of \$60,000 (2023: \$60,000) paid to Gold Group as a deposit on the shared office and administrative services agreement.

Accounts payable and accrued liabilities include \$Nil (2023: \$9,546) payable to Gold Group for shared administrative costs, \$21,024 (2023: \$7,792) to Bruce Smith, the Chief Executive Officer of the Company, for management fees and expense reimbursement, and \$108,868 (2023: \$9,594) payable to Volcanic for shared exploration and joint venture costs.

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**15. RELATED PARTY TRANSACTIONS (cont'd)**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:

	<b>2024</b>	<b>2023</b>
Geological fees included in exploration expenditures	\$ 109,000	\$ 150,500
Management fees	51,500	64,000
Salaries and benefits*	65,016	70,889
Share-based payments – value of stock options granted and vested	-	99,891
	<b>\$ 225,516</b>	<b>\$ 385,280</b>

\*Included in reimbursements to Gold Group

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

During the 2023 fiscal year, the Company issued 500,000 common shares with a value of \$120,625 to the Chief Executive Officer of the Company per the terms of a shares for services agreement dated January 1, 2021.

The Company incurred the following expenditures charged by non-key management officers and companies which have common directors with the Company in the years ended December 31, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
General and administrative expenses:		
Salaries and benefits	\$ 32,160	\$ 24,627
Exploration expenditures:		
Salaries and benefits	18,552	17,859
	<b>\$ 50,712</b>	<b>\$ 42,486</b>

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**16. SEGMENTED INFORMATION**

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

<b>Year ended December 31, 2024</b>	<b>Canada</b>	<b>Guatemala</b>	<b>Mexico</b>	<b>Peru</b>	<b>Other</b>	<b>Consolidated</b>
Exploration expenditures	\$ -	\$ 100,971	\$ 132,439	\$ 190,432	\$ 53,752	\$ 477,594
Investment income	7,816	-	-	-	-	7,816
Amortization	1,272	-	10,959	-	-	12,231
Depreciation on right-of-use asset	61,861	-	-	-	-	61,861
Interest expense on lease liability	4,907	-	-	-	-	4,907
Net loss	(497,604)	(100,971)	(106,788)	(190,453)	(59,871)	(955,687)
Capital expenditures*	7,326	-	246,483	64,300	-	318,109

<b>Year ended December 31, 2023</b>	<b>Canada</b>	<b>Guatemala</b>	<b>Mexico</b>	<b>Other</b>	<b>Consolidated</b>
Exploration expenditures	\$ -	\$ 52,396	\$ 1,482,748	\$ 37,000	\$ 1,572,144
Mineral property acquisition costs written-off	-	-	309,223	-	309,223
Gain from mineral property option agreements	-	-	106,202	-	106,202
Investment income	13,502	-	-	-	13,502
Amortization	1,544	-	7,295	-	8,839
Depreciation on right-of-use asset	60,467	-	-	-	60,467
Interest expense on lease liability	11,646	-	-	-	11,646
Net loss	(797,820)	(52,396)	(1,742,124)	(45,316)	(2,637,656)
Capital expenditures*	-	-	771,558	-	771,558

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

<b>As at December 31, 2024</b>	<b>Canada</b>	<b>Guatemala</b>	<b>Mexico</b>	<b>Peru</b>	<b>Other</b>	<b>Consolidated</b>
Total current assets	\$ 1,159,227	\$ 16,684	\$ 279,666	\$ 8,882	\$ 11,501	\$ 1,573,998
Total non-current assets	171,461	1	125,322	64,300	-	263,046
<b>Total assets</b>	<b>\$ 1,330,688</b>	<b>\$ 16,685</b>	<b>\$ 404,988</b>	<b>\$ 73,182</b>	<b>\$ 11,501</b>	<b>\$ 1,837,044</b>
<b>Total liabilities</b>	<b>\$ 289,950</b>	<b>\$ 3,461</b>	<b>\$ 143,842</b>	<b>\$ 317</b>	<b>\$ -</b>	<b>\$ 437,570</b>

<b>As at December 31, 2023</b>	<b>Canada</b>	<b>Guatemala</b>	<b>Mexico</b>	<b>Other</b>	<b>Consolidated</b>
Total current assets	\$ 1,958,968	\$ 19,681	\$ 207,573	\$ 8,267	\$ 2,194,489
Total non-current assets	128,436	1	38,242	-	166,679
<b>Total assets</b>	<b>\$ 2,087,404</b>	<b>\$ 19,682</b>	<b>\$ 245,815</b>	<b>\$ 8,267</b>	<b>\$ 2,361,168</b>
<b>Total liabilities</b>	<b>\$ 167,671</b>	<b>\$ 4,209</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 171,880</b>

