RADIUS
GOLD INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed interim consolidated financial statements for the nine months ended September 30, 2023. These financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

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

As at:		**September 30, 2023**		**December 31, 2022**
ASSETS				
Current assets				
Cash and cash equivalents (Note 4)	$	1,650,236	$	1,420,114
Equity investments (Note 5)		1,244,721		1,868,883
Receivables (Notes 6 and 12)		122,034		80,183
Prepaid expenses and deposits (Note 12)		53,075		53,467
Total current assets		3,070,066		3,422,647
Non-current assets				
Long-term deposits (Note 12)		123,098		123,098
Property and equipment (Note 7)		47,920		6,970
Right-of-use asset (Note 8)		75,871		121,097
Mineral property and royalty interests (Note 9)		309,224		37,402
Total non-current assets		556,113		288,567
TOTAL ASSETS	**$**	**3,626,179**	**$**	**3,711,214**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Note 12)	$	162,024	$	100,059
Current portion of lease liability (Note 8)		79,525		72,689
		241,549		172,748
Non-current liabilities				
Lease liability (Note 8)		21,221		81,942
Total liabilities		262,770		254,690
Shareholders' equity				
Share capital (Note 10)		58,776,806		56,728,904
Obligation to issue shares (Note 12)		-		120,625
Other equity reserve		7,562,565		7,260,439
Accumulated other comprehensive loss		(4,092,008)		(3,467,846)
Deficit		(58,883,954)		(57,185,598)
Total shareholders' equity		3,363,409		3,456,524
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**3,626,179**	**$**	**3,711,214**

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS AND AUTHORIZED FOR ISSUE ON NOVEMBER 27, 2023 BY:

"Bruce Smith", Director
Bruce Smith

"William Katzin", Director
William Katzin

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

RADIUS GOLD INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS)
AND OTHER COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(Expressed in Canadian Dollars)

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Exploration expenditures (Note 12)	$ 462,942	$ 172,255	$ 1,119,695	$ 554,892
General and administrative expenses				
Amortization (Note 7)	2,007	517	3,967	1,662
Depreciation of right-of-use asset (Note 8)	15,241	15,241	45,226	45,226
Interest expense on lease liability (Note 8)	2,728	4,394	9,367	14,162
Legal and audit fees	841	-	2,304	1,542
Management fees (Note 12)	16,500	16,500	49,500	49,500
Office and miscellaneous (Note 12)	11,894	2,121	30,577	9,793
Salaries and benefits (Note 12)	36,546	35,064	119,394	104,062
Share-based compensation (Note 11)	11,575	-	308,631	23,125
Shareholder communications (Note 12)	14,991	16,661	52,964	37,065
Transfer agent and regulatory fees (Note 12)	3,966	1,949	19,194	17,210
Travel and accommodation (Note 12)	13,639	17,320	44,601	33,487
	129,928	109,821	685,725	336,834
Loss from operations	(592,870)	(282,076)	(1,805,420)	(891,726)
Investment income	2,276	3,433	11,139	5,280
Foreign currency exchange gain (loss)	11,768	47,114	(10,277)	74,531
Gain from mineral property option agreements (Note 9)	45,190	-	106,202	859,523
Net income (loss) for the period	**$ (533,636)**	**$ (231,529)**	**$ (1,698,356)**	**$ 47,608**
Other comprehensive income (loss)				
Items that will not be reclassified subsequently to profit or loss:				
Loss on sale of equity investments (Note 5)	-	-	-	(401,465)
Fair value losses on equity investments (Note 5)	(210,226)	(142,786)	(624,162)	(70,374)
Total comprehensive loss	**$ (743,862)**	**$ (374,315)**	**$ (2,322,518)**	**$ (424,231)**
Basic and diluted income (loss) per share	$(0.01)	$(0.00)	$(0.02)	$0.00
Weighted average number of common shares outstanding	98,591,359	87,254,148	92,391,253	87,247,121

