FINANCIAL REVIEW

Fiscal Year Ended December 31, 2018

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

(Expressed in Canadian Dollars)

Smythe CPA

INDEPENDENT AUDITORS' 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, 2018 and 2017, and the consolidated statements of income (loss) and comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

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 *Auditors' 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 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.

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 auditors' 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, 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.

Auditors' 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 auditors' 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.

- 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 auditors' 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 auditors' report is Hervé Leong-Chung.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 25, 2019

RADIUS GOLD INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at December 31		**2018**		**2017**
ASSETS				
Current assets				
Cash and cash equivalents (Note 5)	$	1,605,190	$	3,317,667
Equity investments (Note 6)		3,110,932		4,938,978
Derivative investments (Note 7)		69,136		204,252
Receivables (Note 8)		240,257		78,752
Prepaid expenses and deposits (Note 16)		254,689		44,426
Total current assets		5,280,204		8,584,075
Non-current assets				
Long-term deposits (Note 16)		123,098		123,098
Property and equipment (Note 9)		48,536		71,053
Mineral and royalty interests (Note 11)		1,377,322		1,410,142
Investment in associate (Note 10)		1		1
Total non-current assets		1,548,957		1,604,294
TOTAL ASSETS	**$**	**6,829,161**	**$**	**10,188,369**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Note 16)	$	70,489	$	199,278
Shareholders' equity				
Share capital (Note 13)		56,599,289		56,592,613
Other equity reserve		6,979,084		6,849,808
Deficit		(53,912,942)		(54,326,100)
Accumulated other comprehensive income		(2,906,759)		872,770
Total shareholders' equity		6,758,672		9,989,091
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**6,829,161**	**$**	**10,188,369**

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS AND AUTHORIZED FOR ISSUE ON APRIL 25, 2019 BY:

"Simon Ridgway", Director
Simon Ridgway

"William Katzin", Director
William Katzin

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

RADIUS GOLD INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
For the years ended December 31, 2018 and 2017
(Expressed in Canadian Dollars)

		2018		2017
Exploration expenditures (Note 16)	$	934,434	$	1,140,432
Write-down of exploration and evaluation assets (Note 11)		77,204		69,187
		1,011,638		1,209,619
General and administrative expenses				
Amortization (Note 9)		22,517		19,758
Legal and audit fees		44,671		72,797
Management fees (Note 16)		42,000		42,000
Office and miscellaneous (Note 16)		109,200		104,399
Salaries and benefits (Note 16)		118,050		114,076
Share-based compensation (Notes 14 and 16)		129,276		-
Shareholder communications (Note 16)		14,817		13,346
Transfer agent and regulatory fees (Note 16)		14,238		18,125
Travel and accommodation (Note 16)		13,274		23,441
		508,043		407,942
Loss from operations		(1,519,681)		(1,617,561)
Share of post-tax losses of associate (Note 10)		-		(50,000)
Gain on sale of mineral property interest (Note 11)		-		1,658,928
Gain on property assignment (Note 6)		-		606,664
Foreign currency exchange gain (loss)		(9,465)		16,256
Gain on sale of equity investments (Note 6)		-		204,346
Impairment of equity investments (Note 6)		-		(839,555)
Fair value gain (loss) of derivative investments (Note 7)		(135,116)		204,252
Gain from mineral property option agreement (Note 11)		83,196		-
Investment income		15,372		10,673
Net income (loss) for the year	**$**	**(1,565,694)**	**$**	**194,003**
Other comprehensive income (loss)				
Items that will not be reclassified subsequently to profit or loss:				
Gains on sale of equity investments (Note 6)		26,597		-
Fair value gains (losses) on equity investments (Note 6)		(1,827,274)		54,109
Total comprehensive income (loss)	**$**	**(3,366,371)**	**$**	**248,112**
Basic and diluted income (loss) per share		$(0.02)		$0.00
Weighted average number of common shares outstanding		86,679,479		86,675,617

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, 2018 and 2017
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Other equity reserve	Accumulated other comprehensive income (loss)	Accumulated deficit	Total
Balance, December 31, 2016	86,675,617	$56,592,613	$ 6,849,808	$ 818,661	$(54,520,103)	$ 9,740,979
Income for the year	-	-	-	-	194,003	194,003
Equity investments	-	-	-	54,109	-	54,109
Balance, December 31, 2017	**86,675,617**	**56,592,613**	**6,849,808**	**872,770**	**(54,326,100)**	**9,989,091**
Impact of adopting IFRS 9 on January 1, 2018 (Note 3(o))	-	-	-	(1,978,852)	1,978,852	-
Balance, January 1, 2018	**86,675,617**	**56,592,613**	**6,849,808**	**(1,106,082)**	**(52,347,248)**	**9,989,091**
Loss for the year	-	-	-	-	(1,565,694)	(1,565,694)
Shares issued for mineral property acquisition (Note 11)	74,183	6,676	-	-	-	6,676
Equity investments	-	-	-	(1,800,677)	-	(1,800,677)
Share-based compensation	-	-	129,276	-	-	129,276
Balance, December 31, 2018	**86,749,800**	**$56,599,289**	**$ 6,979,084**	**$ (2,906,759)**	**$(53,912,942)**	**$ 6,758,672**

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, 2018 and 2017
(Expressed in Canadian Dollars)

	2018	2017
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net income (loss) for the year	$ (1,565,694)	$ 194,003
Items not involving cash:		
Amortization	22,517	19,758
Gain from mineral property option agreement	(83,196)	-
Gain on sale of mineral property interest	-	(1,658,928)
Gain on property assignment	-	(606,664)
Write-down of exploration and evaluation assets	77,204	69,187
Impairment of equity investments	-	839,555
Gain on sale of equity investments	-	(204,346)
Fair value (gain) loss of derivative investments	135,116	(204,252)
Share of post-tax losses of associate	-	50,000
Share-based compensation	129,276	-
	(1,284,777)	(1,501,687)
Changes in non-cash working capital items:		
Receivables	(161,505)	115,834
Prepaid expenses and deposits	(210,263)	144,407
Accounts payable and accrued liabilities	(128,789)	108,194
Cash used in operating activities	(1,785,334)	(1,133,252)
INVESTING ACTIVITIES		
Purchase of equity investments	(18,064)	(951,230)
Investment in associate	-	(50,000)
Expenditures on exploration and evaluation asset acquisition costs	(85,132)	(131,164)
Proceeds from disposal of mineral property	-	186,710
Proceeds from mineral property option agreements	130,620	-
Proceeds from sale of equity investments	45,433	303,996
Purchase of property and equipment	-	(37,457)
Cash provided by (used for) investing activities	72,857	(679,145)
Decrease in cash and cash equivalents	**(1,712,477)**	**(1,812,397)**
Cash and cash equivalents, beginning of year	3,317,667	5,130,064
Cash and cash equivalents, end of year (Note 5)	**$ 1,605,190**	**$ 3,317,667**

Supplemental Cash Flow Information (Note 20)

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

1. CORPORATE INFORMATION

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 principle place of business is 650 – 200 Burrard Street, Vancouver, BC, Canada V6C 3L6.

2. BASIS OF PREPARATION

These consolidated financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

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 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, except as discussed in Note 3(o).

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, 2018 and 2017 are as follows:

Name	Place of Incorporation	Interest %	Principal Activity
Minerales Sierra Pacifico S.A.	Guatemala	100%	Exploration company
Radius Gold (U.S.) Inc.	Nevada, USA	100%	Exploration company
Geometales Del Norte-Geonorte	Mexico	100%	Exploration company
Radius (Cayman) Inc	Cayman Islands	100%	Investment Holding company

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

b) Revenue Recognition

The Company earns revenue from royalty agreements and are based on amounts contractually due. Royalty revenue is measured at fair value of the consideration received or receivable when the Company can reliably estimate the amount, pursuant to the terms of the royalty agreement. For royalty interests, revenue recognition generally occurs in the month of production from the royalty property.

Royalty revenue may be subject to adjustment upon final settlement of estimated metal prices, weights, and assays. Adjustments recorded upon final settlement are offset against revenue when incurred. Variations between the estimated price recorded upon production and the actual final price set upon final settlement are caused by changes in market commodity prices, and result in an embedded derivative in the receivable. The embedded derivative is recorded at fair value each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included as a component of royalty revenue. As of December 31, 2018 and 2017, there was no embedded derivative.

c) Investment in Associate

Where the Company has significant influence over the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognized in the consolidated statement of financial position at cost. The Company's share of post-acquisition profits and losses is recognized in profit or loss, except that losses in excess of the Company's investment in the associate are not recognized unless there is an obligation to fund those losses.

Profits and losses arising on transactions between the Company and its associates are recognized only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Any premium paid for an associate above the fair value of the Company's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalized and included in the carrying amount of the associate. Adjustments to the carrying amount may also be necessary for changes in the Company's proportionate interest in the associate arising from changes in the associate's other comprehensive income. Such adjustments to the carrying amount are charged to operations as a gain or loss on dilution in the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

d) 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.

e) Cash and Cash Equivalents

Cash and cash equivalents includes 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

f) Mineral 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 exploration and evaluation asset option agreements in profit or loss.

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. Royalty interests are recorded at cost and capitalized as tangible assets. 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.

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

f) Mineral Interests and Royalties – (cont'd)

Royalty interests for exploration and evaluation assets, such as the Company's Bayovar 12 Project Royalty, 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.

g) 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:

Leasehold improvements	7 – 8 years straight-line
Trucks	4 – 8 years straight-line
Computer equipment	25% - 50% declining balance
Field equipment	30% declining balance
Furniture and equipment	20% declining balance
Geophysical equipment	20% declining balance

h) Earnings / Loss per Share

Basic income/loss per share is calculated by dividing the net income/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, 2018, potentially dilutive common shares (relating to options outstanding at year-end) totalling 4,850,000 (2017: 5,070,000) 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

i) Income Taxes

Income tax expense comprises current and deferred tax. Current and deferred tax are recognized in net loss/income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for those taxable temporary differences arising on the initial recognition of goodwill or on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset only to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

j) 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.

k) 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

k) Share-based Payments – (cont'd)

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.

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.

l) Provisions

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities may include restoration, reclamation and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration properties. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

As at December 31, 2018 and 2017, the Company had no significant asset retirement or rehabilitation obligations.

Other 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.

m) 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

n) 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 costs

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 the such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset gives 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 cost directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" 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).

Financial Liabilities

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.

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

n) Financial Instruments – (cont'd)

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

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

o) Adoption of New Accounting Standards and Amendments

The following outlines the new accounting standards and amendments adopted by the Company effective January 1, 2018:

Amendment to IFRS 2 Share-based Payment

IFRS 2 Share-based Payment clarifies the effects of vesting conditions on cash-settled share-based payment transactions, the classification of share-based payment transactions with net settlement features for withholding tax obligations and modification to the terms and conditions of a share-based payment that changes the transaction from cash-settled to equity settled. This amendment did not have an impact on the Company's consolidated financial statements.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration.

On December 8, 2016, the IASB issued IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*. The Interpretation clarifies which date should be used for translation when a foreign currency transaction involves an advance payment or receipt. The Interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. This amendment did not have an impact on the Company's consolidated financial statements.

IFRS 9 Financial Instruments

On January 1, 2018, the Company adopted IFRS 9 *Financial Instruments* ("IFRS 9"), which replaced IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 provides a revised model for classification and measurement of financial assets, including a new expected credit loss ("ECL") impairment model. The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business models under which they are held. IFRS 9 also introduces a reformed approach to hedge accounting. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities.

As a result of the adoption of IFRS 9, the Company has changed its accounting policy for financial instruments retrospectively. The change did not result in a change in carrying value of any of our financial instruments on transition date. The adoption of the ECL impairment model did not have an impact on the Company's consolidated financial statements. IFRS 9 does not require restatement of comparative periods. Accordingly, the Company has reflected the retrospective impact of the adoption of IFRS 9 due to the change in accounting policy for equity investments as an adjustment to opening components of equity as at January 1, 2018.

