RADIUS GOLD INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2024

(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 six months ended June 30, 2024. 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:		**June 30, 2024**		**December 31, 2023**
ASSETS				
Current assets				
Cash and cash equivalents (Note 4)	$	1,152,106	$	910,755
Equity investments (Note 5)		672,135		1,009,900
Receivables (Notes 6 and 12)		93,538		190,286
Prepaid expenses and deposits (Note 12)		72,370		83,548
Total current assets		1,990,149		2,194,489
Non-current assets				
Long-term deposits (Note 12)		63,000		63,000
Property and equipment (Note 7)		38,504		43,048
Right-of-use asset (Note 8)		30,479		60,630
Mineral and royalty interests (Note 9)		1		1
Total non-current assets		131,984		166,679
TOTAL ASSETS	**$**	**2,122,133**	**$**	**2,361,168**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Note 12)	$	57,487	$	89,938
Exploration advance (Note 9)		527,565		-
Current portion of lease liability (Note 8)		41,936		81,942
Total liabilities		626,988		171,880
Shareholders' equity				
Share capital (Note 10)		58,776,806		58,776,806
Other equity reserve		7,565,158		7,562,565
Accumulated other comprehensive loss		(4,664,594)		(4,326,829)
Deficit		(60,182,225)		(59,823,254)
Total shareholders' equity		1,495,145		2,189,288
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**2,122,133**	**$**	**2,361,168**

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS AND AUTHORIZED FOR ISSUE ON AUGUST 26, 2024 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 LOSS AND OTHER COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(Expressed in Canadian Dollars)

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Exploration expenditures	$ 62,023	$ 403,814	$ 175,607	$ 656,753
General and administrative expenses				
Amortization (Note 7)	2,273	1,535	4,544	1,960
Depreciation of right-of-use asset (Note 8)	15,076	15,075	30,151	29,985
Interest expense on lease liability (Note 8)	1,323	3,128	3,120	6,639
Legal and audit fees	1,523	1,463	4,358	1,463
Management fees (Note 12)	10,500	16,500	21,000	33,000
Office and miscellaneous (Note 12)	5,515	4,192	16,709	18,683
Salaries and benefits (Note 12)	37,410	48,555	78,527	82,848
Share-based compensation (Note 11)	-	284,410	2,593	297,056
Shareholder communications (Note 12)	9,974	24,586	21,143	37,973
Transfer agent and regulatory fees (Note 12)	4,579	6,727	14,161	15,228
Travel and accommodation (Note 12)	4,711	14,523	11,227	30,962
	92,884	420,694	207,533	555,797
Loss from operations	(154,907)	(824,508)	(383,140)	(1,212,550)
Investment income	2,491	3,550	4,877	8,863
Foreign currency exchange gain (loss)	10,539	(20,886)	19,292	(22,045)
Gain from mineral property option agreements	-	49,931	-	61,012
Net loss for the period	**$ (141,877)**	**$ (791,913)**	**$ (358,971)**	**$ (1,164,720)**
Other comprehensive income (loss)				
Items that will not be reclassified subsequently to profit or loss:				
Fair value gains (losses) on equity investments (Note 5)	(31,371)	288,798	(337,765)	(413,936)
Total comprehensive loss	**$ (173,248)**	**$ (503,115)**	**$ (696,736)**	**$ (1,578,656)**
Basic and diluted loss per share	$(0.00)	$(0.01)	$(0.00)	$(0.01)
Weighted average number of common shares outstanding	99,118,533	91,189,423	99,118,533	89,239,818