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

RADIUS GOLD INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
For the nine months ended September 30, 2023 and 2022
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Obligation to issue shares	Other equity reserve	Accumulated other comprehensive loss	Deficit	Total
Balance, December 31, 2021	87,243,550	$ 56,723,224	$ 73,750	$ 7,262,369	$ (3,297,261)	$ (58,261,752)	$ 2,500,330
Income for the period	-	-	-	-	-	47,608	47,608
Obligation to issue shares	-	-	23,125	-	-	-	23,125
Options exercised	25,000	3,750	-	-	-	-	3,750
Transfer of other equity reserve on exercise of options	-	1,930	-	(1,930)	-	-	-
Equity investments	-	-	-	-	(471,839)	-	(471,839)
Balance, September 30, 2022	87,268,550	56,728,904	96,875	7,260,439	(3,769,100)	(58,214,144)	2,102,974
Income for the period	-	-	-	-	-	1,028,546	1,028,546
Obligation to issue shares	-	-	23,750	-	-	-	23,750
Equity investments	-	-	-	-	301,254	-	301,254
Balance, December 31, 2022	87,268,550	56,728,904	120,625	7,260,439	(3,467,846)	(57,185,598)	3,456,524
Loss for the period	-	-	-	-	-	(1,698,356)	(1,698,356)
Shares issued for private placement	11,149,983	1,951,247	-	-	-	-	1,951,247
Shares issued for services	500,000	120,625	(120,625)	-	-	-	-
Options exercised	200,000	30,000	-	-	-	-	30,000
Transfer of other equity reserve on exercise of options	-	15,440	-	(15,440)	-	-	-
Share issuance costs	-	(69,410)	-	8,935	-	-	(60,475)
Equity investments	-	-	-	-	(624,162)	-	(624,162)
Share-based compensation	-	-	-	308,631	-	-	308,631
Balance, September 30, 2023	**99,118,533**	**$ 58,776,806**	**$ -**	**$ 7,562,565**	**$ (4,092,008)**	**$ (58,883,954)**	**$ 3,363,409**

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

RADIUS GOLD INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Expressed in Canadian Dollars)

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Cash provided by (used in):				
OPERATING ACTIVITIES				
Net income (loss) for the period	$ (533,636)	$ (231,529)	$ (1,698,356)	$ 47,608
Items not involving cash:				
Amortization	2,007	571	3,967	1,662
Depreciation of right-of-use asset	15,241	15,241	45,226	45,226
Gain from mineral property option agreement	(45,190)	-	(106,202)	(859,523)
Share-based compensation	11,575	-	308,631	23,125
	(550,003)	(215,717)	(1,446,734)	(741,902)
Changes in non-cash working capital items:				
Receivables	51,561	1,766	(41,851)	13,508
Prepaid expenses and deposits	(18,218)	(738)	392	10,133
Accounts payable and accrued liabilities	91,544	(93,844)	61,965	46,316
Cash used in operating activities	(425,116)	(308,533)	(1,426,228)	(671,945)
FINANCING ACTIVITIES				
Proceeds on issuance of common shares, net	30,000	3,750	1,920,772	3,750
Repayment of lease obligation	(18,356)	(16,210)	(53,885)	(47,652)
Cash provided by (used for) financing activities	11,644	(12,460)	1,866,887	(43,902)
INVESTING ACTIVITIES				
Expenditures on mineral property acquisition costs	-	-	(459,788)	(823,851)
Proceeds from mineral property option agreements	45,190	150,743	294,168	1,772,150
Proceeds from sale of equity investments	-	-	-	51,175
Purchase of equipment	(6,235)	-	(44,917)	-
Cash provided by (used for) investing activities	38,955	150,743	(210,537)	999,474
Increase (decrease) in cash and cash equivalents	**(374,517)**	**(170,250)**	**230,122**	**283,627**
Cash and cash equivalents, beginning of period	2,024,753	1,986,575	1,420,114	1,532,698
Cash and cash equivalents, end of period	**$ 1,650,236**	**$ 1,816,325**	**$ 1,650,236**	**$ 1,816,325**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

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

The Company is engaged in the acquisition and exploration of mineral properties and investment in companies which hold mineral property interests. The address of the Company's head office and principal place of business is 650 – 200 Burrard Street, Vancouver, BC, Canada V6C 3L6.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. The Company will periodically have to raise additional financing in order to acquire and conduct work programs on mineral properties and meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. During the period ended September 30, 2023, the Company raised capital by way of a non-brokered equity financing (Note 10) which provides working capital for operational activities. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual financial statements of the Company. These condensed interim consolidated financial statements do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's most recent annual financial statements, which were prepared in accordance with IFRS as issued by the IASB.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis as modified by any revaluation of financial assets measured at fair value.

The condensed interim consolidated financial statements are presented in Canadian dollars ("CDN"), which is also the Company's 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 of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Basis of Consolidation

These condensed interim 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.