The Company's financial instruments are accounted for as follows under IFRS 9 as compared to the Company's previous policy in accordance with IAS 39:

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

o) Adoption of New Accounting Standards and Amendments – (cont'd)

IFRS 9 Financial Instruments – (cont'd)

	January 1, 2018	
	IAS 39	**IFRS 9**
Financial Asset		
Cash and cash equivalents	FVTPL	FVTPL
Equity investments	FVTOCI	FVTOCI
Derivative investments	FVTPL	FVTPL
Receivables	Amortized cost	Amortized cost
Deposits	Amortized cost	Amortized cost
Financial Liability		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

For equity investments not held for trading, the Company may make an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss. The Company elected to designate its equity investments as financial assets at FVTOCI, where they will be recorded initially at fair value. Subsequent changes in fair value will be recognized in other comprehensive income only and will not be recycled into income (loss) upon disposition. As a result of this change, the Company reclassified $1,978,852 of impairment losses recognized in prior years on equity investments which continue to be held by the Company as at January 1, 2018 from opening deficit to accumulated other comprehensive income on January 1, 2018. As a result of adopting IFRS 9, the net change in fair value of the equity investments, including realized and unrealized gains and losses, if any, is now presented as an item that will not be reclassified subsequently to net income in the Statements of Income and Comprehensive Income.

The adoption of IFRS 9 has not had a significant impact on the Company's policies related to financial assets of cash and cash equivalents, derivative investments, receivables, and deposits and financial liabilities.

IFRS 15 Revenue from Contracts with Customers

On January 1, 2018, the Company adopted IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"). IFRS 15 specifies how and when revenue should be recognized as well as requiring more informative and relevant disclosures. The standard supersedes IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and a number of revenue-related interpretations. The Company adopted IFRS 15 using a modified retrospective approach however the adoption did not have an impact on the Company's consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

p) Standards, Amendments and Interpretations Not Yet Effective

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

IFRS 16 Leases

On January 13, 2016, the IASB issued IFRS 16 *Leases* ("IFRS 16") of which requires lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 *Leases*. The new standard will be effective for annual periods beginning on or after January 1, 2019.

The Company is in the process of assessing the impact the adoption of IFRS 16 will have on its consolidated financial statements.

IFRIC 23 Uncertainty over Income Tax Treatments ("IFRIC 23")

This new Interpretation, issued by the International Accounting Standards Board (IASB) in June 2017, clarifies how to apply the recognition and measurement requirements in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments.

The main features of IFRIC 23 are as follows:

- An entity considers an uncertain tax treatment separately or together with other uncertain tax treatments depending on which approach better predicts the resolution of the uncertainty.
- Taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates are determined based on whether it is probable that a taxation authority will accept an uncertain tax treatment.
- An entity reassesses judgments or estimates relating to uncertain tax treatments when facts and circumstances change.

The interpretation is effective for the Company's annual period beginning January 1, 2019. The adoption of IFRIC 23 will not have a material impact on the Company's consolidated financial statements.

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) Where the Company holds the largest shareholding in an investment and has the power to exercise significant influence through common officers and board members, such an investment is treated as an associate. The Company can exercise significant influence over Rackla Metals Inc. ("Rackla");

b) 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;

c) The application of the Company's accounting policy for exploration and evaluation assets 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; and

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

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) The Company is subject to income tax in several jurisdictions and significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognized when, despite the Company's belief that its tax return positions are supportable, the Company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. The Company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

b) In estimating the fair value of share-based payments, and derivative instruments, 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.

(Expressed in Canadian Dollars)

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 earn interest at floating rates based on daily bank deposit rates. As at December 31, 2018 and 2017, cash and cash equivalents is comprised of the following:

	2018	2017
Cash	$ 1,150,662	$ 2,858,611
Cash equivalents	454,528	459,056
	$ 1,605,190	$ 3,317,667

6. EQUITY INVESTMENTS

As of December 31, 2018, and 2017, equity investments consisted of the following:

Number of common shares held as at December 31:

	2018	2017
CROPS Inc. (formerly Focus Ventures Ltd.) (“CROPS”)	2,564,027	2,564,027
Fortuna Silver Mines Inc. (“Fortuna”)	239,385	239,385
GrowMax Resources Corp. (“GrowMax”)	1,150,000	1,200,000
Medgold Resources Corp. (“Medgold”)	10,126,500	10,040,000
Metalla Royalty and Streaming Ltd. (formerly ValGold Resources Ltd.) (“Metalla”)	166,700	166,700
Southern Silver Exploration Corp. (“Southern Silver”)	1,259,500	1,407,000
Volcanic Gold Mines Inc. (“Volcanic”)	460,412	460,412
Warrior Gold Inc. (formerly War Eagle Mining Company Inc. and Champagne Resources Limited) (“Warrior”)	233,781	233,781

	Advantage	CROPS	Fortuna	GrowMax	Medgold
Balance, December 31, 2016	$ 242,500	$ 279,862	$ -	$ 77,500	$ 1,656,600
Acquisition of shares	-	229,481	1,472,218	81,649	-
Disposition of shares	(95,000)	-	-	-	-
Impairment adjustment	(130,000)	(252,940)	-	-	-
Net change in fair value recorded in other comprehensive income	(17,500)	-	98,148	(33,149)	(50,200)
Balance, December 31, 2017	-	256,403	1,570,366	126,000	1,606,400
Acquisition of shares	-	-	-	-	18,064
Disposition of shares	-	-	-	(7,036)	-
Net change in fair value recorded in other comprehensive income	-	(166,662)	(373,441)	(26,964)	(358,651)
Balance, December 31, 2018	**$ -**	**$ 89,741**	**$ 1,196,925**	**$ 92,000**	**$ 1,265,813**

(Expressed in Canadian Dollars)

6. EQUITY INVESTMENTS – (cont'd)

	Metalla	Southern Silver	Volcanic	Warrior	Total
Balance, December 31, 2016	$ -	$ 487,500	$ -	$ 50,000	$ 2,793,962
Acquisition of shares	65,000	-	1,181,764	-	3,030,112
Disposition of shares	-	(4,650)	-	-	(99,650)
Impairment adjustment	-	-	(456,615)	-	(839,555)
Net change in fair value recorded in other comprehensive income	5,000	51,810	-	-	54,109
Balance, December 31, 2017	70,000	534,660	725,149	50,000	4,938,978
Acquisition of shares	-	-	-	-	18,064
Disposition of shares	-	(11,800)	-	-	(18,836)
Net change in fair value recorded in other comprehensive income	70,028	(277,258)	(660,691)	(33,635)	(1,827,274)
Balance, December 31, 2018	**$ 140,028**	**$ 245,602**	**$ 64,458**	**$ 16,365**	**$ 3,110,932**

CROPS and Fortuna each have two common directors with the Company. Medgold and Volcanic each have one common director with the Company. All of the Company's equity investment companies are publicly listed as of December 31, 2018.

During the year ended December 31, 2018:

i) Champagne Resources Limited ("Champagne") completed a merger with War Eagle Mining Company Inc. ("War Eagle"), a publicly listed company, whereby the 625,000 common shares of Champagne held by the Company were converted into 233,781 common shares of War Eagle. War Eagle subsequently changed its name to Warrior Gold Inc.;

ii) CROPS changed its name from Focus Ventures Ltd. and completed a share consolidation so that every four existing common shares of CROPS were exchanged for one new common share of CROPS; and

iii) Metalla, a publicly listed company, acquired ValGold Resources Ltd. ("ValGold") whereby the 1,000,000 common shares of ValGold held by the Company were converted into 166,700 common shares of Metalla.

Subsequent to December 31, 2018, Volcanic completed a share consolidation so that every seven existing common shares were exchanged for one new common share of Volcanic. As a result, the 3,222,883 common shares of Volcanic held by the Company as of December 31, 2018 were converted into 460,412 common shares.

During the year ended December 31, 2018, the Company completed the following transactions:

i) Purchased in the open market 86,500 common shares of Medgold at a cost of $18,064;

ii) Sold 147,500 common shares of Southern Silver for net proceeds of $39,488 and recorded a gain of $27,688 on the sale in other comprehensive income; and

iii) Sold 50,000 common shares of GrowMax for net proceeds of $5,945 and recorded a loss of $1,091 on the sale in other comprehensive income.

The Company also held as at December 31, 2018, 3,973,275 free trading common shares of Rackla with a fair value of $357,595 as at December 31, 2018, which are recorded as an investment in associate (Note 10)

Subsequent to December 31, 2018, the Company sold 49,500 common shares of Southern Silver for net proceeds of $12,161.

(Expressed in Canadian Dollars)

6. EQUITY INVESTMENTS – (cont'd)

During the year ended December 31, 2017, the Company completed the following transactions:

i) Sold 93,000 shares of Southern Silver for net proceeds of $41,188 and recorded a gain of $36,538;

ii) Purchased 685,675 units of a CROPS private placement at a cost of $137,135. Each unit consists of one common share of CROPS and one share purchase warrant; each full warrant entitling the Company to purchase one additional common share of CROPS at $0.40 for five years;

iii) Purchased 606,250 common shares of CROPS in the open market at a cost of $92,346;

iv) Received 180,555 common shares of Volcanic with a fair value of $606,664 at the time of issuance, pursuant to a 2016 mineral property assignment agreement;

v) Received 239,385 common shares of Fortuna with a fair value of $1,472,218 at the time of issuance, pursuant to a sale of a mineral property (Note 11);

vi) Purchased 119,143 units of a Volcanic private placement at a cost of $125,100. Each unit consists of one common share of Volcanic and one-half share purchase warrant; each full warrant entitling the Company to purchase one additional common share of Volcanic at $1.75 for one year;

vii) Purchased 160,714 units of a Volcanic private placement at a cost of $450,000. Each unit consists of one common share of Volcanic and one share purchase warrant; each full warrant entitling the Company to purchase one additional common share of Volcanic at $5.60 for five years;

viii) Purchased 700,000 common shares of GrowMax in the open market at a cost of $81,649;

ix) Purchased 1,000,000 units of a ValGold private placement at a cost of $65,000. Each unit consists of one common share of ValGold and one share purchase warrant; each full warrant entitling the Company to purchase one additional common share of ValGold at $0.10 for two years;

x) Sold in the open market 250,000 common shares of Advantage Lithium Corp. for net proceeds of $262,808 and recorded a gain of $167,808; and

xi) The 312,500 share purchase warrants of War Eagle acquired in the year ended December 31, 2016, were recorded as a derivative investment with a gain of $7,522 being charged to operations.

7. DERIVATIVE INVESTMENTS

As of December 31, 2018, and 2017, derivative investments consisted of the following:

Number of share purchase warrants held as at December 31:

	2018	**2017**
CROPS	685,675	685,675
Metalla	166,700	166,700
Volcanic	160,714	220,286
Warrior	116,890	116,890

	CROPS	**Metalla**	**Volcanic**	**Warrior**	**Total**
Balance, December 31, 2016	$ -	$ -	$ -	$ -	$ -
Acquisition of warrants	30,717	58,301	107,712	7,522	204,252
Balance, December 31, 2017	30,717	58,301	107,712	7,522	204,252
Net change in fair value recorded in net income	(27,131)	5,632	(106,312)	(7,305)	(135,116)
Balance, December 31, 2018	**$ 3,586**	**$ 63,933**	**$ 1,400**	**$ 217**	**$ 69,136**

(Expressed in Canadian Dollars)

7. DERIVATIVE INVESTMENTS – (cont'd)

During the year ended December 31, 2018, the following share purchase warrant activity occurred:

i) Upon Champagne's merger with Warrior, the 312,500 share purchase warrants of Champagne held by the Company were converted into 116,890 share purchase warrants of Warrior with an exercise price of $0.40 per share and expiry date of August 9, 2019;

ii) Upon CROPS completing a share consolidation, the 2,742,700 share purchase warrants of CROPS held by the Company were converted into 685,675 share purchase warrants with an exercise price of $0.40 per share and expiry date of March 22, 2022;

iii) Upon Metalla's acquisition of ValGold, the 1,000,000 share purchase warrants of ValGold held by the Company were converted into 166,700 share purchase warrants of Metalla with an exercise price of $0.60 and expiry date of October 6, 2019 and

iv) A total of 59,571 Volcanic share purchase warrants with an exercise price of $1.75 expired unexercised.

During the year ended December 31, 2017, the following share purchase warrant activity occurred:

i) Acquired 685,675 share purchase warrants of CROPS pursuant to a private placement of 685,675 units (Note 6). Each warrant entitles the Company to purchase one additional common share of CROPS at $0.40 for five years;

ii) Acquired 59,571 share purchase warrants of Volcanic pursuant to private placement of 119,143 units (Note 6). Each warrant entitles the Company to purchase one additional common share of Volcanic at $1.75 for one year;

iii) Acquired 160,714 share purchase warrants of Volcanic pursuant to a private placement of 160,714 units (Note 6). Each warrant entitles the Company to purchase one additional common share of Volcanic at $5.60 for five years; and

iv) Acquired 1,000,000 share purchase warrants of Metalla pursuant to private placement of 1,000,000 units (Note 6). Each warrant entitles the Company to purchase one additional common share of ValGold at $0.10 for two years.