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 six months ended June 30, 2024 and 2023
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Obligation to issue shares	Other equity reserve	Accumulated other comprehensive loss	Deficit	Total
Balance, December 31, 2022	87,268,550	$ 56,728,904	$ 120,625	$ 7,260,439	$ (3,467,846)	$ (57,185,598)	$ 3,456,524
Loss for the period	-	-	-	-	-	(1,164,720)	(1,164,720)
Shares issued for private placement	11,149,983	1,951,247	-	-	-	-	1,951,247
Share issuance costs	-	(69,410)	-	8,935	-	-	(60,475)
Equity investments	-	-	-	-	(413,936)	-	(413,936)
Share-based compensation	-	-	-	297,056	-	-	297,056
Balance, June 30, 2023	98,418,533	58,610,741	120,625	7,566,430	(3,881,782)	(58,350,318)	4,065,696
Loss for the period	-	-	-	-	-	(1,472,936)	(1,472,936)
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)	-	-	-
Equity investments	-	-	-	-	(445,047)	-	(445,047)
Share-based compensation	-	-	-	11,575	-	-	11,575
Balance, December 31, 2023	99,118,533	58,776,806	-	7,562,565	(4,326,829)	(59,823,254)	2,189,288
Loss for the period	-	-	-	-	-	(358,971)	(358,971)
Equity investments	-	-	-	-	(337,765)	-	(337,765)
Share-based compensation	-	-	-	2,593	-	-	2,593
Balance, June 30, 2024	**99,118,533**	**$ 58,776,806**	**$ -**	**$ 7,565,158**	**$ (4,664,594)**	**$ (60,182,225)**	**$ 1,495,145**

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 June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Cash provided by (used in):				
OPERATING ACTIVITIES				
Net loss for the period	$ (141,877)	$ (791,913)	$ (358,971)	$ (1,164,720)
Items not involving cash:				
Amortization	2,273	1,535	4,544	1,960
Depreciation of right-of-use asset	15,076	15,075	30,151	29,985
Gain from mineral property option agreement	-	(49,931)	-	(61,012)
Share-based compensation	-	284,410	2,593	297,056
	(124,528)	(540,824)	(321,683)	(896,731)
Changes in non-cash working capital items:				
Receivables	123,599	(52,938)	96,748	(93,412)
Prepaid expenses and deposits	4,659	10,832	11,178	18,610
Accounts payable and accrued liabilities	(27,038)	(43,169)	(32,451)	(29,579)
Exploration advance	527,565	-	527,565	-
Cash provided from (used in) operating activities	504,257	(626,099)	281,357	(1,001,112)
FINANCING ACTIVITIES				
Proceeds on issuance of common shares, net	-	1,890,772	-	1,890,772
Repayment of lease obligation	(20,240)	(17,956)	(40,006)	(35,529)
Cash provided by (used for) financing activities	(20,240)	1,872,816	(40,006)	1,855,243
INVESTING ACTIVITIES				
Expenditures on mineral property acquisition costs	(94,844)	(187,966)	(94,844)	(459,788)
Proceeds from mineral property option agreements	94,844	237,897	94,844	248,978
Purchase of equipment	-	(38,682)	-	(38,682)
Cash provided by (used for) investing activities	-	11,249	-	(249,492)
Increase in cash and cash equivalents	**484,017**	**1,257,966**	**241,351**	**604,639**
Cash and cash equivalents, beginning of period	668,089	766,787	910,755	1,420,114
Cash and cash equivalents, end of period	**$ 1,152,106**	**$ 2,024,753**	**$ 1,152,106**	**$ 2,024,753**

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. 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 IFRS Accounting 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 June 30, 2024 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) 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.

b) 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 June 30, 2024 and December 31, 2023, cash and cash equivalents is comprised of the following:

	June 30, 2024	December 31, 2023
Cash	$ 937,319	$ 700,844
Cash equivalents	214,787	209,911
	$ 1,152,106	$ 910,755

5. EQUITY INVESTMENTS

The Company's equity investments consist of the following:

Number of common shares held as at:	**June 30, 2024**	**December 31, 2023**
Electrum Discovery Corp. ("Electrum") (formerly Medgold Resources Corp.)	632,906	632,906
Rackla Metals Inc. ("Rackla")	3,973,275	3,973,275
Volcanic Gold Mines Inc. ("Volcanic")	830,412	830,412

	Electrum	**Rackla**	**Volcanic**	**Total**
Balance, December 31, 2022	$ 50,633	$ 1,668,776	$ 149,474	$ 1,868,883
Net change in fair value recorded in other comprehensive income (loss)	-	(933,720)	74,737	(858,983)
Balance, December 31, 2023	50,633	735,056	224,211	1,009,900
Net change in fair value recorded in other comprehensive income (loss)	(9,494)	(178,797)	(149,474)	(337,765)
Balance, June 30, 2024	**$ 41,139**	**$ 556,259**	**$ 74,737**	**$ 672,135**

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 June 30, 2024.