2. BASIS OF PREPARATION (cont'd)

Basis of Consolidation (cont'd)

Details of the Company's principal subsidiaries at September 30, 2023 are as follows:

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

3. 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 comprehensive income 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 condensed interim consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

a) The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of the functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

b) The application of the Company's accounting policy for exploration and evaluation assets and royalty interests requires judgment in determining whether it is likely that future economic benefits will flow to the Company.

   If, after exploration and evaluation assets are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the Company carries out an impairment test at the cash-generating unit or group of cash-generating units level in the year the new information becomes available.

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

d) The Company applies judgment in determining whether a lease contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

e) Although the Company has taken steps to identify any decommissioning liabilities related to mineral properties in which it has an interest, there may be unidentified decommissioning liabilities present.

f) The assessment of the Company's ability to continue as a going concern to pay for its operating expenditures and meet its liabilities for the subsequent year involves significant judgment based on historical experiences and other factors including expectation of future events that are believed to be reasonable under the circumstances.

(Expressed in Canadian Dollars)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (cont'd)

The key estimates applied in the preparation of the condensed interim 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, using the Black-Scholes option pricing model, management is required to make certain assumptions and estimates. Changes in assumptions used to estimate fair value could result in materially different results.

c) The Company uses estimation in determining the incremental borrowing rate used to measure the lease liability. Where the rate implicit in the lease is not readily determinable, the discount rate of the lease obligations is estimated using a discount rate similar to the Company's specific borrowing rate.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Company does not hold any deposits with maturities of greater than three months from the date of acquisition. Cash at banks and cash equivalents consisting of money market funds earn interest at floating rates based on daily bank deposit rates. As at September 30, 2023 and December 31, 2022, cash and cash equivalents is comprised of the following:

	September 30, 2023	**December 31, 2022**
Cash	$ 1,442,689	$ 823,705
Cash equivalents	207,547	596,409
	$ 1,650,236	$ 1,420,114

5. EQUITY INVESTMENTS

The Company's equity investments consist of the following:

Number of common shares held as at:	**September 30, 2023**	**December 31, 2022**
Medgold Resources Corp. ("Medgold")	10,126,500	10,126,500
Rackla Metals Inc. ("Rackla")	3,973,275	3,973,275
Volcanic Gold Mines Inc. ("Volcanic")	830,412	830,412

(Expressed in Canadian Dollars)

5. EQUITY INVESTMENTS (cont'd)

	Coloured Ties	Medgold	Metallum	Rackla	Volcanic	Warrior	Total
Balance, December 31, 2021	$ 38,056	$ 253,163	$ 1,500	$ -	$ 431,814	$ 15,196	$ 739,729
Disposition of shares	(135,140)	-	(267,500)	-	-	(50,000)	(452,640)
Reclassification from investment in associate	-	-	-	1,350,914	-	-	1,350,914
Net change in fair value recorded in other comprehensive loss	97,084	(202,530)	266,000	317,862	(282,340)	34,804	230,880
Balance, December 31, 2022	-	50,633	-	1,668,776	149,474	-	1,868,883
Net change in fair value recorded in other comprehensive income	-	-	-	(615,858)	(8,304)	-	(624,162)
Balance, September 30, 2023	**$ -**	**$ 50,633**	**$ -**	**$1,052,918**	**$ 141,170**	**$ -**	**$ 1,244,721**

Volcanic has one common director and Rackla has three common directors with the Company. All of the Company's equity investment companies are publicly listed companies as of September 30, 2023.

During the 2022 fiscal year, the 3,973,275 Rackla shares owned by the Company were reclassified from an investment in associate to an equity investment. The fair value of the 3,973,275 Rackla shares at the time of reclassification was $1,350,914.

During the nine months ended September 30, 2023, there were no equity investment transactions.

During the nine months ended September 30, 2022, the Company completed the following transactions:

i) Sold 20,000 common shares of Metallum Resources Inc. ("Metallum") for net proceeds of $1,575 and recorded a loss of $265,925 on the sale in other comprehensive income.

ii) Sold 233,781 common shares of Warrior Gold Inc. ("Warrior") for net proceeds of $15,936 and recorded a loss of $34,064 on the sale in other comprehensive income.

iii) Sold 107,200 common shares of Coloured Ties Capital Inc. ("Coloured Ties") for net proceeds of $33,664 and recorded a loss of $101,476 on the sale in other comprehensive income.