Subsequent to December 31, 2018, Volcanic completed a share consolidation so that every seven existing share purchase warrants were exchanged for one new share purchase warrant of Volcanic. As a result, the 1,125,000 share purchase warrants of Volcanic held by the Company as of December 31, 2018 were converted to 160,714 share purchase warrants.

The fair value of the derivative investments as of December 31, 2018 was determined using the Black-Scholes option pricing model with the following inputs:

	Volatility factor	Risk-free interest rate	Expected life (years)	Expected dividend yield
CROPS	93%	1.87%	3.22	0%
Metalla	100%	1.85%	0.76	0%
Volcanic	100%	1.87%	3.19	0%
Warrior	121%	1.79%	0.61	0%

The share purchase warrants for CROPS, Metalla, Volcanic, and Warrior are not tradable on an exchange.

(Expressed in Canadian Dollars)

7. DERIVATIVE INVESTMENTS – (cont'd)

The fair value of the derivative investments as of December 31, 2017 was determined using the Black-Scholes option pricing model with the following inputs:

	Volatility factor	Risk-free interest rate	Expected life (years)	Expected dividend yield
CROPS	77%	1.81%	4.22	0%
Metalla	221%	1.68%	1.76	0%
Volcanic	89%	1.66%	0.01	0%
Volcanic	89%	1.81%	4.19	0%
Warrior	100%	1.68%	1.50	0%

8. RECEIVABLES

	December 31, 2018	December 31, 2017
Royalty receivable	$ 784,180	$ 784,180
Provision for impairment (Note 11 – Guatemala Tambor Project)	(784,180)	(784,180)
Royalty revenue receivable, net	-	-
Sales taxes	61,572	70,945
Exploration expenditure recoveries	174,003	-
Other receivables	4,682	7,807
	$ 240,257	**$ 78,752**

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 receivable was uncollected as of December 31, 2017 and 2018 as the Company has allowed Kappes, Cassiday & Associates ("KCA") to defer payment of the balance while KCA prepares a legal strategy to overturn the suspension of operations of its mine-site and seek compensation from the Guatemalan authorities, from which the Company would seek to benefit as well (Note 11).

(Expressed in Canadian Dollars)

9. PROPERTY AND EQUIPMENT

	Leasehold improvements	Trucks	Computer equipment	Furniture and equipment	Geophysical equipment	Field equipment	Total
Cost							
Balance, December 31, 2016	$ 62,762	$ 215,638	$ 252,068	$ 62,656	$ 84,882	$ 2,480	$ 680,486
Additions	-	37,457	-	-	-	-	37,457
Balance, December 31, 2017	62,762	253,095	252,068	62,656	84,882	2,480	717,943
Balance, December 31, 2018	**$ 62,762**	**$ 253,095**	**$ 252,068**	**$ 62,656**	**$ 84,882**	**$ 2,480**	**$ 717,943**
Accumulated amortization							
Balance, December 31, 2016	$ 48,667	$ 215,638	$ 237,986	$ 51,705	$ 70,904	$ 2,232	$ 627,132
Charge for year	6,300	4,173	4,225	2,191	2,795	74	19,758
Balance, December 31, 2017	54,967	219,811	242,211	53,896	73,699	2,306	646,890
Charge for year	6,300	9,098	2,957	1,751	2,237	174	22,517
Balance, December 31, 2018	**$ 61,267**	**$ 228,909**	**$ 245,168**	**$ 55,647**	**$ 75,936**	**$ 2,480**	**$ 669,407**
Carrying amounts							
At December 31, 2017	$ 7,795	$ 33,284	$ 9,857	$ 8,760	$ 11,183	$ 174	$ 71,053
At December 31, 2018	**$ 1,495**	**$ 24,186**	**$ 6,900**	**$ 7,009**	**$ 8,946**	**$ -**	**$ 48,536**

10. INVESTMENT IN ASSOCIATE

Rackla

As at December 31, 2018, the Company held 3,973,275 (2017: 3,973,275) common shares of Rackla, representing 19.6% (2017: 19.8%) of Rackla's outstanding common shares. During the 2017 fiscal year, the Company exercised its 1,000,000 share purchase warrants for 1,000,000 common shares of Rackla at a cost of $50,000. The Rackla share purchase warrants were not tradable on an exchange.

Rackla meets the definition of an associate and has been equity accounted for in the consolidated financial statements.

The following table shows the continuity of the Company's interest in Rackla for the period from January 1, 2017 to December 31, 2018:

Balance, December 31, 2016	$ 1
Increase in investment	50,000
Less: share of losses in associate	(50,000)
Balance, December 31, 2017	1
Balance, December 31, 2018	**$ 1**

Prior to the 2015 fiscal year the Company's share of losses in Rackla exceeded the carrying value of its interest and therefore the Company discontinued recognizing its share of further losses. During the 2017 fiscal year, with the additional 1,000,000 common shares being purchased at a cost of $50,000, the Company recognized losses in Rackla totaling $50,000 to reduce the carrying amount to a nominal $1. The cumulative unrecognized share of losses for the associate as at December 31, 2018 is $601,882 (2017: $567,382).

(Expressed in Canadian Dollars)

10. INVESTMENT IN ASSOCIATE – (cont'd)

The financial statement balances of Rackla are as follows:

		December 31, 2018		December 31, 2017
Total current assets	$	97,012	$	250,862
Total assets	$	160,173	$	316,474
Total liabilities	$	176,068	$	225,230
Net loss	$	175,739	$	80,627

At December 31, 2018, the fair value of the 3,973,275 common shares of Rackla was $357,595 (2017: $456,927) based on the market price of the common shares of Rackla.

11. MINERAL INTERESTS AND ROYALTIES

Acquisition costs		Peru		United States		Guatemala		Mexico		Total
Balance, December 31, 2016	$	1,259,505	$	88,659	$	1	$	-	$	1,348,165
Additions - cash		-		117,816		-		13,348		131,164
Write-off acquisition costs		-		(69,187)		-		-		(69,187)
Balance, December 31, 2017		1,259,505		137,288		1		13,348		1,410,142
Additions - cash		-		57,732		-		27,400		85,132
Additions - shares		-		-		-		6,676		6,676
Acquisition costs recovered		-		-		-		(47,424)		(47,424)
Write-off acquisition costs		-		(77,204)		-		-		(77,204)
Balance, December 31, 2018	**$**	**1,259,505**	**$**	**117,816**	**$**	**1**	**$**	**-**	**$**	**1,377,322**

USA

i) Bald Peak Property

In 2017, the Company acquired a 100% interest in the Bald Peak gold property from Nevada Select Royalty, Inc. ("Nevada Select") in consideration of a cash payment to Nevada Select of $46,032 (US$35,115), the granting to Nevada Select and/or a former property owner of a total 3% NSR royalty, and making annual advance royalty payments to Nevada Select of US$25,000. The advance royalty payments become payable on the date the Company receives a drill permit for the property and on each annual anniversary thereof so long as the Company holds title to the property. The Company has the right to reduce either royalty by 1% by paying US$1.0 million to Nevada Select, and/or US$500,000 to the former owner.

During the 2017 fiscal year, the Company staked an additional 113 unpatented mining claims at a cost of $71,784, increasing the land position of the Bald Peak Property to 151 unpatented mining claims in Mineral County, Nevada, and one mineral prospecting licence in Mono County, California.

11. MINERAL INTERESTS AND ROYALTIES – (cont'd)

USA – (cont'd)

ii) Spring Peak Property

In 2016, the Company entered into an option agreement with Kinetic Gold (US) Inc. ("Kinetic") for the right to acquire a 100% interest in the Spring Peak gold property which consisted of 37 United States federal mineral claims located in Mineral County, Nevada. The option could have been exercised by making a cash payment to Kinetic of $19,472 (US$15,000) on signing (paid) and further expenditures by the Company as follows:

a) cash payments to Kinetic totalling US$415,000 over the first five years following the issuance of a drill permit for the property, and then US$250,000 in each subsequent year until the option is exercised or terminated; and
b) a total of US$725,000 in permitting and exploration work on the property, over three years following the issuance of the drill permit.

At any time while the option is in good standing, the Company may have elected to deliver to Kinetic a technical report, complying with NI 43-101 standards, which documents a minimum 500,000 ounce gold equivalent inferred resource on the property, and upon said delivery, the Company would have had the right for one year thereafter to purchase from Kinetic an outright 100% interest in the property for the sum of US$500,000.

If the Company completed the purchase of the Spring Peak property, a combined 3.0% net smelter returns royalty would have been granted to Kinetic and the underlying property owner. Up to one-half of the royalty may have been purchased for up to US$1.5 million.

During the year ended December 31, 2018, management decided to terminate the option agreement and as a result, acquisition costs totaling $19,472 were written off.

iii) Coyote Property

In March 2018, the Company was granted a lease and option agreement with Geologic Services Inc. ("Geologic") on the Coyote gold property which consisted of 128 unpatented mineral claims located in Elko County, Nevada. Pursuant to this agreement, the Company paid $25,657 to Geologic as reimbursement for the staking costs of 70 of these claims.

Geologic granted the Company an exclusive lease of a 100% interest in the property for a period of up to 15 years, in consideration for the granting to Geologic of a 2.0% to 3.0% NSR royalty, the percentage to depend on the prevailing price of gold. In order to keep the lease in good standing, the Company was to make annual advance royalty payments to Geologic, beginning with a payment of $32,075 (US$25,000) (paid) that was made upon the execution of the agreement. At any time during the term of the lease, the Company may have elected to acquire a 100% interest in the Coyote property by making a cash payment of US$2.0 million to Geologic.

In January 2019, management decided to terminate the option agreement and as a result, acquisition costs totaling $57,732 were written off as at December 31, 2018.

iv) ABC Property

In 2016, the Company staked 122 contiguous United States federal mining claims (covering approximately 992 hectares) in Mineral County, Nevada. During the 2017 fiscal year, the Company wrote off acquisition costs of $69,187 relating to the ABC Property as the Company allowed the claims to lapse.

11. MINERAL INTERESTS AND ROYALTIES – (cont'd)

Mexico

i) Amalia Project

In 2017, the Company signed a binding agreement with a private individual to option the (380-hectare) Amalia Project in the State of Chihuahua, Mexico. The Company can earn a 100% interest in the Amalia Project by making an initial cash payment of US$5,000 (paid) and by completing staged payments over a period of five years totaling US$845,000 cash (US$25,000 paid) and, subject to stock exchange approval, US$15,000 in shares of the Company ($6,676 / US$5,000 in shares issued).

During the 2017 fiscal year, following the signing of the option agreement, the Company staked an additional 10,000 hectares surrounding the Amalia Project at a cost of $13,348.

During the year ended December 31, 2018, the Company entered into an option agreement with Pan American Silver Corp. ("Pan American") whereby Pan American can earn up to an initial 65% interest in the Amalia Project by making cash payments to the Company totaling US$1.5 million, of which $130,620 (US$100,000) has been received, and expending US$2.0 million on exploration over four years. Pan American may earn an additional 10% by advancing the property to a preliminary feasibility stage. Of the $130,620 option payment received, $47,424 was recorded as an acquisition cost recovery against the property's carrying cost and the balance of $83,196 recorded as a gain from mineral property option agreement.

ii) Tarros Project

In 2017, the Company signed a binding agreement with a private Mexican company to option the (473-hectare) Tarros Project in the State of Chihuahua, Mexico. The Company could earn a 100% interest in the Tarros Project by making an initial cash payment of US$3,250 (paid) and by completing staged payments over a period of 4.5 years totaling US$1,098,500. During the 2017 fiscal year, the Company expensed the US$3,250 and as at December 31, 2017, the carrying value of the Tarros Project was $Nil. During the year ended December 31, 2018, the Company terminated the option agreement prior to the due date of the next required cash option payment.

iii) Tlacolula Property

The Tlacolula Property consists of one granted exploration concession.

By an agreement signed in 2009, as amended, the Company granted to Fortuna the option to earn a 60% interest in the Tlacolula Property by spending US$2 million on exploration of the Property and making staged payments totaling US$300,000 cash and US$250,000 in common stock no later than January 31, 2017.