During the period ended June 30, 2024, Medgold Resources Corp. changed its name to Electrum Discovery Corp. and completed a one-for-sixteen share consolidation which reduced the number of Electrum shares held by the Company from 10,126,500 to 632,906.

During the six-month periods ended June 30, 2024 and 2023, no equity investment transactions were conducted by the Company.

(Expressed in Canadian Dollars)

6. RECEIVABLES

	June 30, 2024	December 31, 2023
Royalty receivable	$ 784,180	$ 784,180
Provision for impairment	(784,180)	(784,180)
Royalty revenue receivable, net	-	-
Sales taxes	93,538	190,286
	$ 93,538	**$ 190,286**

The provision for impairment of the royalty receivable was included in profit or loss during the 2016 fiscal year. Uncollectable amounts included in the provision are written off against the provision when there is no expectation of recovery. The royalty revenue receivable remains uncollected as of June 30, 2024 as the Company has allowed Kappes, Cassiday & Associates ("KCA") to defer payment of the balance while KCA awaits a ruling on an arbitration hearing to overturn the suspension of operations of its mine-site and seek compensation from the Guatemalan authorities.

7. PROPERTY AND EQUIPMENT

	Trucks	Computer equipment	Geophysical equipment	Field equipment	Total
Cost					
Balance, December 31, 2022	$ 37,457	$ 5,745	$ 56,604	$ 4,665	$ 159,784
Additions	38,682	1,044	-	5,191	44,917
Balance, December 31, 2023	76,139	6,789	56,604	9,856	204,701
Balance, June 30, 2024	**$ 76,139**	**$ 6,789**	**$ 56,604**	**$ 9,856**	**$ 204,701**
Accumulated amortization					
Balance, December 31, 2022	$ 37,457	$ 2,382	$ 52,997	$ 4,665	$ 152,814
Charge for year	6,613	1,296	721	209	8,839
Balance, December 31, 2023	44,070	3,678	53,718	4,874	161,653
Charge for period	3,448	535	289	272	4,544
Balance, June 30, 2024	**$ 47,518**	**$ 4,213**	**$ 54,007**	**$ 5,146**	**$ 166,197**
Carrying amounts					
At December 31, 2023	$ 32,069	$ 3,111	$ 2,886	$ 4,982	$ 43,048
At June 30, 2024	**$ 28,621**	**$ 2,576**	**$ 2,597**	**$ 4,710**	**$ 38,504**

(Expressed in Canadian Dollars)

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 June 30, 2024 is as follows:

Right-of-use asset		
Value of right-of-use asset recognized as at December 31, 2022	$	121,097
Depreciation		(60,467)
Value of right-of-use asset as at December 31, 2023		60,630
Depreciation		(30,151)
Value of right-of-use asset as at June 30, 2024	**$**	**30,479**

Lease liability		
Lease liability recognized as of December 31, 2022	$	154,631
Lease payments		(84,335)
Lease interest		11,646
Lease liability recognized as of December 31, 2023		81,942
Lease payments		(43,126)
Lease interest		3,120
Lease liability recognized as of June 30, 2024	**$**	**41,936**

Lease liability		
Current portion	$	41,936
Long-term portion		-
	$	**41,936**

9. MINERAL PROPERTY AND ROYALTY INTERESTS

Acquisition costs		**Mexico**		**Guatemala**		**Total**
Balance, December 31, 2022	$	37,401	$	1	$	37,402
Additions – cash		726,641		-		726,641
Acquisition costs recovered		(454,819)		-		(454,819)
Write-off of acquisition costs		(309,223)		-		(309,223)
Balance, December 31, 2023		-		1		1
Additions – cash		94,844		-		94,844
Acquisition costs recovered		(94,844)		-		(94,844)
Balance, June 30, 2024	**$**	**-**	**$**	**1**	**$**	**1**

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, 2023. Mineral property interests that have been impacted by transactions since January 1, 2024 are as follows.

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

Plata Verde Project - Mexico

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

The Company can earn a 100% interest in the Don Benja concession by making staged payments to the concession owner totaling US$801,000 over a period of five years ending on October 22, 2025, of which the two final payments are US$200,000 at the end of the fourth year and US$200,000 at the end of the fifth year. As of June 30, 2024, the Company has made payments totaling $534,905 (US$401,000), of which all was paid prior to 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.