6. RECEIVABLES

	September 30, 2023	December 31, 2022
Royalty receivable	$ 784,180	$ 784,180
Provision for impairment	(784,180)	(784,180)
Royalty revenue receivable, net	-	-
Value added taxes taxes	122,034	58,495
Other receivables (Note 12)	-	21,688
	$ 122,034	**$ 80,183**

The provision for impairment of the royalty receivable was included in profit or loss during the 2016 fiscal year. Uncollectable amounts included in the provision are written off against the provision when there is no expectation of recovery. The royalty revenue receivable was uncollected as of September 30, 2023 as the Company has allowed Kappes, Cassiday & Associates ("KCA") to defer payment of the balance while KCA awaits a ruling on an arbitration hearing to overturn the suspension of operations of its mine-site and seek compensation from the Guatemalan authorities.

(Expressed in Canadian Dollars)

7. PROPERTY AND EQUIPMENT

	Trucks	Computer equipment	Furniture and equipment	Geophysical equipment	Field equipment	Total
Cost						
Balance, December 31, 2021	$ 37,457	$ 257,144	$ 55,313	$ 84,882	$ 4,665	$ 439,461
Additions	-	669	-	-	-	669
Disposals	-	(252,068)	-	(28,278)	-	(280,346)
Balance, December 31, 2022	37,457	5,745	55,313	56,604	4,665	159,784
Additions	38,682	1,044	-	-	5,191	44,917
Balance, September 30, 2023	**$ 76,139**	**$ 6,789**	**$ 55,313**	**$ 56,604**	**$ 9,856**	**$ 204,701**
Accumulated amortization						
Balance, December 31, 2021	$ 37,457	$ 253,120	$ 55,313	$ 80,373	$ 4,665	$ 430,928
Charge for year	-	1,330	-	902	-	2,232
Disposals	-	(252,068)	-	(28,278)	-	(280,346)
Balance, December 31, 2022	37,457	2,382	55,313	52,997	4,665	152,814
Charge for period	2,546	752	-	541	128	3,967
Balance, September 30, 2023	**$ 40,003**	**$ 3,134**	**$ 55,313**	**$ 53,538**	**$ 4,793**	**$ 156,781**
Carrying amounts						
At December 31, 2022	$ -	$ 3,363	$ -	$ 3,607	$ -	$ 6,970
At September 30, 2023	**$ 36,136**	**$ 3,655**	**$ -**	**$ 3,066**	**$ 5,063**	**$ 47,920**

8. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company has a lease agreement for its headquarter office space in Vancouver, British Columbia.

The continuity of the ROU asset and Lease liability for the period ended September 30, 2023 is as follows:

Right-of-use asset	
Value of right-of-use asset recognized as at December 31, 2021	$ 181,564
Depreciation	(60,467)
Value of right-of-use asset as at December 31, 2022	121,097
Depreciation	(45,226)
Value of right-of-use asset as at September 30, 2023	**$ 75,871**

Lease liability	
Lease liability recognized as of December 31, 2021	$ 218,891
Lease payments	(82,418)
Lease interest	18,158
Lease liability recognized as of December 31, 2022	154,631
Lease payments	(63,252)
Lease interest	9,367
Lease liability recognized as of September 30, 2023	**$ 100,746**

(Expressed in Canadian Dollars)

8. RIGHT-OF-USE ASSET AND LEASE LIABILITY (cont'd)

Lease liability		
Current portion	$	79,525
Long-term portion		21,221
	$	**100,746**

9. MINERAL PROPERTY AND ROYALTY INTERESTS

Acquisition costs		**Mexico**		**Guatemala**		**Total**
Balance, December 31, 2021	$	126,666	$	1	$	126,667
Additions – cash		940,682		-		940,682
Acquisition costs recovered		(1,029,947)		-		(1,029,947)
Balance, December 31, 2022		37,401		1		37,402
Additions – cash		459,788		-		459,788
Acquisition costs recovered		(187,966)		-		(187,966)
Balance, September 30, 2023	**$**	**309,223**	**$**	**1**	**$**	**309,224**

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history, characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

Details of the Company's mineral property interests are disclosed in full in the consolidated financial statements for the year ended December 31, 2022. Significant mineral property transactions that have occurred since January 1, 2023 are as follows.

Tropico Project - Mexico

In March 2023, the Company entered into an option agreement with local property owners to acquire the Tropico Project located within the Fresnillo mining district in the State of Zacatecas, Mexico.