Fortuna did not meet the January 31, 2017 deadline for making the required exploration expenditures. Accordingly, during the 2017 fiscal year, the Company and Fortuna amended the option so that Fortuna could acquire a 100% interest in the Property, subject to a 2% royalty being retained by the Company. In July 2017, the sale of the Tlacolula Property to Fortuna was completed with a cash payment of $187,710 (US$150,000), granting of the 2% royalty, and issuance of 239,385 Fortuna shares with a fair value of $1,472,218. The Company incurred $1,000 in transaction costs. A gain of $1,658,928 was recorded for this transaction during the 2017 fiscal year.

The Company and Fortuna have two common directors.

11. MINERAL INTERESTS AND ROYALTIES – (cont'd)

Mexico – (cont'd)

iv) Lithium Brine Projects

In 2016, the Company submitted applications for mineral concessions covering four lithium brine projects in the States of Chihuahua and Coahuila, Mexico at a cost of $23,748.

In 2016, the Company entered into an option agreement with Advantage, an unrelated party, whereby Advantage had an option to earn up to a 70% interest in the projects. The Company received $25,000 in cash upon signing of the option agreement and a further $50,000 in cash and 250,000 common shares of Advantage with a fair value of $225,000 upon stock exchange approval of the option agreement.

During the 2017 fiscal year, Advantage advised the Company that it had decided to focus its efforts in countries other than Mexico and therefore terminated the option agreement. Also during the 2017 fiscal year, the Company submitted an application for an additional 10,000 hectare mineral concession covering an adjacent lithium brine project in the State of Chihuahua, but subsequently withdrew this and allowed the three other lithium applications in Chihuahua to lapse. The Company currently retains one application in the State of Coahuila. As at December 31, 2018, the carrying value of the Lithium Brine Projects is $Nil (2017: $Nil).

v) Rambler Project

Subsequent to December 31, 2018, the Company staked a 10,379 hectare property called the Rambler Project, located in the State of Chihuahua.

Guatemala

i) 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, 2018 and 2017.

As at December 31, 2018, all gold sales subject to the Company's royalty had been final settled and the balance that remained unpaid to the Company was $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.

ii) Southeast Guatemala Ag-Au Epithermal Fields (formerly called Banderas)

The Company's 100% owned land holdings in southeast Guatemala as at December 31, 2018 consist of 34 concessions (one granted exploration licence, twenty-nine exploration applications, three exploitation applications, and one reconnaissance application) filed with the Guatemala Ministry of Energy and Mines covering a total of 228,264 hectares. The three exploitation applications were filed in order to convert one previously granted exploration licence to exploitation; until the exploitation licences are granted, the granted exploration licence remains in place. Due to the Company only performing care and maintenance activities on this property since 2013 and the uncertainty regarding when or if exploration activities will resume, the property has a nominal carrying value of $1.

(Expressed in Canadian Dollars)

11. MINERAL INTERESTS AND ROYALTIES – (cont'd)

Peru

Bayovar 12 Project Royalty

In April 2015, the Company purchased from CROPS a production royalty equivalent to 2% of CROPS's 70% interest in future phosphate production from the Bayovar 12 project located in the Sechura district of northern Peru. The purchase price for the royalty was $1,259,505 (US$1,000,000). Should the Company decide at any time in the future to sell the royalty, CROPS will retain a first right of refusal.

The Company and CROPS have two common directors.

12. COMMITMENTS

The Company has entered into an operating lease agreement for its office premises. The Company also rents space to other companies related by common directors and officers on a month to month basis, the amounts of which are netted against rental expense; however, there are no commitments from these companies and thus the amounts presented below are the gross commitments. The annual commitments under the lease are as follows:

2019	$	197,559
2020		210,337
2021		213,531
2022		216,726
2023		219,920
2024		223,115
	$	1,281,188

For the year ended December 31, 2018, the Company received a total of $154,246 (2017: $160,663) from those companies which share office space with the Company.

13. 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, 2018, the Company issued 74,183 common shares with a value of $6,676 (US$5,000) pursuant to option agreement on the Amalia Project (Note 11).

There was no share capital activity during the year ended December 31, 2017.

(Expressed in Canadian Dollars)

14. 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 regulation. 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, 2018:

				During the year				
Grant date	**Expiry date**	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**Forfeited / expired**	**Closing balance**	**Vested and exercisable**
Jan 08, 2010	Jan 07, 2020	$0.29	1,245,000	-	-	(1,235,000)	10,000	10,000
May 26, 2010	May 25, 2020	$0.36	100,000	-	-	(100,000)	-	-
Sep 24, 2010	Sep 23, 2020	$0.69	100,000	-	-	(100,000)	-	-
Dec 13, 2012	Dec 12, 2022	$0.20	1,885,000	-	-	(300,000)	1,585,000	1,585,000
Oct 19, 2016	Oct 18, 2026	$0.15	1,740,000	-	-	(200,000)	1,540,000	1,540,000
May 22, 2018	May 21, 2028	$0.15	-	1,515,000	-	-	1,515,000	1,515,000
Nov 5, 2018	Nov 4, 2028	$0.15	-	200,000	-	-	200,000	200,000
			5,070,000	**1,715,000**	**-**	**(1,935,000)**	**4,850,000**	**4,850,000**
	Weighted average exercise price		$0.22	$0.15	-	$0.29	$0.17	$0.17

The following is a summary of changes in options for the year ended December 31, 2017:

				During the year				
Grant date	**Expiry date**	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**Forfeited / expired**	**Closing balance**	**Vested and exercisable**
Jan 08, 2010	Jan 07, 2020	$0.29	1,245,000	-	-	-	1,245,000	1,245,000
May 26, 2010	May 25, 2020	$0.36	100,000	-	-	-	100,000	100,000
Sep 24, 2010	Sep 23, 2020	$0.69	100,000	-	-	-	100,000	100,000
Dec 13, 2012	Dec 12, 2022	$0.20	1,885,000	-	-	-	1,885,000	1,885,000
Oct 19, 2016	Oct 18, 2026	$0.15	1,740,000	-	-	-	1,740,000	1,740,000
			5,070,000	**-**	**-**	**-**	**5,070,000**	**5,070,000**
	Weighted average exercise price		$0.22	-	-	-	$0.22	$0.22

b) Fair Value of Options Granted During the Year

The weighted average fair value at grant date of options granted during the year ended December 31, 2018 was $0.08 per option.

There were no options granted during the year ended December 31, 2017.

The weighted average remaining contractual life of the options outstanding at December 31, 2018 is 7.11 years (2017: 5.46 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.

(Expressed in Canadian Dollars)

14. SHARE-BASED PAYMENTS – (cont'd)

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

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, 2018 included:

Grant date	Expiry date	Share price at grant date	Exercise price	Risk-free interest rate	Expected life	Volatility factor	Dividend yield
May 22, 2018	May 21, 2028	$0.095	$0.15	2.48%	10 years	87%	0%
Nov 5, 2018	Nov 4, 2028	$0.105	$0.15	2.52%	10 years	79%	0%

The expected volatility is based on the historical volatility (based on the remaining 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

Share-based compensation expense relating to the granting of stock options during the year ended December 31, 2018 total $129,276 (2017: $Nil).

15. 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:

	December 31, 2018	December 31, 2017
Income (loss) before income taxes	$ (1,565,694)	$ 194,003
Tax charge/(recovery) based on the statutory rate of 27%	(423,000)	50,000
Non-deductible expenses	35,000	13,000
Different tax rates in other jurisdictions	(37,000)	64,000
Non-taxable portion of capital gains	(22,000)	(211,000)
Initial recognition exemption and other	(182,000)	(62,000)
Effect of change in tax rates	-	(132,000)
Under provided in prior years	(1,844,000)	(124,000)
Changes in unrecognized deferred tax assets	2,473,000	402,000
Total income tax expense / (recovery)	**$ -**	**$ -**

(Expressed in Canadian Dollars)

15. INCOME TAXES – (cont'd)

The tax rates represent the federal statutory rate applicable for the 2018 taxation year, 0% for Cayman Islands, 27% for the United States, 30.0% for Mexico, 25.0% for Guatemala and 30.0% for Nicaragua.

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:

	December 31, 2018	December 31, 2017
Loss carry forwards	$ 2,001,000	$ 1,949,000
Property and equipment	74,000	71,000
Mineral properties	2,104,000	520,000
Available-for-sale investments	200,000	10,000
Investment in Associates	133,000	22,000
Other deductible temporary differences	357,000	421,000
Unrecognized tax assets	(4,869,000)	(2,993,000)
	$ -	**$ -**

As at December 31, 2018, the Company has estimated non-capital losses of $6,933,000 (2017: $7,218,000) for Canadian 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 2038.

16. RELATED PARTY TRANSACTIONS

The Company had transactions during the years ended December 31, 2018 and 2017 with related parties who consisted of directors, officers and the following companies with common directors:

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

In addition to related party transactions disclosed elsewhere in the consolidated financial statements, 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, 2018 and 2017:

	2018	2017
General and administrative expenses:		
Salaries and benefits	$ 23,040	$ 21,200
Exploration expenditures:		
Geological fees	-	57,688
Salaries and benefits	10,000	7,087
	$ 33,040	**$ 85,975**

(Expressed in Canadian Dollars)

16. RELATED PARTY TRANSACTIONS – (cont'd)

The Company reimburses Gold Group, a company controlled by the Chief Executive Officer 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, 2018 and 2017, the Company reimbursed Gold Group the following:

		2018		2017
General and administrative expenses:				
Office and miscellaneous	$	37,907	$	43,434
Shareholder communications		1,960		1,594
Salaries and benefits		108,069		103,967
Transfer agent and regulatory fees		4,012		3,983
Travel and accommodation		7,575		11,900
	$	**159,523**	**$**	**164,878**
Exploration expenditures	**$**	**2,663**	**$**	**-**

Gold Group salaries and benefits costs for the years ended December 31, 2018 and 2017 include those for the Chief Financial Officer and Corporate Secretary.

During the year ended December 31, 2018, the Company was reimbursed $12,079 (2017: $134,579) from Medgold, a company which has a common director with the Company, for shared exploration personnel costs.

Prepaid expenses and deposits include an amount of $9,887 (2017: $1,142) paid to Gold Group for shared office and administrative services and $216,500 (2017: $Nil) paid to CROPS for a subscription towards a private placement that closed subsequent to year-end.

Long-term deposits include an amount of $60,000 (2017: $60,000) paid to Gold Group as a deposit on the shared office and administrative services agreement.

Accounts payable and accrued liabilities include $Nil (2017: $44,471) payable to Gold Group for shared administrative costs and $Nil (2017: $2,594) to a Director of the Company for geological fees.

During the year ended December 31, 2018, the follow transactions also occurred:

i) The Company acquired 86,500 common shares of Medgold on the open market for a cost of $18,064 (Note 6).

During the year ended December 31, 2017, the following transactions also occurred:

i) The Company acquired 606,250 common shares of CROPS on the open market for a cost of $92,346 (Note 6).

ii) The Company acquired 685,675 common shares of CROPS by way of private placement at a cost of $137,135 (Note 6).

iii) The Company received net cash of $186,710 cash and 239,385 common shares of Fortuna with a fair value of $1,472,218 as proceeds on the sale of a mineral property to Fortuna (Notes 6 & 11).

iv) The Company acquired 1,959,000 common shares of Volcanic by way of private placements for a cost of $575,100 and received 1,263,883 common shares with a fair value of $606,664 pursuant to a mineral property assignment agreement (Note 6).

v) The Company acquired 1,000,000 common shares of Rackla upon the exercise of 1,000,000 share purchase warrants at a cost of $50,000 (Note 10).

(Expressed in Canadian Dollars)

16. 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:

		2018		2017
Management fees	$	42,000	$	42,000
Geological fees included in exploration expenditures		60,000		60,000
Salaries, benefits and fees*		28,876		33,321
Share-based payments (value of stock option grants)		22,691		-
	$	**153,567**	**$**	**135,321**

*Included in reimbursements to Gold Group

Key management compensation includes management and geological fees paid to Mill Street, a company controlled by the Chief Executive Officer of the Company.

Total share-based payments to directors not included in the above table during the year ended December 31, 2018 was $31,809 (2017: $Nil).