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 a period of four years ending on May 15, 2026, of which the final payment is US$185,000 at the end of the fourth year. As of June 30, 2024, the Company has made payments totaling $162,567 (US$120,000), of which $60,905 (US$45,000) 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$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 2023 fiscal year, the exclusivity period was extended to July 7, 2023 and then extended further to January 7, 2024. Pursuant to the exclusivity agreement, Fresnillo made payments totaling US$740,300 to the Company and comprising of US$100,000 upon signing the exclusivity agreement, US$402,000 to reimburse underlying property option payments, US$103,600 to clear historic back taxes and return the property to full legal compliance; and US$134,700 for property taxes and investment costs at the project. Of the total amount of $992,394 (US$740,300) received to-date, $60,905 (US$45,000) was received during the current period.

During the period ended June 30, 2024, an option agreement was signed which replaced the exclusivity agreement and provides for an initial payment from Fresnillo of US$250,000 to mobilize drilling and field teams and a second payment of US$250,000 due when drilling commenced. Both payments, totaling US$500,000 were received from Fresnillo during the period ended June 30, 2024 and recorded as an exploration advance that is reduced as expenditures are incurred.

Amalia Project (including the Palmillas Property) - Mexico

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

In November 2019, the Company signed an agreement with a private family to option the Palmillas Property that adjoins the Amalia Project. 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 the fifth year. As of June 30, 2024, cash payments totaling $197,070 (US$150,000) have been paid, of which $33,939 (US$25,000) was paid during the current period. 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 2023 fiscal year, the Company filed a legal demand with a Federal Court in Mexico to obtain title to the Amalia 4 concession, a component of the Amalia Project which had been in the application stage. The mining authority of Chihuahua has processed and approved the submission without fault and passed the license to the Mexico Mining Directorate proposing title issuance. The regulated time for the mining authority to comment and request revision has passed and granting of title is a legal requirement under the mining law. The legal demand filed by the Company is to enforce the granting of title and the legal process is still on-going.

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

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 had the option to earn a 100% interest in the Tropico Project by making a US$200,000 payment upon signing of the agreement (paid), and further payments totalling US$200,000 over four years.

During the period ended June 30, 2024, the Company decided to relinquish the option and as a result, the acquisition cost of $271,822 (US$200,000) was written off during the 2023 fiscal year.

Guatemala Properties

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

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

Subsequent to June 30, 2024, Volcanic completed the expenditure requirement for the Mineral Rights Option and exercised the option. As a result, the Company and Volcanic will enter into a standard 40/60 joint venture in order to further develop the properties.

In December 2023, the Company entered into a surface rights option agreement (the "Surface Rights Option") with the owner of certain lands comprising a portion of the Motagua Norte project, and the Company granted to Volcanic the option to acquire a 60% interest in such lands by assuming the option payments due to the landowner. At that time, the Company paid $204,873 (US$150,000) as an initial option payment and was reimbursed for the cost by Volcanic. During the period ended June 30, 2024, the Company and Volcanic decided to terminate the Surface Rights Option.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES

Common Shares

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

There was no share capital activity during the period ended June 30, 2024.

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

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.

Share Purchase Warrants

There was no share purchase warrant activity during the period ended June 30, 2024. As at June 30, 2024, 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 Venture Exchange ("TSX-V") under which it is authorized to grant options up to 10% of its outstanding shares to officers, directors, employees, and consultants. The exercise price of each option is not less than the closing market price of the Company's stock on the trading day prior to the date of grant. Options granted to investor relations personnel vest in accordance with TSX-V regulations. The options are for a maximum term of ten years.

The following is a summary of changes in options for the period ended June 30, 2024:

				During the period				
Grant date	**Expiry date**	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**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	1,265,000	-	-	-	1,265,000	1,265,000
Nov 5, 2018	Nov 4, 2028	$0.15	75,000	-	-	-	75,000	75,000
Oct 8, 2019	Oct 7, 2029	$0.25	850,000	-	-	-	850,000	850,000
Mar 16, 2020	Mar 15, 2030	$0.15	280,000	-	-	-	280,000	280,000
Dec 9, 2020	Dec 8, 2030	$0.27	50,000	-	-	-	50,000	50,000
Feb 11, 2021	Feb 10, 2031	$0.34	50,000	-	-	-	50,000	50,000
Mar 4, 2021	Mar 3, 2031	$0.24	50,000	-	-	-	50,000	50,000
Oct 26, 2021	Oct 25, 2031	$0.34	300,000	-	-	-	300,000	300,000
Jan 10, 2023	Jan 9, 2033	$0.20	75,000	-	-	-	75,000	75,000
Jun 7, 2023	Jun 6, 2033	$0.18	2,070,000	-	-	-	2,070,000	2,070,000
Sep 19, 2023	Sep 18, 2033	$0.23	50,000	-	-	-	50,000	50,000
Mar 27, 2024	Mar 26, 2034	$0.15	-	25,000	-	-	25,000	25,000
			6,345,000	**25,000**	**-**	**-**	**6,370,000**	**6,370,000**
	Weighted average exercise price		$0.19	$0.15	-	-	$0.19	$0.19

(Expressed in Canadian Dollars)

11. SHARE-BASED PAYMENTS (cont'd)

b) Fair Value of Options Granted During the Period

The fair value at grant date of options granted during the period ended June 30, 2024 was $0.10 per option (2023: weighted average fair value of $0.14 per option).

The weighted average remaining contractual life of the options outstanding at June 30, 2024 is 5.84 years (December 31, 2023: 6.32 years).

Options Issued to Employees

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

Options Issued to Non-Employees

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

The model inputs for options granted during the period ended June 30, 2024 included:

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

The model inputs for options granted during the period ended June 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%

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 June 30, 2024 as part of share-based compensation expense was $2,593 (2023: $297,056).

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS

The Company had transactions during the periods ended June 30, 2024 and 2023 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

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 June 30, 2024 and 2023, the Company reimbursed Gold Group the following:

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
General and administrative expenses:				
Office and miscellaneous	$ 11,217	$ 11,039	$ 22,253	$ 24,485
Shareholder communications	1,349	6,460	8,902	10,059
Salaries and benefits	37,410	48,555	78,527	82,848
Transfer agent and regulatory fees	909	2,883	2,409	2,883
Travel and accommodation	4,712	11,166	6,859	17,022
	$ 55,597	**$ 80,103**	**$ 118,950**	**$ 137,297**
Exploration expenditures	**$ 311**	**$ 2,367**	**$ 9,911**	**$ 4,062**

Gold Group salaries and benefits costs for the periods ended June 30, 2024 and 2023 include those for the Chief Financial Officer, Vice President Corporate Development, and Corporate Secretary.

During the period ended June 30, 2024, Volcanic charged $19,136 (2023: $19,591) to the Company for shared exploration costs.

Receivables include an amount of $1,016 (December 31, 2023: $Nil) owed from Gold Group for shared administrative costs.

Prepaid expenses and deposits include an amount of $4,368 (December 31, 2023: $4,153) paid to Gold Group for shared office and administrative services.

Long-term deposits include an amount of $60,000 (December 31, 2023: $60,000) paid to Gold Group as a deposit on the shared office and administrative services agreement.

Accounts payable and accrued liabilities include $Nil (December 31, 2023: $9,546) payable to Gold Group for shared administrative costs, $8,055 (December 31, 2023: $7,792) to Bruce Smith, the Chief Executive Officer of the Company, for management fees and expense reimbursement, and $28,730 (December 31, 2023: $9,594) payable to Volcanic for shared exploration costs.

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS (cont'd)

Key management compensation

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

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Geological fees included in exploration expenditures	$ 22,500	$ 39,000	$ 45,000	$ 78,000
Management fees	10,500	16,500	21,000	33,000
Salaries, benefits and fees*	13,656	19,725	27,603	35,556
Share-based payments – value of stock options granted	-	87,245	-	99,891
	$ 46,656	**$ 162,470**	**$ 93,603**	**$ 246,447**

*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.