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

The initial option payment of US$200,000 was recorded as an acquisition of $271,822 during the period ended September 30, 2023.

Plata Verde Project - Mexico

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

The Company can earn a 100% interest in the Don Benja concession by making staged payments to the concession owner totaling US$801,000 over four years, of which the final payment is US$400,000 at the end of the fourth year. As of September 30, 2023, the Company has made payments totaling $330,529 (US$251,000), of which $133,794 (US$100,000) was paid during the current period. If the Company exercises the option, the concession holder will retain a 1% NSR royalty which the Company can buy back for US$1,000,000.

9. MINERAL PROPERTY AND ROYALTY INTERESTS (cont'd)

Plata Verde Project – Mexico (cont'd)

The Company can earn a 100% interest in the Don Jose concession by making staged payments to the concession owner totaling US$500,000 over four years, of which the final payment is US$185,000 at the end of the fourth year. As of September 30, 2023, the Company has made payments totaling $72,505 (US$54,000), of which all was paid during the current period. If the Company exercises the option, the concession holder will retain a 1% NSR royalty which the Company can buy back for US$600,000.

During the 2022 fiscal year, the Company entered into an exclusivity agreement with Fresnillo plc ("Fresnillo") whereby Fresnillo had the exclusive right until April 7, 2023 to negotiate with the Company the terms of an option to earn a 70% interest in the Plata Verde Project. During the period ended September 30, 2023, the exclusivity period was extended to July 7, 2023 and then extended further to January 7, 2024. Fresnillo has the right to extend its exclusivity period for six additional months beyond January 7, 2024, by providing the Company with a minimum of US$500,000 to commence drilling at Plata Verde. Such drilling shall be initiated within three months following January 7, 2024.

Pursuant to this agreement, Fresnillo is to make payments totaling US$695,300 to the Company as follows:

i) US$100,000 upon signing the exclusivity agreement;
ii) US$357,000 to reimburse underlying property option payments;
iii) US$103,600 to clear historic back taxes and return the property to full legal compliance; and
iv) US$134,700 for property taxes and investment costs at the project.

As of September 30, 2023, a total of $697,956 (US$524,300) has been received, of which $268,128 (US$200,300) was received by the Company during the period ended September 30, 2023, with $161,926 being recorded as a recovery against acquisition costs and $106,202 recorded as a gain from mineral property option agreements.

Amalia Project (including the Palmillas Property) - Mexico

In 2017, the Company signed a binding agreement with a private individual to option the Amalia Project in the State of Chihuahua, Mexico. The Company earned a 100% interest in the Amalia Project by making staged payments over a period of five years totaling US$850,000 cash, all of which was paid prior to the current period and issuing US$15,000 in shares of the Company prior to the 2021 fiscal year.

In 2018, the Company entered into an option agreement with Pan American Silver Corp. ("Pan American") whereby Pan American earned an initial 65% interest in the Amalia Project and the Palmillas Property (described below) by making cash payments to the Company totaling US$1.5 million 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.

In November 2019, the Company signed a binding agreement with a private family to option the Palmillas Property that adjoins the Amalia Project in the State of Chihuahua, Mexico. The Company can earn a 100% interest in the Palmillas Property by completing staged payments over a period of five years totaling US$350,000, of which the final payment is US$200,000 at the end of five years. As of September 30, 2023, cash payments totaling $129,812 (US$100,000) have been paid, all of which $26,040 (US$20,000) was paid during the current period and recorded as an acquisition cost. If the Company exercises the option, the owners will retain a 1% NSR royalty.

Pursuant to the Company's option agreement with Pan American on the Amalia Project, Pan American elected during the 2020 fiscal year to pay the Company's acquisition costs of the Palmillas Property and add the property to the Amalia Project.

Legal Proceeding

During the period ended September 30, 2023, the Company filed a legal demand with a Federal Court in Mexico to obtain title to the Amalia 4 concession, a component of the Amalia Project which had been in the application stage. The mining authority of Chihuahua has processed and approved the submission without fault and passed the license to the Mexico Mining Directorate proposing title issuance. The regulated time for the mining authority to comment and request revision has passed and granting of title is a legal requirement under the mining law. The legal demand filed by the Company is to enforce the granting of title.