17. 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 except for a royalty interest in a gold producing property. 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, USA, Guatemala, Peru, Mexico, Nicaragua, and Cayman Islands. Details of identifiable assets by geographic segments are as follows:

Year ended December 31, 2018	**Canada**	**USA**	**Guatemala**	**Mexico**	**Other**	**Consolidated**
Exploration expenditures	$ -	$ 731,424	$ 70,002	$ 43,182	$ 89,826	$ 934,434
Mineral property acquisition costs written off	-	77,204	-	-	-	77,204
Gain from mineral property option agreement	-	-	-	83,196	-	83,196
Investment income	15,372	-	-	-	-	15,372
Amortization	13,418	-	-	9,099	-	22,517
Net loss	(228,536)	(955,394)	(87,195)	(153,526)	(141,043)	(1,565,694)
Capital expenditures*	-	57,732	-	34,076	-	91,808

(Expressed in Canadian Dollars)

17. SEGMENTED INFORMATION – (cont'd)

Year ended December 31, 2017	Canada	USA	Guatemala	Mexico	Other	Consolidated
Exploration expenditures	$ -	$ 492,991	$ 50,834	$ 510,010	$ 86,597	$ 1,140,432
Mineral property acquisition costs written off	-	69,187	-	-	-	69,187
Gain on property assignment	606,664	-	-	-	-	606,664
Gain on sale of available-for-sale investments	204,346	-	-	-	-	204,346
Investment income	10,673	-	-	-	-	10,673
Amortization	15,585	-	-	4,173	-	19,758
Net income (loss)	(205,037)	(664,377)	(49,721)	1,169,675	(56,537)	194,003
Capital expenditures*	-	117,816	-	50,805	-	168,621

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

As at December 31, 2018	Canada	USA	Guatemala	Peru	Mexico	Other	Consolidated
Total current assets	$ 5,186,121	$ -	$ 10,065	$ -	$ 56,674	$ 27,344	$ 5,280,204
Total non-current assets	147,450	117,816	-	1,259,505	24,186	-	1,548,957
Total assets	**$ 5,333,571**	**$ 117,816**	**$ 10,065**	**$ 1,259,505**	**$ 80,860**	**$ 27,344**	**$ 6,829,161**
Total liabilities	**$ 63,536**	**$ -**	**$ 3,524**	**$ -**	**$ 3,429**	**$ -**	**$ 70,489**

As at December 31, 2017	Canada	USA	Guatemala	Peru	Mexico	Other	Consolidated
Total current assets	$ 8,343,930	$ -	$ 10,874	$ -	$ 194,521	$ 34,750	$ 8,584,075
Total non-current assets	160,869	137,288	-	1,259,505	46,632	-	1,604,294
Total assets	**$ 8,504,799**	**$ 137,288**	**$ 10,874**	**$ 1,259,505**	**$ 241,153**	**$ 34,750**	**$ 10,188,369**
Total liabilities	**$ 175,116**	**$ -**	**$ 896**	**$ -**	**$ 30,867**	**$ -**	**$ 199,278**

18. 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.

(Expressed in Canadian Dollars)

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – (cont'd)

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, 2018 and 2017, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	December 31, 2018				**December 31, 2017**			
	US Dollar (CDN equivalent)	**Mexican Peso** (CDN equivalent)	**Guatemala Quetzal** (CDN equivalent)	**Nicaragua Cordoba** (CDN equivalent)	**US Dollar** (CDN equivalent)	**Mexican Peso** (CDN equivalent)	**Guatemala Quetzal** (CDN equivalent)	**Nicaragua Cordoba** (CDN equivalent)
Cash	$ 16,426	$ 138	$ 77	$ 646	$ 172,803	$ 3,969	$ -	$ 574
Receivables	-	49,294	-	-	-	59,386	2,899	-
Current liabilities	(19,359)	(1,346)	(3,524)	-	(74,910)	(28,409)	(896)	-
	$ (2,933)	**$ 48,086**	**$ (3,447)**	**$ 646**	**$ 97,893**	**$ 34,946**	**$ 2,003**	**$ 574**

Based on the above net exposures at December 31, 2018, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in approximately a $4,200 (2017: $13,500) increase or decrease in profit or loss, respectively.

Commodity Price Risk

The Company's royalty revenue is derived from a royalty interest that is based on the extraction and sale of gold. Factors beyond the control of the Company may affect the marketability of gold discovered. Gold prices have historically fluctuated widely. Consequently, the economic viability of the Company's royalty interest cannot be accurately predicted and may be adversely affected by fluctuations in gold prices. The Company has not engaged in any hedging activities. The Company is not exposed to commodity price risk as the Company has not earned any royalties during the years ended December 31, 2018 and 2017.

Interest Rate Risk

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

Equity Price Risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's equity investments consisting of common shares and derivative investments consisting of share purchase warrants are exposed to significant equity price risk due to the potentially volatile and speculative nature of the businesses in which the investments are held. The Company's equity investments are monitored by the Board with decisions on sale or exercise taken by Management. A 10% decrease in fair value of the shares and warrants would result in an approximate $311,000 decrease in comprehensive income and shareholders' equity.

(Expressed in Canadian Dollars)

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – (cont'd)

b) Credit Risk

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

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At December 31, 2018, the Company had working capital of $5.21 million (2017: $8.38 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.

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, equity investments, derivative investments, receivables, amounts due from related parties, deposits, and accounts payables and accrued liabilities are assumed to approximate their fair values.

The fair value investments in associate are detailed in the following table:

	December 31, 2018 Book value	December 31, 2018 Fair value
Financial assets		
Shares held in Rackla (Note 10)	$ 1	$ 357,595

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 derivative instruments are based on inputs other than quoted prices and therefore considered to be Level 3. As of December 31, 2018, 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.

19. 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 makes adjustments to it to effectively support the acquisition and exploration of mineral properties. The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company monitors its cash, equity investments, derivative investments, common shares, warrants and stock options as capital. There were no changes in the Company's approach to capital management during the year ended December 31, 2018. The Company's investment policy is to hold cash in interest bearing bank accounts and highly liquid short-term interest bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company expects its current capital resources to be sufficient to carry out its planned exploration programs and operating costs for the next twelve months.

20. SUPPLEMENTAL CASH FLOW INFORMATION

		2018		2017
Shares issued for mineral property option payment	$	6,676	$	-
Shares acquired due to a mineral property assignment agreement	$	-	$	606,664
Shares acquired from a sale of a mineral property	$	-	$	1,472,218

(the “Company”)

MANAGEMENT’S DISCUSSION AND ANALYSIS

Year End Report – December 31, 2018

General

This Management’s Discussion and Analysis (“MD&A”) supplements, but does not form part of, the annual audited consolidated financial statements of the Company for the fiscal year ended December 31, 2018. The following information, prepared as of April 25, 2019, should be read in conjunction with the December 31, 2018 consolidated financial statements. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All amounts are expressed in Canadian dollars unless otherwise indicated.

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

Forward Looking Information

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

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

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

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

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

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

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

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

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

<u>Business of the Company</u>

The Company has been exploring for gold in the Americas for over a decade which has resulted in the discovery of several gold deposits in Central America. Management has been conducting an ongoing review of exploration projects and/or distressed junior companies that may be available for acquisition or joint venture with the aim of expanding the geographic and commodity focus of the Company.

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

<u>Investments</u>

For a description of the Company's equity investments activity during the period from January 1, 2017 to date, please see Note 6 of the Company's December 31, 2018 consolidated financial statements.

The Company's current cash and cash equivalents on hand is approximately $1.4 million and its current investments consist of:

CROPS Inc. ("CROPS") 2,564,027 shares Current market value: $64,000 Plus: warrants to purchase an additional 685,675	CROPS is a Canadian-listed exploration company which has a 70% interest in the Bayovar 12 sedimentary phosphate resource in northern Peru.
Fortuna Silver Mines Inc. ("Fortuna") 239,385 shares Current market value: $1,003,000	Fortuna is a growth oriented, precious metal producer with its primary assets being the Caylloma silver mine in southern Peru, the San Jose silver-gold mine in Mexico and the Lindero gold project, currently under construction, in Argentina.
GrowMax Resources Corp ("GrowMax") 1,150,000 shares Current market value: $103,000	GrowMax is a TSXV listed company which owns phosphate and potassium-rich brine resources on its Bayovar concessions in northwestern Peru.
Medgold Resources Corp. ("Medgold") 10,126,500 shares (10+% of issued) Current market value: $1,012,000	Medgold is a Serbia-focused, TSX-V listed, project generator company targeting early-stage gold properties in the Ossvligo-Miocene Belt of Serbia.
Rackla Metals Inc. ("Rackla") 3,973,275 shares (10+% of issued) Current market value: $357,000	Rackla is a mineral exploration company actively looking for new projects in the Americas to add to its portfolio of mineral claims in the Yukon Territory.

Southern Silver Exploration Corp. ("Southern Silver") 1,210,000 shares Current market value: $242,000	Southern Silver is engaged in the acquisition, exploration and development of high-grade precious / base metals properties within North America, and is continuing to advance its flagship Cerro Las Minitas silver-lead-zinc property in Mexico.
Metalla Royalty and Streaming Ltd. ("Metalla") 166,700 shares Current market value: $175,000 Plus: warrants to purchase an additional 166,700 shares	Metalla is a silver and gold royalty company created to generate leveraged precious metal exposure by acquiring royalties and streams, with a goal of accumulating a diversified portfolio of royalties and streams with attractive returns.
Volcanic Gold Mines Inc. ("Volcanic") 460,412 shares Current market value: $165,000 Plus: warrants to purchase an additional 160,714 shares	Volcanic is a TSXV listed company focused on consolidating an under-explored gold district.
Warrior Gold Inc. ("Warrior Gold") 233,785 shares Current market value: $22,000 Plus: warrants to purchase an additional 116,890 shares	Warrior Gold is a TSXV listed company engaged in the exploration of mineral resource properties in northern Ontario with a focus on gold deposits. It has a significant land position in the world class Kirkland Lake Gold Camp five kilometres from the Town of Kirkland Lake and adjacent to Kirkland Lake Gold Inc.'s high grade producing gold mine.

Property Interests

Mexico – Amalia Project

The Amalia Project comprises 9,461 hectares located in the Sierra Madre gold belt in the State of Chihuahua, Mexico. In June 2017, the Company signed a binding agreement with a private individual to option 380 hectares of the project area which is host to high grade epithermal silver-gold mineralization. Following the signing of the option agreement, the Company staked an additional 9,081 hectares surrounding the Amalia Project, covering three new regional target areas.

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

The Project is located approximately 25 kilometres SW of the historic Guadalupe y Calvo mining district in Chihuahua, Mexico. During due diligence evaluation the Company's geologists sampled bonanza grade outcrop containing 20.4 g/t Au and 5,360 g/t Ag from a 1.2 metre chip. The Company established a 10 man camp at Amalia and completed an initial exploration program comprising geological mapping, prospecting and channel sampling of the three main targets: San Pedro (San Pedro now combined with Campamento), Guadalupe and Dulces. Epithermal Au-Ag mineralization has been sampled by the Company in several veins, vein breccias and disseminated zones over 3.5 kilometres of strike length and a 600 metre vertical interval following the trace of a large regional fault zone. See Company news release of September 19, 2017 for details of previously announced sampling results.

Initial Drill Program

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

Five drill holes (AMD001 / 003 / 007 / 008 / 009) were drilled within the San Pedro structural corridor, intercepting gold and silver mineralization in all holes and defining a 650 metre strike length of epithermal banded veining, stockworks and multiphase breccia with significant gold and silver mineralization. A table of results is listed below. This initial drill program was designed to test the targets between 50 and 150 metres below ground surface. Considering the topography, the drill holes cut mineralization in a range between 1,988 metres above sea level (asl) and 1,882 metres asl, effectively testing the mineralization over a 100 metre vertical interval. AMD001 cut the zone highest in the system at 1,988 metres asl and was still within the upper rhyolite host. AMD009 cut the system within the andesite host at the deepest level (1,908 metres als) and recorded the best widths (26 metres) and highest grades with bonanza intervals, including 5 metres at 14.71 g/t Au and 1,378 g/t Ag.