In addition to related party transactions disclosed elsewhere in the condensed interim 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 periods ended June 30, 2024 and 2023:

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
General and administrative expenses:				
Salaries and benefits	$ 5,600	$ 10,000	$ 13,760	$ 13,027
Exploration expenditures:				
Salaries and benefits	4,513	4,443	8,988	8,917
	$ 10,113	**$ 14,443**	**$ 22,748**	**$ 21,944**

(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, and Mexico. Details of identifiable assets by geographic segments are as follows:

Period ended June 30, 2024	**Canada**	**Guatemala**	**Mexico**	**Other**	**Consolidated**
Exploration expenditures	$ -	$ 24,423	$ 118,741	$ 32,443	$ 175,607
Investment income	4,877	-	-	-	4,877
Depreciation on right-of-use asset	30,151	-	-	-	30,151
Interest expense on lease liability	3,120	-	-	-	3,120
Net loss	(202,165)	(24,423)	(93,826)	(38,557)	(358,971)
Capital expenditures*	-	-	94,844	-	94,844

Period ended June 30, 2023	**Canada**	**Guatemala**	**Mexico**	**Other**	**Consolidated**
Exploration expenditures	$ -	$ 24,973	$ 613,786	$ 17,994	$ 656,753
Gain from mineral property option agreements -	-	-	61,012	-	61,012
Investment income	8,863	-	-	-	8,863
Amortization	772	-	1,188	-	1,960
Depreciation on right-of-use asset	29,985	-	-	-	29,985
Interest expense on lease liability	6,639	-	-	-	6,639
Net loss	(514,453)	(24,973)	(599,886)	(25,408)	(1,164,720)
Capital expenditures*	-	-	498,470	-	498,470

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

As at June 30, 2024	**Canada**	**Guatemala**	**Mexico**	**Other**	**Consolidated**
Total current assets	$ 1,212,804	$ 20,447	$ 748,505	$ 8,393	$ 1,990,149
Total non-current assets	97,708	1	34,275	-	131,984
Total assets	**$ 1,310,512**	**$ 20,448**	**$ 782,780**	**$ 8,393**	**$ 2,122,133**
Total liabilities	**$ 94,877**	**$ 4,373**	**$ 527,738**	**$ -**	**$ 626,988**

As at December 31, 2023	**Canada**	**Guatemala**	**Mexico**	**Other**	**Consolidated**
Total current assets	$ 1,958,968	$ 19,681	$ 207,573	$ 8,267	$ 2,194,391
Total non-current assets	128,436	1	38,242	-	166,679
Total assets	**$ 2,087,404**	**$ 19,682**	**$ 245,815**	**$ 8,267**	**$ 2,361,168**
Total liabilities	**$ 167,671**	**$ 4,209**	**$ -**	**$ -**	**$ 171,880**

(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 June 30, 2024, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	June 30, 2024			**December 31, 2023**		
	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	$ 678,147	$ 2,989	$ 11,575	$ 49,619	$ 3,836	$ 11,142
Receivables	-	85,887	-	-	183,569	-
Current liabilities	(5,785)	(527,565)	(4,373)	(5,677)	-	(4,209)
	$ 672,362	**$ (438,689)**	**$ 7,202**	**$ 43,942**	**$ 187,405**	**$ 6,933**

Based on the above net exposures at June 30, 2024, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in an approximate $24,100 (December 31, 2023: $23,800) 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 did not receive any royalty revenue during the periods ended June 30, 2024 and 2023.

Interest Rate Risk

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

Equity Price Risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's equity investments consisting of common shares are exposed to significant equity price risk due to the potentially volatile and speculative nature of the businesses in which the investments are held. The Company's equity investments are monitored by the Board with decisions on sale or exercise taken by Management. A 10% decrease in fair value of the shares would result in an approximate $67,200 (December 31, 2023: $101,000) decrease in comprehensive income and shareholders' equity.

b) Credit Risk

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

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At June 30, 2024, the Company had working capital of $1.36 million (December 31, 2023: $2.02 million) available to apply against short-term business requirements. All of the Company's financial liabilities have contractual maturities of less than 45 days and are subject to normal trade terms with the exception of the Company's lease liability which matures based on the lease agreement (Note 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 June 30, 2024, there was no embedded derivative on royalty income receivables derived from gold prices to include as a Level 2 measurement and therefore no fair value measurement was necessary. There were no transfers between Levels 1, 2, or 3 during the period ended June 30, 2024.

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 June 30, 2024. 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 does not expect its current capital resources to be sufficient to cover its corporate operating costs and potential mineral property acquisitions or exploration expenditures through the next twelve months. As such, the Company will seek to raise additional capital and believes it will be able to do so, but recognizes the uncertainty attached thereto. Actual funding requirements may vary from those planned due to a number of factors, including future property option payments, potential property acquisitions and exploration activity.