9. MINERAL PROPERTY AND ROYALTY INTERESTS (cont'd)

Guatemala Properties

The Company's 100% owned land holdings in southeast Guatemala as at September 30, 2023 consist of 45 concessions (two granted exploration licences, forty exploration applications, two exploitation applications, and one reconnaissance application) filed with the Guatemala Ministry of Energy and Mines. The two 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. During the period ended September 30, 2023, the Company was granted the Cirilo I exploration licence in the Motagua Norte project area of Guatemala.

In May 2020, the Company signed an agreement whereby it granted to Volcanic the exclusive option (the "Option") to acquire a 60% interest in the Company's granted exploration licence (known as the Holly and Banderas gold-silver properties) (the "Properties"). In September 2023, the Option was modified to include the Motagua Norte project in substitution for the Banderas project. The original earn-in requirement to spend US$7.0 million in exploration of the properties remains unchanged. Under the modified option agreement, Volcanic has an exclusive option to earn a 60% interest in the Company's Holly and Motagua Norte properties by spending US$7.0 million on exploration of the properties, of which US$1,764,778 is required to be spent on Motagua Norte. Expenditures made by Volcanic on exploration of the Banderas property are credited towards the US$7.0 million expenditure requirement. Upon exercise of the Option, Volcanic will enter into a standard 60/40 joint venture with the Company in order to further develop the Properties.

As the Company and Volcanic have a common director, the Option modification is subject to approval by the TSX Venture Exchange ("TSX-V") and the shareholders of the Company and Volcanic.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES

a) Common Shares

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

During the period ended September 30, 2023, the following share capital activity occurred:

i) On May 29, 2023, the Company closed a private placement of 11,149,983 units at $0.175 per unit for gross proceeds of $1,951,247. Each unit consists of one common share and one full share purchase warrant entitling the holder to purchase an additional common share exercisable for two years at a price of $0.35. Of the total gross proceeds, $1,951,247 was allocated to share capital and $Nil to warrants. In connection with this financing, the Company paid finder's fees totaling $39,627 cash and issued a total of 226,442 warrants which have the same terms as the unit warrants. The fair value of the finders' fee warrants was $8,935 and was recorded as share issuance costs and an offset to other equity reserve. The fair value of each finders' fee warrant has been estimated as of the date of the issuance using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 4.23%, dividend yield of 0%, volatility of 67% and expected life of two years. Other share issuance costs associated with this financing totalled $20,848;

ii) The Company issued 500,000 common shares with a value of $120,625 to the Chief Executive Officer of the Company pursuant to the terms of a shares for services agreement dated January 1, 2021; and

iii) A total of 200,000 stock options were exercised for proceeds of $30,000. The Company reallocated the fair value of these options previously recorded in the amount of $15,440 from other equity reserve to share capital.

During the period ended September 30, 2022, a total of 25,000 stock options were exercised for proceeds of $3,750. The Company reallocated the fair value of these options previously recorded in the amount of $1,930 from other equity reserve to share capital.

b) Share Purchase Warrants

The following is a summary of changes in warrants during the period ended September 30, 2023:

	Number of Warrants	**Weighted Average Exercise Price**
Balance, December 31, 2022	-	-
Issued	11,376,425	$0.35
Balance, September 30, 2023	**11,376,425**	**$0.35**

As at September 30, 2023, there were 11,376,425 share purchase warrants outstanding with an exercise price of $0.35 per share and May 28, 2025 expiry date.

11. SHARE-BASED PAYMENTS

a) Option Plan Details

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

(Expressed in Canadian Dollars)

11. SHARE-BASED PAYMENTS (cont'd)

a) Option Plan Details (cont'd)

The following is a summary of changes in options for the period ended September 30, 2023:

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

b) Fair Value of Options Granted During the Period

The weighted average fair value at grant date of options granted during the period ended September 30, 2023 was $0.14 per option. There were no options granted during the period ended September 30, 2022.

The weighted average remaining contractual life of the options outstanding at September 30, 2023 is 6.57 years (December 31, 2022: 5.67 years).

Options Issued to Employees

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

Options Issued to Non-Employees

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

The model inputs for options granted during the period ended September 30, 2023 included:

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

(Expressed in Canadian Dollars)

11. SHARE-BASED PAYMENTS (cont'd)

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

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

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

c) Expenses Arising from Share-based Payment Transactions

Total expenses arising from the share-based payment transactions recognized during the period ended September 30, 2023 as part of share-based compensation expense was $308,631 (2022: $23,125).