Table 1. Drill results for San Pedro Zone, Amalia Project

Hole	Collar, NAD 27, Zone 13		from	to	interval	Au g/t	Ag g/t	Elevation
	UTM E	UTM N						m asl*
AMDD18-001	295,998	2,863,234	44.35	56.35	12m	0.1	44	1,988
AMDD18-003	296,025	2,863,269	107.44	137.44	30m	0.30	65	1,937
AMDD18-007	296,234	2,862,867	129.1	133.1	4m	0.29	229	1,950
AMDD18-008	296,077	2,863,172	98.65	99.65	1m	2.28	521	1,976
and			126.65	131.65	5m	0.59	571	1,950
AMDD18-009	295,988	2,863,347	144.35	170.35	26m	7.08	517	1,908
including			165.35	170.35	5m	14.71	1,378	1,882

** elevations are given as metres above sea level at the top of the reported interval. Drill holes were drilled perpendicular to the mineralized zone and reported intervals are thought to approximate true width.*

Mineralization at the San Pedro zone is open in all directions. On strike from San Pedro, along the Amalia regional fault system, high grade gold and silver mineralization outcrops at intervals vertically at least 600 metres below San Pedro. Similar style major epithermal mines of the Sierra Madre (e.g. Palmerejo, Pinos Altos, La Cienga) located in the same regional volcanic belt as Amalia are known to have mineralization occurring over large vertical intervals between 600 and 750 metres.

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

Maps and sections of the Amalia phase 1 drilling are available on the Radius website at: http://www.radiusgold.com/s/amalia.asp

Recent review and re-logging of the core indicates that of the five holes drilled within the San Pedro target (AMD18-001, 003, 007, 008, 009) only the bonanza grade hole AMD18-009 cut the target within the preferred Lower Andesite super group volcanic. All the other holes cut the target structure within the Upper Rhyolite super group volcanics.

As all of the major epithermal deposits of the northern Sierra Madre are hosted within the Lower volcanic units, this indicates the potential for a significant discovery with further drilling. Similar style major epithermal mines of the Sierra Madre (e.g. Palmerejo, Pinos Altos, La Cienega) located in the same regional volcanic belt as Amalia are known to have mineralization occurring over large vertical intervals between 600 and 750 metres, hosted within the Lower Andesite volcanics.

Stage 2 Drill Program

To date, the Company's drilling has tested a very limited part of the system (less than 150 metres below surface) and it is intended to follow the high-grade mineralization along strike and to depth within the Lower Andesite volcanics with further drilling. During January and February 2019, the Company completed access agreements with the landowners at Amalia to allow for a second drill program. The Company submitted a new environmental permit with 52 proposed drill pad locations and has constructed a new and permanent camp. SEMARNAT, the permitting authority in Chihuahua, gave its approval in early April 2019, and drilling commenced at Amalia on April 11, 2019. This drill program will follow-up the high grade drill intercepts from stage 1 drilling within the San Pedro zone.

Quality Assurance / Quality Control

Drilling was carried out using NQ and HQ size tooling. Drill core is cut in half using a rock saw with one half of the core then taken as a sample for analysis. Sample intervals are generally between 1 metre and 1.5 metres producing samples of between 2 to 9 kg. Half-core samples are delivered to the ALS Geochemistry laboratory facilities in Chihuahua, Mexico. The samples are fire assayed for Au and are analysed for Ag and multi-elements using method code ME-ICP61 following a four-acid digestion. Overlimits are analysed using an appropriate method. The Company routinely inserts multi-element geochemical standards and blanks into the drill core sample stream to monitor laboratory performance. Quality control samples submitted to ALS were returned within acceptable limits.

Company's Option Terms

The Company can earn a 100% interest in the Amalia Project by making cash payments to the property owner staged payments over a period of five years totaling US$845,000 (US$25,000 paid to date) and, subject to stock exchange approval, US$15,000 in shares of the Company (US$5,000 in shares issued to date).

Pan American's Option Terms

In July 2018, the Company granted to Pan American the option to earn an initial 65% interest in the Amalia Project by making cash payments to the Company totaling US$1.5 million (of which US$100,000 has been received to date) and expending US$2 million on exploration over four years. Pan American may earn an additional 10% by advancing the property to preliminary feasibility. Initially the Company is the project operator.

Mexico – Rambler Project

In January 2019, the Company staked the 10,379 hectare Rambler Project located in the Sierra Madre Mountains of the State of Chihuahua, Mexico, approximately 20 kilometres northwest of the Company's Amalia Project. The Project area is previously unexplored with only minor historic artisanal-scale pitting of surface outcrops known. The Company's geologists discovered the Project during regional prospecting surveys. Epithermal silver/gold (plus significant copper, zinc and lead) mineralization has been sampled by the Company in several veins, vein breccias and disseminated zones over a 9 kilometres north-west trend. In total 83 prospecting rock chip samples were collected from the property that range from 0.001 to 16.5 g/t Au and 2 to 2,030 g/t Ag. Additionally, several zones have accessory copper 0 to 3.79%, Zinc 0 to 13.9% and lead 0 to 3.45%. Within the Rambler Project, the Company has so far identified 6 areas of significant alteration over a 9 km trend, and plans to have geological teams back on the property to continue prospecting and develop drill targets.

Mexico – Tarros Project

After conducting a detailed mapping and sampling program, the Company relinquished in January 2018 its option to acquire the 473-hectare Tarros Project located 50 kilometres north of the Company's Amalia Project in the Sierra Madre Gold Silver belt in the State of Chihuahua, Mexico.

Mexico – Lithium Brine Project

The Company holds a 10,000 hectare application at Salar Viesca in Coahuila State, Mexico. The Company is identifying lithium companies to initiate discussions on a joint venture on this lithium brine project.

USA – Nevada – Bald Peak Property

In March 2017, the Company added to the Company's property portfolio an epithermal gold prospect located in the Aurora gold camp, Nevada with the acquisition of the Bald Peak gold property from Ely Gold & Minerals Inc. ("Ely Gold") (TSX-V: ELY) and its wholly owned subsidiary, Nevada Select Royalty Inc. Subsequently, the Company increased its land position by staking an additional 113 unpatented mining claims which are contiguous to the claims acquired from Ely Gold.

The Bald Peak Property currently consists of 151 unpatented mining claims in Mineral County, Nevada, and one mineral prospecting licence in Mono County, California. The Property now covers an 8 kilometre by 2 kilometre area which trends northeast from inside the California border into Nevada, parallel to the trend of the neighboring Bodie, Aurora, and Borealis mining camps.

Bald Peak is an un-eroded epithermal gold prospect in the Aurora-Bodie mining district. Sinter terraces outcrop along the length of the Property, evidence that the epithermal system has not been eroded beyond its paleo-surface elevation, and is thus likely fully preserved. Despite the Property's proximity to several Au-rich mining districts, the area has seen limited exploration activity. Several operators have acquired the Property over the last 30 years and mapped alteration zones and various other criteria pertinent to epithermal gold discoveries. The area has seen very limited drilling however, and its potential remains untested.

Work by the Company at Bald Peak in 2017 consisted of geological mapping and prospecting, rock and soil geochemistry, and compilation work of historical exploration and academic and government datasets. The work has demonstrated the presence of a strong gold-bearing epithermal alteration system that can be traced along strike for over six kilometres in a northeast trend, with an anomalous zone of up to several hundred metres in width on surface. Within this global target area are several high priority drill targets. They are described below, in order from SW to NE, and maps showing the property and the targets have been placed on the Company's website.

West Bald Peak

West Bald Peak is a high-level epithermal drill target located in Mono County, California, at the southwestern end of the property. West Bald Peak exhibits a high Au, As, Sb, Hg response in both rocks and soils and a ~2-3 metres thick approximately flat lying silica sinter terrace observed over 250 metres. The sinter terrace is bound to the southeast by an approximately 30 metres wide northeast trending, steeply west dipping gold-bearing fault zone that is observed for 300 metres along strike and is open in both directions. The sinter terrace is hosted within a thick volcaniclastic sequence and displays cross-cutting quartz veining with anomalous gold values. Planned drill holes will test beneath the sinter terrace/fault zone at productive levels beneath paleosurface.

Bald Peak Flats

Located southwest of the Bald Peak rhyolite, Bald Peak Flats is a ~1.3 kilometres long by 500 metres wide As, Sb, Hg-in-soil anomaly hosted within a volcaniclastic sequence. The soil anomaly drapes over a local topographic high exhibiting northeast-trending chalcedonic quartz veins and zones of silicification, mapped by previous operators. Two historical drill holes are known in this area; however, were not drilled to sufficient depths to test the mineralized system. High-level chalcedonic quartz, low Au and pathfinder elements (As, Sb, Hg) are indicative that this target is at high levels with an epithermal system.

Little Bald Peak

Little Bald Peak, located 200 metres lower in elevation and to the northwest of Bald Peak, is a possible side vent or flow dome of the Bald Peak rhyolite. Where outcropping, brittle/fissile flow-banded rhyolite hosts both concordant and discordant <2 mm quartz veins and lenses. A historical prospecting pit is found on the southern side of Little Bald peak; no clear vein or vein orientation was observed but the spoil pile contained fine-grained, maroon-coloured jasperoid which returned anomalous Au and high As, Sb, Hg values. The target displays a high As, Sb-in-soil anomaly over Little Bald Peak itself and is located along strike and at higher elevations of a known mineralized zone (Great Wall).

The Great Wall

The Great Wall is a NNE-trending, steeply dipping, up to 3 metre wide zone containing three parallel quartz veins hosted within a trachyandesitic unit. The outcrop is exposed over a ~25 metre strike length. Rock channel sampling returned relatively high Au values in quartz veins displaying slightly coarser quartz crystallinity compared to the chalcedonic quartz observed within other zones. This increase in quartz crystallinity with a corresponding increase in gold grade is a positive indication that gold grade is increasing with depth.

NE Sinters

This target contains an extensive area of outcrop and float comprising two distinct zones of sinter within a widespread 1.5 kilometres by 600 metres wide As, Sb, Hg-in-soil anomaly. NE Sinter 1 is a broad topographic high with widely distributed sinter outcrops; NE Sinter 2 located on the northern slopes of the Bald Peak rhyolite is identified by zones of limited vegetation. This target is bound to the west by an approximately north-south trending fault that has down dropped and preserved these sinter areas. The occurrence of sinter combined with high As, Sb, Hg pathfinder elements are indicative of being at the top of a fully preserved mineralized system.

Planned Work at Bald Peak

The Company is currently permitting a plan of operations with the United States Forest Service. It is expected that the permitting process will run through 2019 before drilling is authorized.

Quality Assurance / Quality Control

The work program at the Bald Peak Property was planned by Company personnel and implemented by Company personnel, consultants and contractors. The Company utilizes industry-standard QA/QC program. Samples were prepared and analyzed at ALS laboratories in Nevada and Canada. Blanks and certified reference standards are inserted into the sample stream to monitor laboratory performance and the results have been within acceptable limits.

USA – Nevada – Coyote Property

In March 2018, the Company was granted a lease and option to purchase the Coyote gold property from Geologic Services Inc. ("Geologic"), adding to the Company's portfolio of epithermal gold projects in Nevada. The property is located in northern Elko County on the eastern flank of the Independence Valley, an area known for its prolific gold production.

In early November 2018, the Company completed a short, cost-effective reverse circulation drill program consisting of 977 metres in five drill holes to test for increased gold values at depth beneath brecciated surficial sinter deposits with anomalous mercury/antimony+-gold geochemistry. While several zones of wide epithermal clay, silica and pyrite alteration were intersected, the drilling did not identify any economic gold geochemistry, and the Company decided to terminate its lease on the property.

USA - Nevada – Spring Peak Property

In May 2016, the Company acquired an option to earn a 100% interest in the Spring Peak gold property in Mineral County, Nevada, from Kinetic Gold (US) Inc.

The Company completed a 13-line CSAMT survey and soil geochemical survey in 2016. Based on the results of the exploration programs completed, management of the Company decided that further exploration expenditures on the Spring Peak Property were not warranted and in July 2018, the Company terminated its option to earn an interest in the Property.

Guatemala - Southeast Guatemala Ag-Au Epithermal Fields

As a result of continued uncertainty surrounding the granting of both exploration and exploitation concessions in Guatemala, and a general increase in the level of anti-mining activism in many parts of the country, the Company ceased its ongoing exploration activities in the country in the third quarter of 2013 though care and maintenance of the properties continue. Management will reassess the Company's plans for this country on a regular basis and exploration activities may be ramped back up if the mining investment climate improves. Discussions are underway with a number of potential partners to joint venture this ground.

Royalty Interests

Guatemala – 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 in Guatemala, to Kappes, Cassiday & Associates ("KCA"), giving KCA a 100% interest in the project. In part consideration therefor, KCA agreed that upon commercial production at Tambor, KCA would commence making royalty payments to the Company.