## RADIUS GOLD INC.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these 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, 2024 and 2023, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	December 31, 2024				December 31, 2023		
	US Dollar (CDN equivalent)	Mexican Peso (CDN equivalent)	Guatemala Quetzal (CDN equivalent)	Peruvian Sol (CDN equivalent)	US Dollar (CDN equivalent)	Mexican Peso (CDN equivalent)	Guatemala Quetzal (CDN equivalent)
Cash	\$ 273,535	\$ 4,188	\$ 10,647	\$ 7,982	\$ 49,619	\$ 3,836	\$ 11,142
Receivables	-	120,725	-	-	-	183,569	-
Current liabilities	(13,265)	(143,678)	(3,461)	(317)	(5,677)	-	(4,209)
	<b>\$ 260,270</b>	<b>\$ (18,765)</b>	<b>\$ 7,186</b>	<b>\$ 7,665</b>	<b>\$ 43,942</b>	<b>\$ 187,405</b>	<b>\$ 6,933</b>

Based on the above net exposures at December 31, 2024, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in approximately a \$25,600 (2023: \$23,800) increase or decrease in profit or loss, respectively.

## **RADIUS GOLD INC.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

### **General Objectives, Policies and Processes (cont'd)**

#### a) Market Risk (cont'd)

##### *Commodity Price Risk*

The Company's royalty revenue has been derived from a royalty interest that is based on the extraction and sale of gold. Factors beyond the control of the Company may affect the marketability of gold discovered or extracted. Gold prices have historically fluctuated widely. Consequently, the economic viability of the Company's royalty interest cannot be accurately predicted and may be adversely affected by fluctuations in gold prices. The Company has not engaged in any hedging activities. The Company is not exposed to commodity price risk as the Company has not earned any royalty revenue during the years ended December 31, 2024 and 2023.

##### *Interest Rate Risk*

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

##### *Equity Price Risk*

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's equity investments consisting of common shares are exposed to significant equity price risk due to the potentially volatile and speculative nature of the businesses in which the investments are held. The Company's equity investments are monitored by the Board with decisions on sale or exercise taken by Management. A 10% (2023: 10%) decrease in fair value of the shares would result in an approximate \$57,000 (2023: \$101,000) decrease in comprehensive income and shareholders' equity.

#### b) Credit Risk

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

#### c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At December 31, 2024, the Company had working capital of \$1.12 million (2023: \$2.02 million) available to apply against short-term business requirements. All of the Company's financial liabilities have contractual maturities of less than 45 days and are subject to normal trade terms with the exception of the Company's lease liability which matures based on the lease agreement (Note 11).

### **Determination of Fair Value**

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

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

## **RADIUS GOLD INC.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023

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

##### **Fair Value Hierarchy**

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

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

The equity investments are based on quoted prices and are therefore considered to be Level 1. The lease liability is based on inputs other than quoted prices and therefore considered to be Level 3. As of December 31, 2024, there was no embedded derivative on royalty income receivables derived from gold prices to include as a Level 2 measurement and therefore no fair value measurement was necessary. There were no transfers between Levels 1, 2, or 3 during the years ended December 31, 2024 and 2023.

#### **18. CAPITAL MANAGEMENT**

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company monitors its cash and cash equivalents, equity investments, common shares, and stock options as capital. There were no changes in the Company's approach to capital management during the year ended December 31, 2024. The Company's investment policy is to hold cash in interest bearing bank accounts or highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company does not expect its current capital resources to be sufficient to cover its corporate operating costs and potential mineral property acquisitions or significant exploration expenditures through the next twelve months. As such, the Company will continue to seek to raise additional capital and believes it will be able to do so, but recognizes the uncertainty attached thereto. Actual funding requirements may vary from those planned due to a number of factors, including future property option payments, potential property acquisitions and exploration activity.

#### **19. SUPPLEMENTAL CASH FLOW INFORMATION**

No cash was paid for interest or taxes for the years ended December 31, 2024 and 2023.

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statement of cash flow. During the year ended December 31, 2024, a lease liability and ROU asset of \$94,926 were recorded upon the leasing of office space (2023: \$Nil).

**RADIUS GOLD INC.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**20. EVENTS AFTER THE REPORTING DATE**

Subsequent to December 31, 2024, the following event which has not been disclosed elsewhere in these consolidated financial statements has occurred:

- i) A total of 142,858 share purchase warrants with an exercise price of \$0.10 per share were exercised for proceeds of \$14,286.
- ii) A total of 80,000 stock options with an exercise price of \$0.15 per share, 195,000 stock options with an exercise price of \$0.18, and 75,000 stock options with an exercise price of \$0.20 were forfeited and expired unexercised.