12. RELATED PARTY TRANSACTIONS

The Company had transactions during the periods ended September 30, 2023 and 2022 with related parties who consisted of directors, officers and the following companies with common directors:

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

The Company reimburses Gold Group, a company controlled by Simon Ridgway, a Director of the Company, for shared administrative costs and other business-related expenses paid by Gold Group on behalf of the Company. During the periods ended September 30, 2023 and 2022, the Company reimbursed Gold Group the following:

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
General and administrative expenses:				
Office and miscellaneous	$ 17,063	$ 9,626	$ 41,548	$ 26,654
Shareholder communications	1,256	5,144	11,315	10,470
Salaries and benefits	36,546	33,607	119,394	99,689
Transfer agent and regulatory fees	1,800	166	4,683	2,644
Travel and accommodation	6,187	4,695	23,209	8,360
	$ 62,852	**$ 53,238**	**$ 200,149**	**$ 147,817**
Exploration expenditures	**$ -**	**$ -**	**$ 4,062**	**$ -**

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS (cont'd)

Gold Group salaries and benefits costs for the period ended September 30, 2023 includes those for the Chief Financial Officer, Vice President Corporate Development, and Corporate Secretary (2022: includes those for the Chief Financial Officer and the Corporate Secretary).

During the period ended September 30, 2023, the Company charged $Nil (2022: $4,483) to Volcanic, a company which has a common director with the Company, for exploration costs incurred on behalf of Volcanic and relating to the option agreement between the two parties.

During the period ended September 30, 2023, the Company charged $Nil (2022: $20,825) to Rackla, a company which has three common directors with the Company, for shared exploration personnel costs.

Receivables include an amount of $Nil (December 31, 2022: $7,007) owed from Rackla.

Prepaid expenses and deposits include an amount of $11,671 (December 31, 2022: $5,850) paid to Gold Group for shared office and administrative services.

Long-term deposits include an amount of $60,000 (December 31, 2022: $60,000) paid to Gold Group as a deposit on the shared office and administrative services agreement.

Accounts payable and accrued liabilities include $12,452 (December 31, 2022: $17,927) payable to Gold Group for shared administrative costs, $15,000 (December 31, 2022: $571) to Bruce Smith, the Chief Executive Officer of the Company, for management fees and expense reimbursement, and $19,406 (December 31, 2022: $9,556) payable to Volcanic for shared exploration costs.

Key management compensation

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Geological fees included in exploration expenditures	$ 39,000	$ 39,000	$ 117,000	$ 117,000
Management fees	16,500	16,500	49,500	49,500
Salaries, benefits and fees*	17,383	7,042	52,939	21,884
Share-based payments – fair value of shares to be issued	-	-	-	23,125
Share-based payments – value of stock options granted	-	-	99,891	-
	$ 72,883	**$ 62,542**	**$ 319,330**	**$ 211,509**

*Included in reimbursements to Gold Group

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

During the period ended September 30, 2023, the Company issued 500,000 common shares with a value of $120,625 to the Chief Executive Officer of the Company per the terms of a shares for services agreement dated January 1, 2021.

(Expressed in Canadian Dollars)

13. SEGMENTED INFORMATION

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

Period ended September 30, 2023	**Canada**	**Guatemala**	**Mexico**	**Other**	**Consolidated**
Exploration expenditures	$ -	$ 34,618	$ 1,059,583	$ 25,494	$ 1,119,695
Gain from mineral property option agreements	-	-	106,202	-	106,202
Investment income	11,139	-	-	-	11,139
Amortization	1,158	-	2,809	-	3,967
Depreciation on right-of-use asset	45,226	-	-	-	45,226
Interest expense on lease liability	9,367	-	-	-	9,367
Net loss	(642,105)	(34,618)	(987,831)	(33,802)	(1,698,356)
Capital expenditures*	-	-	504,705	-	504,705

Period ended September 30, 2022	**Canada**	**Guatemala**	**Mexico**	**Other**	**Consolidated**
Exploration expenditures	$ -	$ 64,194	$ 425,566	$ 65,132	$ 554,892
Gain from mineral property option agreements	-	-	859,523	-	859,523
Investment income	5,280	-	-	-	5,280
Amortization	1,558	-	104	-	1,662
Depreciation on right-of-use asset	45,226	-	-	-	45,226
Interest expense on lease liability	14,162	-	-	-	14,162
Net loss	(246,922)	(64,194)	430,307	(71,583)	47,608
Capital expenditures*	-	-	823,851	-	823,851