Commercial production commenced in December 2014 and royalty payments are now due to the Company based on the price of gold at the time and the number of ounces of gold produced as follows:

Gold Price (US$)	Per Ounce of Gold
Below $1,200	$100
$1,201 - $1,300	$125
$1,301 - $1,400	$150
$1,401 - $1,500	$200
$1,501 and greater	$250

up to a maximum of US$10.0 million. After the US$10.0 million has been paid and cumulative gold production from the Tambor Project has exceeded 100,000 ounces, the cash payments will be based on the then price of gold and the number of ounces of gold produced as follows:

Gold Price (US$)	Per Ounce of Gold
Below $1,500	$25
$1,501 - $1,750	$35
$1,751 - $2,000	$40
$2,001 and greater	$50

Receipt of royalty payments by the Company commenced during the third quarter of 2015. To date, the Company has recognized net royalty income of $1,530,555 of which $746,375 has been received to date.

On May 11, 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, and a result, KCA has commenced legal proceedings against the Guatemalan government to overturn the suspension of operations and seek compensation from the Guatemalan authorities, from which the Company would benefit as well. Until these proceedings are concluded, the Company is allowing KCA to defer payment of the remaining balance owing to the Company. Due to these circumstances, for accounting purposes, a provision was recorded against the KCA receivable in the 2016 fiscal year.

Mexico - Tlacolula Property Royalty

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

Peru – Bayovar 12 Project Royalty

The Company owns a production royalty, equivalent to a 2% net smelter return, on CROPS' 70% interest in future phosphate production from the Bayovar 12 project located in the Sechura district of northern Peru. Should the Company decide at any time in the future to sell the royalty, CROPS will retain a first right of refusal. In May 2016, CROPS published a pre-feasibility study for production of phosphate rock concentrate from the Bayovar 12 project. The Company and CROPS are related parties.

Nicaragua – San Jose Royalty

In 2015, the Company completed the sale of its San Jose Property, Nicaragua to B2Gold Corp. in consideration for a 2% net smelter return royalty. During the year ended December 31, 2018, B2Gold Corp. relinquished its ownership of the San Jose Property, and the Company's royalty interest in the Property terminated.

Outlook

The Company has completed initial drill-testing of its Amalia Project in 2018, and has recently commenced a second-stage drill program to further test the Project. The Company continues to conduct property investigations in various jurisdictions and with various commodities but with a focus on gold and silver in the United States and Mexico. The Company's geologists are using a low cost and effective method of field testing targets that are generated through desktop research and through submittals.

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

Selected Annual Information

The following table sets forth selected annual financial information of the Company for, and as at, the end of each of the last three financial years ended December 31, 2018, 2017, and 2016:

	2018 ($)	**2017 ($)**	**2016 ($)**
Royalty income	-	-	431,643
Investment and other income	15,372	10,673	13,068
Exploration expenditures	934,434	1,140,432	544,586
Net income (loss) for the year			
Total	(1,565,694)	194,003	1,862,266
Basic & fully diluted per share	(0.02)	0.00	0.02
Total assets	6,829,161	10,188,369	9,848,863
Total long-term liabilities	-	-	-
Cash dividends	-	-	-

The Company first started recording royalty income in the 2015 fiscal year as a result of the previously held Tambor Project going into production in December 2014. Due to the suspension of mine operations in May 2016, there was no royalty revenue during the 2018 and 2017 fiscal years. The 2016 fiscal year had a net income due a gain of $2,688,336 on the sale of equity investments while the 2017 fiscal year had a net income due to gain of $1,658,928 on the sale of a mineral property interest.

Quarterly Information

The following table provides information for the eight fiscal quarters ended December 31, 2018:

Quarter ended	**Dec. 31, 2018 ($)**	**Sep. 30, 2018 ($)**	**June 30, 2018 ($)**	**Mar. 31, 2018 ($)**	**Dec. 31, 2017 ($)**	**Sep. 30, 2017 ($)**	**June 30, 2017 ($)**	**Mar. 31, 2017 ($)**
Investment and other income	3,754	3,822	3,999	3,797	2,213	1,973	2,438	4,049
Exploration expenditures	289,095	131,754	359,379	154,206	373,698	421,265	260,902	84,567
Net income (loss)	(538,965)	(167,774)	(587,123)	(271,832)	(620,477)	1,024,002	(569,184)	359,662
Basic and diluted income (loss) per share	(0.01)	(0.00)	(0.01)	(0.00)	(0.01)	0.01	(0.01)	0.00

The quarter ended September 30, 2017 recorded a net income due to a gain of $1,658,928 on the sale of the Tlacolula property. The quarter ended March 31, 2017 recorded a net income due to a gain of $606,664 from a property assignment agreement.

Results of Operations

Quarter ended December 31, 2018

The quarter ended December 31, 2018 had a net loss of $538,965 compared to $620,477 for the quarter ended December 31, 2017, a decrease of $81,512. The comparative quarter's loss was higher primarily due to an impairment charge on equity investments of $456,615 and share of post-tax loss on an associated company totaling $50,000 which was partially offset by a gain of $167,808 on sale of equity investments and a fair value gain of $204,252 on derivative investments whereas the current quarter only recorded a fair value loss of $11,599 on derivative investments. Since January 1, 2018, with the adoption of the new accounting standard *IFRS 9 – Financial Instruments*, realized and unrealized gains or losses relating to equity investments are now recorded as other comprehensive income thus not impacting the current quarter's net loss. Derivative investments consist of share purchase warrants that were acquired along with common shares in private placement investments and the fair value gains and losses on such continue to be charged to profit or loss.

Exploration expenditures in the current quarter totaled $289,095 compared to $373,698 in the comparative quarter, a decrease of $84,603. Exploration expenditures include property investigation costs which relate to evaluating new opportunities and exploration activities on properties held by the Company. Exploration expenditures were less during the current quarter due to Pan American funding the exploration activity on the Amalia property pursuant to an option agreement. The current quarter net loss also included a write-down of $77,204 on mineral property interests relating to the Spring Peak and Coyote properties in the USA.

General and administrative expenses for the current quarter were $140,657 compared to $129,728 for the comparative quarter, an increase of $10,929. This increase is mostly due to the current quarter recording a share-based compensation expense of $16,343 relating to the issuance of stock options whereas there was no such charge for the comparative quarter.

Year ended December 31, 2018

The year ended December 31, 2018 had a net loss of $1,565,694 compared to a net income of $194,003 for the year ended December 31, 2017, a difference of $1,759,697. The comparative year resulted in a net income due to the gain of $1,658,928 on the sale of the Tlacolula mineral property, a gain of $606,664 on a property assignment agreement with Volcanic, a gain of $204,346 on the sale of equity investments, and a fair value gain of $204,252 on derivative investments. These gain items for the comparative year were partially offset by an impairment charge of $839,555 on equity investments. The current year net loss included a gain of $83,196 from Amalia option payments received and a loss of $135,116 on derivative investments.

Exploration expenditures in the current year totaled $934,434 compared to $1,140,432 in the comparative year, a decrease of $205,998. Similar to the quarterly comparison, the current year exploration costs were lower due to Pan American funding activity on the Amalia property. Write-offs of mineral property interests for the current year totaled $77,204 compared to $69,187 for the comparative year.

General and administrative expenses for the current year were $508,043 compared to $407,441 for the comparative year, an increase of $100,101. As with the quarterly comparison, this increase was due to a share-based payment expense of $129,276 relating to the fair value of stock options granted during the current year whereas there was no such expense in the comparative year. Most other general and administrative expenses were similar between the current and comparative years except for legal and audit fees and travel costs which were lower by $28,126 and $10,167, respectively, in the current year.

Mineral Properties Expenditures

A summary of the Company's expenditures on its mineral properties during the year ended December 31, 2018 is as follows:

United States – A total of $731,440 was incurred on exploration, property investigation, and miscellaneous administrative costs, of which $263,660 was on the Bald Peak property, $417,219 on the Coyote property, $16,650 on the Spring Peak property, and $33,911 on general exploration. Acquisition costs totaling $57,732 were also incurred on the Coyote property.

Mexico – A total of $378,058, excluding cost recoveries, was incurred on exploration, property investigation, and miscellaneous administrative costs, of which $281,606 was incurred on the Amalia property, $13,873 on the Tarros property, and $82,579 on general exploration. A cost recovery of $334,876 relating to funding from the optionee on the Amalia property resulted in net recovery costs of $53,270 for that property.

Guatemala – A total of $70,002 was incurred on property investigation and care and maintenance related costs.

Other – A total of $89,810, net of a cost recovery of $2,700, was incurred on property investigation and care and maintenance related costs in regions other than USA, Mexico and Guatemala.

Further details regarding exploration expenditures for the years ended December 31, 2018 and 2017 are provided in the schedules at the end of this MD&A.

Liquidity and Capital Resources

The Company's cash and cash equivalents were $1.61 million at December 31, 2018 compared to $3.32 million at December 31, 2017. As at December 31, 2018, working capital was $5.21 million compared to $8.38 million at December 31, 2017. Included in working capital is the fair value of the Company's equity investments which as at December 31, 2018 was $3.11 million compared to $4.94 million as at December 31, 2017.

The Company held 3,973,275 common shares in Rackla with a fair value of $357,595 as at December 31, 2018; however, the investment is being accounted for as an investment in associate, using the equity method, since the Company may be able to exercise significant influence on Rackla.

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

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

Commitment

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

2019	$	197,559
2020		210,337
2021		213,531
2022		216,726
2023		219,920
2024		223,115
	$	1,281,188

Financial Instruments and Risk Management

The Company is exposed to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This section describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the accompanying 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 receives 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, 2018 and 2017, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	December 31, 2018				**December 31, 2017**			
	US Dollar (CDN equivalent)	**Mexican Peso** (CDN equivalent)	**Guatemala Quetzal** (CDN equivalent)	**Nicaragua Cordoba** (CDN equivalent)	**US Dollar** (CDN equivalent)	**Mexican Peso** (CDN equivalent)	**Guatemala Quetzal** (CDN equivalent)	**Nicaragua Cordoba** (CDN equivalent)
Cash	$ 16,426	$ 138	$ 77	$ 646	$ 172,803	$ 3,969	$ -	$ 574
Receivables	-	49,294	-	-	-	59,386	2,899	-
Current liabilities	(19,359)	(1,346)	(3,524)	-	(74,910)	(28,409)	(896)	-
	$ (2,933)	**$ 48,086**	**$ (3,447)**	**$ 646**	**$ 97,893**	**$ 34,946**	**$ 2,003**	**$ 574**

Based on the above net exposures at December 31, 2018, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in approximately a $4,200 (2017: $13,500) increase or decrease in profit or loss, respectively.

Commodity Price Risk

The Company's royalty revenue is derived from a royalty interest that is based on the extraction and sale of gold. Factors beyond the control of the Company may affect the marketability of gold discovered. Gold prices have historically fluctuated widely. Consequently, the economic viability of the Company's royalty interest cannot be accurately predicted and may be adversely affected by fluctuations in gold prices. The Company has not engaged in any hedging activities. The Company is not exposed to commodity price risk as the Company has not earned any royalties during the years ended December 31, 2018 and 2017.

Interest Rate Risk

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

Equity Price Risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's equity investments consisting of common shares and derivative investments consisting of share purchase warrants are exposed to significant equity price risk due to the potentially volatile and speculative nature of the businesses in which the investments are held. The Company's equity investments are monitored by the Board with decisions on sale or exercise taken by Management. A 10% decrease in fair value of the shares and warrants would result in an approximate $311,000 decrease in comprehensive income and shareholders' equity.

b) Credit Risk

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

c) Liquidity Risk

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

Related Party Transactions

The Company had transactions during the years ended December 31, 2018 and 2017 with related parties who consisted of directors, officers and the following companies with common directors:

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

The Company incurred the following expenditures charged by non-key management officers and companies which have common directors with the Company during the periods ended December 31, 2018 and 2017:

	Three months ended December 31,		**Year ended December 31,**	
	2018	**2017**	**2018**	**2017**
General and administrative expenses:				
Salaries and benefits	$ 4,800	$ 6,800	$ 23,040	$ 21,200
Exploration expenditures:				
Geological fees	-	10,648	-	57,688
Salaries and benefits	10,000	-	10,000	7,087
	$ 14,800	**$ 17,448**	**$ 33,040**	**$ 85,975**

The Company reimburses Gold Group, a company controlled by the Chief Executive Officer 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, 2018 and 2017, the Company reimbursed Gold Group the following:

	Three months ended December 31, 2018	2017	Year ended December 31, 2018	2017
General and administrative expenses:				
Office and miscellaneous	$ 9,458	$ 10,584	$ 37,907	$ 43,434
Shareholder communications	750	74	1,960	1,594
Salaries and benefits	24,012	28,677	108,069	103,967
Transfer agent and regulatory fees	560	22	4,012	3,983
Travel and accommodation	2,232	3,018	7,575	11,900
	$ 37,012	**$ 42,375**	**$ 159,523**	**$ 164,878**
Exploration expenditures	**$ -**	**$ -**	**$ 2,663**	**$ -**

Gold Group salaries and benefits costs for the years ended December 31, 2018 and 2017 include those for the Chief Financial Officer and Corporate Secretary.

During the year ended December 31, 2018, the Company was reimbursed $12,079 (2017: $134,579) from Medgold, a company which has a common director with the Company, for shared exploration personnel costs.

Prepaid expenses and deposits include an amount of $9,887 (2017: $1,142) paid to Gold Group for shared office and administrative services and $216,500 (2017: $Nil) paid to CROPS for a subscription towards a private placement that closed subsequent to yearend.

Long-term deposits as of December 31, 2018 include an amount of $60,000 (2017: $60,000) paid to Gold Group as a deposit on the shared office and administrative services agreement.

Accounts payable and accrued liabilities include $Nil (2017: $44,471) payable to Gold Group for shared administrative costs and $Nil (2017: $2,594) to a Director of the Company for geological fees.

During the year ended December 31, 2018, the following transactions also occurred:

i) The Company acquired 86,500 common shares of Medgold on the open market for a cost of $18,064 (Note 6).

During the year ended December 31, 2017, the following transactions also occurred:

i) The Company acquired 510,250 common shares of CROPS on the open market for a cost of $74,986.

ii) The Company acquired 685,675 common shares of CROPS by way of private placement at a cost of $137,135.

iii) The Company received net cash of $187,710 and 239,385 common shares of Fortuna with a fair value of $1,472,218 as proceeds on the sale of a mineral property to Fortuna.

iv) The Company acquired 1,959,000 common shares of Volcanic by way of private placements for a cost of $575,100 and received 1,263,883 common shares with a fair value of $606,664 pursuant to a mineral property assignment agreement.

v) The Company acquired 1,000,000 common shares of Rackla upon the exercise of 1,000,000 share purchase warrants at a cost of $50,000.

Key management compensation

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

	Three months ended December 31, 2018	Three months ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2017
Management fees	$ 10,500	$ 10,500	$ 42,000	$ 42,000
Geological fees	15,000	15,000	60,000	60,000
Salaries, benefits and fees*	6,875	9,946	28,876	33,321
Share-based payments	-	-	22,691	-
	$ 32,375	**$ 35,446**	**$ 153,567**	**$ 135,321**

*Included in reimbursements to Gold Group

Key management compensation includes management and geological fees paid to Mill Street, a company controlled by the Chief Executive Officer of the Company.

Total share-based payments to directors not included in the above table during the year ended December 31, 2018 was $31,809 (2017: $Nil).

Other Data

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

Share Position and Outstanding Options

As at April 25, 2019, the Company's outstanding share position is 86,749,800 common shares and the following incentive stock options are outstanding:

STOCK OPTIONS

Number of options	Exercise price	Expiry date
10,000	$0.29	January 7, 2020
1,585,000	$0.20	December 12, 2022
1,540,000	$0.15	October 18, 2026
1,515,000	$0.15	May 21, 2028
200,000	$0.15	November 4, 2028
4,850,000		

Investments in Associates

Rackla

The Company currently has an investment in one associated company, Rackla, which is equity accounted for in the consolidated financial statements.

As at December 31, 2018, the Company held 3,973,275 (2017: 3,973,275) common shares of Rackla, representing 19.6% (2017: 19.8%) of Rackla's outstanding common shares. During the 2017 fiscal year, the Company exercised its 1,000,000 share purchase warrants for 1,000,000 common shares of Rackla at a cost of $50,000. The Rackla share purchase warrants were not tradable on an exchange.

The following table shows the continuity of the Company's interest in Rackla for the period from January 1, 2017 to December 31, 2018:

Balance, December 31, 2016	$	1
Increase in investment		50,000
Less: share of losses in associate		(50,000)
Balance, December 31, 2017		1
Balance, December 31, 2018	**$**	**1**

Prior to the 2015 fiscal year the Company's share of losses in Rackla exceeded the carrying value of its interest and therefore the Company discontinued recognizing its share of further losses. During the 2017 fiscal year, with the additional 1,000,000 common shares being purchased at a cost of $50,000, the Company recognized losses in Rackla totaling $50,000 to reduce the carrying amount to a nominal $1. The cumulative unrecognized share of losses for the associate as at December 31, 2018 is $601,882 (2017: $567,382).

The financial statement balances of Rackla are as follows:

		December 31, 2018		**December 31, 2017**
Total current assets	$	97,012	$	250,862
Total assets	$	160,173	$	366,474
Total liabilities	$	176,068	$	225,230
Net loss	$	175,739	$	80,627

At December 31, 2018, the fair value of the 3,973,275 common shares of Rackla was $357,595 (2017: $456,927) based on the market price of the common shares of Rackla.

Accounting Policies and Basis of Presentation

The Company's significant accounting policies and future changes in accounting policies are presented in the audited consolidated financial statements for the year ended December 31, 2018. The following outlines the new accounting standards and amendments adopted by the Company effective January 1, 2018:

Amendment to IFRS 2 Share-based Payment

IFRS 2 Share-based Payment clarifies the effects of vesting conditions on cash-settled share-based payment transactions, the classification of share-based payment transactions with net settlement features for withholding tax obligations and modification to the terms and conditions of a share-based payment that changes the transaction from cash-settled to equity settled. This amendment did not have an impact on the Company's consolidated financial statements.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration.

On December 8, 2016, the IASB issued IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*. The Interpretation clarifies which date should be used for translation when a foreign currency transaction involves an advance payment or receipt. The Interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. This amendment did not have an impact on the Company's consolidated financial statements.

IFRS 9 Financial Instruments

On January 1, 2018, the Company adopted IFRS 9 – *Financial Instruments* ("IFRS 9"), which replaced IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 provides a revised model for classification and measurement of financial assets, including a new expected credit loss ("ECL") impairment model. The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business models under which they are held. IFRS 9 also introduces a reformed approach to hedge accounting. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities.

As a result of the adoption of IFRS 9, the Company has changed its accounting policy for financial instruments retrospectively. The change did not result in a change in carrying value of any of our financial instruments on transition date. The adoption of the ECL impairment model did not have an impact on the Company's consolidated financial statements. IFRS 9 does not require restatement of comparative periods. Accordingly, the Company has reflected the retrospective impact of the adoption of IFRS 9 due to the change in accounting policy for equity investments as an adjustment to opening components of equity as at January 1, 2018.

The Company's financial instruments are accounted for as follows under IFRS 9 as compared to the Company's previous policy in accordance with IAS 39:

	January 1, 2018	
	IAS 39	**IFRS 9**
Financial Asset		
Cash and cash equivalents	Fair value through profit or loss ("FVTPL")	FVTPL
Equity investments	Fair value through other comprehensive income ("FVTOCI")	FVTOCI
Derivative investments	FVTPL	FVTPL
Receivables	Amortized cost	Amortized cost
Deposits	Amortized cost	Amortized cost
Financial Liability		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

For equity investments not held for trading, the Company may make an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss. The Company elected to designate its equity investments as financial assets at FVTOCI, where they will be recorded initially at fair value. Subsequent changes in fair value will be recognized in other comprehensive income only and will not be recycled into income (loss) upon disposition. As a result of this change, the Company reclassified $1,978,852 of impairment losses recognized in prior years on equity investments which continue to be held by the Company as at January 1, 2018 from opening deficit to accumulated other comprehensive income on January 1, 2018. As a result of adopting IFRS 9, the net change in fair value of the equity investments, including realized and unrealized gains and losses, if any, is now presented as an item that will not be reclassified subsequently to net income in the Statements of Income and Comprehensive Income.

The adoption of IFRS 9 has not had a significant impact on the Company's policies related to financial assets of cash and cash equivalents, derivative investments, receivables, and deposits and financial liabilities.

IFRS 15 Revenue from Contracts with Customers

On January 1, 2018, the Company adopted IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"). IFRS 15 specifies how and when revenue should be recognized as well as requiring more informative and relevant disclosures. The standard supersedes IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and a number of revenue-related interpretations. The Company adopted IFRS 15 using a modified retrospective approach however the adoption did not have an impact on the Company's consolidated financial statements.

Future Changes in Accounting Policies

The following new standard has been issued by the IASB but is not yet effective:

IFRS 16 Leases

On January 13, 2016, the IASB issued IFRS 16 – *Leases* ("IFRS 16") of which requires lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 *Leases*. The new standard will be effective for annual periods beginning on or after January 1, 2019.

The Company is in the process of assessing the impact the adoption of IFRS 16 will have on its consolidated financial statements.

IFRIC 23 Uncertainty over Income Tax Treatments ("IFRIC 23")

This new Interpretation, issued by the International Accounting Standards Board (IASB) in June 2017, clarifies how to apply the recognition and measurement requirements in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments.

The main features of IFRIC 23 are as follows:

- An entity considers an uncertain tax treatment separately or together with other uncertain tax treatments depending on which approach better predicts the resolution of the uncertainty.
- Taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates are determined based on whether it is probable that a taxation authority will accept an uncertain tax treatment.
- An entity reassesses judgments or estimates relating to uncertain tax treatments when facts and circumstances change.

The interpretation is effective for the Company's annual period beginning January 1, 2019. The adoption of IFRIC 23 will not have a material impact on the Company's consolidated financial statements.

Risks and Uncertainties

Royalty revenue

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

Competition

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

Inability to dispose of illiquid securities

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

Due diligence

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

Mineral property exploration and mining

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

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

Joint venture funding

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

Commodity price

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

Financing and share price fluctuation

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

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

Political, regulatory and currency

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

Insurance

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

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

Environmental and social

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

Mineral Properties Expenditure Detail (see following page)

Mineral Properties Expenditure Detail

CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES
For the year ended December 31, 2018

	USA		Guatemala		Mexico		Other	
	General Exploration	Mineral Properties	General Exploration	Mineral Properties	General Exploration	Mineral Properties	General Exploration	**Total**
Drilling	$ -	$ 117,957	$ -	$ -	$ -	$ -	$ -	$ 117,957
Exploration administration	3,224	2,163	22,263	13,432	5,201	61,641	6,972	114,896
Field and camp	524	3,716	-	-	1,033	19,715	-	24,988
Geochemistry	6,972	36,464	-	-	7,639	2,518	-	53,593
Geological services	16,652	417,202	29,009	-	36,084	119,660	80,100	698,707
Legal and accounting	-	-	5,298	-	14,120	12,639	-	32,057
Licenses, rights and taxes	-	63,295	-	-	4,765	26,534	-	94,594
Travel and accommodation	6,539	56,732	-	-	12,941	53,568	5,438	135,218
	33,911	697,529	56,570	13,432	81,783	296,275	92,510	1,272,010
Expenditures recovered	-	-	-	-	-	(334,876	(2,700)	(337,576)
	$ 33,911	**$ 697,529**	**$ 56,570**	**$ 13,432**	**$ 81,783**	**$ (38,601)**	**$ 89,810**	**$ 934,434**

CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES
For the year ended December 31, 2017

	USA		Guatemala		Mexico		Other	
	General Exploration	Mineral Properties	General Exploration	Mineral Properties	General Exploration	Mineral Properties	General Exploration	**Total**
Exploration administration	$ 1,028	$ 637	$ 19,843	$ 12,919	$ 3,741	$ 11,121	$ 6,986	$ 56,333
Field and camp	-	17,603	-	-	4,511	30,431	-	52,545
Geochemistry	230	84,306	-	-	17,078	17,240	-	118,854
Geological services	11,130	309,781	5,540	-	121,943	128,368	77,668	654,430
Legal and accounting	-	-	2,899	700	25,128	-	-	28,727
Licenses, rights and taxes	-	28,308	-	-	41,938	9,747	-	79,993
Travel and accommodation	3,339	36,629	8,933	-	34,221	70,483	1,943	155,490
	15,727	477,264	37,215	13,619	248,560	267,390	86,597	1,146,372
Expenditures recovered	-	-	-	-	(5,940)	-	-	(5,940)
	$ 15,727	**$ 477,264**	**$ 37,215**	**$ 13,619**	**$ 242,620**	**$ 267,390**	**$ 86,597**	**$ 1,140,432**