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

As at September 30, 2023	**Canada**	**Guatemala**	**Mexico**	**Other**	**Consolidated**
Total current assets	$ 2,881,426	$ 23,779	$ 156,553	$ 8,308	$ 3,070,066
Total non-current assets	204,161	1	351,951	-	556,113
Total assets	**$ 3,085,587**	**$ 23,780**	**$ 508,504**	**$ 8,308**	**$ 3,626,179**
Total liabilities	**$ 163,718**	**$ 1,376**	**$ 97,675**	**$ -**	**$ 262,770**

As at December 31, 2022	**Canada**	**Guatemala**	**Mexico**	**Other**	**Consolidated**
Total current assets	$ 3,219,772	$ 23,775	$ 170,723	$ 8,377	$ 3,422,647
Total non-current assets	250,545	1	38,021	-	288,567
Total assets	**$ 3,470,317**	**$ 23,776**	**$ 208,744**	**$ 8,377**	**$ 3,711,214**
Total liabilities	**$ 251,924**	**$ 1,376**	**$ 1,390**	**$ -**	**$ 254,690**

(Expressed in Canadian Dollars)

14. 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 condensed interim consolidated financial statements.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors receive periodic reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

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

a) Market Risk

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

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to fluctuations in foreign currencies through its operations in foreign countries. The Company monitors this exposure but has no hedge positions. As at September 30, 2023, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	September 30, 2023			December 31, 2022		
	US Dollar	**Mexican Peso**	**Guatemala Quetzal**	**US Dollar**	**Mexican Peso**	**Guatemala Quetzal**
	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)
Cash	$ 57,940	$ 12,065	$ 11,148	$ 735,977	$ 8,141	$ 11,146
Receivables	-	115,497	-	14,681	51,634	-
Current liabilities	(9,771)	(94,990)	(1,376)	(15,867)	-	(1,376)
	$ 48,169	**$ 32,572**	**$ 9,772**	**$ 734,791**	**$ 59,775**	**$ 9,770**

Based on the above net exposures at September 30, 2023, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in an approximate $9,100 (December 31, 2022: $80,400) increase or decrease in profit or loss, respectively.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

Commodity Price Risk

The Company's royalty revenue has been derived from a royalty interest that is based on the extraction and sale of gold. Factors beyond the control of the Company may affect the marketability of gold discovered or extracted. Gold prices have historically fluctuated widely. Consequently, the economic viability of the Company's royalty interest cannot be accurately predicted and may be adversely affected by fluctuations in gold prices. The Company has not engaged in any hedging activities. The Company is not exposed to commodity price risk as the Company has not earned any royalty revenue during the periods ended September 30, 2023 and 2022.

Interest Rate Risk

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

Equity Price Risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's equity investments consisting of common shares are exposed to significant equity price risk due to the potentially volatile and speculative nature of the businesses in which the investments are held. The Company's equity investments are monitored by the Board with decisions on sale or exercise taken by Management. A 10% decrease in fair value of the shares would result in an approximate $124,500 (December 31, 2022: $187,000) decrease in comprehensive income and shareholders' equity.

b) Credit Risk

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

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At September 30, 2023, the Company had working capital of $2.8 million (December 31, 2022: $3.3 million) available to apply against short-term business requirements. All of the Company's financial liabilities have contractual maturities of less than 45 days and are subject to normal trade terms with the exception of the Company's lease liability which matures based on the lease agreement (Note 8).

Determination of Fair value

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

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

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

Fair Value Hierarchy

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

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

The equity investments are based on quoted prices and are therefore considered to be Level 1. The lease liability is based on prices and therefore considered to be Level 2. The formerly held derivative instruments were based on inputs other than quoted prices and therefore considered to be Level 3. As of September 30, 2023, there was no embedded derivative on royalty income receivables derived from gold prices to include as a Level 2 measurement and therefore no fair value measurement was necessary. There were no transfers between Levels 1, 2, or 3 during the period ended September 30, 2023.

15. CAPITAL MANAGEMENT

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company monitors its cash, equity investments, common shares, and stock options as capital. There were no changes in the Company's approach to capital management during the period ended September 30, 2023. 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 cover its operating costs and carry out limited exploration programs for the next twelve months. Actual funding requirements may vary from those planned due to a number of factors, including potential property acquisitions and exploration activity. The Company will continue to seek to raise additional capital in the future and believes it will be able to do so, but recognizes the uncertainty attached thereto.