



## **FINANCIAL REVIEW**

**Fiscal Year Ended December 31, 2024**



CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in Canadian Dollars)

## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF RADIUS GOLD INC.

#### *Opinion*

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

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

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

#### *Basis for Opinion*

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

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

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

#### *Key Audit Matters*

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

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

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### *Other Information*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*Smythe LLP*

Chartered Professional Accountants

Vancouver, British Columbia  
April 28, 2025

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

(Expressed in Canadian Dollars)

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

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

"Bruce Smith", Director  
Bruce Smith

"William Katzin", Director  
William Katzin

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

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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

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

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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

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



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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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

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

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

## **RADIUS GOLD INC.**

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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

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

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

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

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

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

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

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

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

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

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

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

## RADIUS GOLD INC.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

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

#### a) Basis of Consolidation

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

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

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

#### b) Foreign Currency Translation

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

#### c) Cash and Cash Equivalents

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

#### d) Mineral Property and Royalty Interests

##### *Exploration and evaluation assets*

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

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

## **RADIUS GOLD INC.**

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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

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

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

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

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

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

##### *Royalties*

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

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

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

## **RADIUS GOLD INC.**

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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

#### **e) Property, Equipment and Amortization**

##### *Recognition and Measurement*

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

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

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

##### *Gains and Losses*

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

##### *Amortization*

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

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

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

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

#### **g) Earnings/Loss per Share**

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

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

## **RADIUS GOLD INC.**

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **j) Provisions**

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

## **RADIUS GOLD INC.**

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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

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

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

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

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

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

##### Financial Assets

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

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

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

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

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

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

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

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

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

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

## **RADIUS GOLD INC.**

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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

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

##### Financial Liabilities

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

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

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

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

#### **m) Lease Liabilities**

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

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

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

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

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

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



## **RADIUS GOLD INC.**

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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

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

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

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

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

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

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

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

**5. CASH AND CASH EQUIVALENTS**

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

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

**6. EQUITY INVESTMENTS**

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

<b>Number of common shares held as at December 31:</b>	<b>2024</b>	<b>2023</b>
Electrum Discovery Corp. ("Electrum") (formerly Medgold Resources Corp.)	632,906	632,906
Rackla Metals Inc. ("Rackla")	3,628,275	3,973,275
Volcanic Gold Mines Inc. ("Volcanic")	830,412	830,412

	<b>Electrum</b>	<b>Rackla</b>	<b>Volcanic</b>	<b>Total</b>
Balance, December 31, 2022	\$ 50,633	\$ 1,668,776	\$ 149,474	\$ 1,868,883
Net change in fair value recorded in other comprehensive income (loss)	-	(933,720)	74,737	(858,983)
Balance, December 31, 2023	50,633	735,056	224,211	1,009,900
Disposition of shares	-	(117,300)	-	(117,300)
Net change in fair value recorded in other comprehensive income (loss)	31,645	(200,504)	(157,778)	(326,637)
<b>Balance, December 31, 2024</b>	<b>\$ 82,278</b>	<b>\$ 417,252</b>	<b>\$ 66,433</b>	<b>\$ 565,963</b>

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

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

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

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

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

**7. RECEIVABLES**

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

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

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

**8. PROPERTY AND EQUIPMENT**

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

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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

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

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

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

**10. MINERAL PROPERTY AND ROYALTY INTERESTS**

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

## **RADIUS GOLD INC.**

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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

##### **Peru**

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

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

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

##### **Mexico**

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

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

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

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

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

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

## **RADIUS GOLD INC.**

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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

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

##### **ii) Plata Verde Project**

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

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

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

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

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

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

##### **iii) Maricela Project**

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

##### **iv) Tropico Project**

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

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

## **RADIUS GOLD INC.**

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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

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

v) Rambler Project

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

vi) Lithium Brine Project

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

##### **Guatemala**

i) Guatemala Properties

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

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

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

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

ii) Tambor Project Royalty

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

Commercial production commenced in December 2014. In May 2016, KCA informed the Company that mining operations were suspended by the Supreme Court of Guatemala due to a lack of consultation by the Guatemalan Ministry of Mines with local indigenous people when the mine was permitted in 2011. To date, the Supreme Court has not made a decision on when the mine may re-open.

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

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

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

**11. COMMITMENTS**

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

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

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

**12. SHARE CAPITAL AND RESERVES****a) Common Shares**

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

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

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

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



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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

**12. SHARE CAPITAL AND RESERVES (cont'd)****b) Share Purchase Warrants**

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

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

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

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

**13. SHARE-BASED PAYMENTS****a) Option Plan Details**

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

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

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

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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

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

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

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

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

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

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

*Options Issued to Employees*

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

*Options Issued to Non-Employees*

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

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

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

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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

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

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

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

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

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

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

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

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

**14. INCOME TAXES**

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

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

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

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

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

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

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

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

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

**15. RELATED PARTY TRANSACTIONS**

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

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

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

The Company reimburses Gold Group, a company controlled by Simon Ridgway, a Director of the Company, for shared administrative costs and other business-related expenses paid by Gold Group on behalf of the Company. During the years ended December 31, 2024 and 2023, the Company reimbursed Gold Group the following:

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

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

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

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

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

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

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

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

**15. RELATED PARTY TRANSACTIONS (cont'd)**Key management compensation

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

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

\*Included in reimbursements to Gold Group

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

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

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

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

# RADIUS GOLD INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

### 16. SEGMENTED INFORMATION

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

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

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

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

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

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

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

**17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company is exposed to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

**General Objectives, Policies and Processes**

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

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

**a) Market Risk**

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

*Foreign Currency Risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to fluctuations in foreign currencies through its operations in foreign countries. The Company monitors this exposure but has no hedge positions. As at December 31, 2024 and 2023, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

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

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



## **RADIUS GOLD INC.**

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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

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

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

###### *Commodity Price Risk*

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

###### *Interest Rate Risk*

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

###### *Equity Price Risk*

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

###### **b) Credit Risk**

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

###### **c) Liquidity Risk**

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

##### **Determination of Fair Value**

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

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

## **RADIUS GOLD INC.**

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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

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

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

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

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

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

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

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

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

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

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

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

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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**20. EVENTS AFTER THE REPORTING DATE**

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

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



(the “Company”)

## MANAGEMENT’S DISCUSSION AND ANALYSIS

Year End Report – December 31, 2024

### General

This Management’s Discussion and Analysis (“MD&A”) supplements, but does not form part of, the annual audited consolidated financial statements of the Company for the fiscal year ended December 31, 2024. The following information, prepared as of April 28, 2025, should be read in conjunction with the December 31, 2024 consolidated financial statements. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards. All amounts are expressed in Canadian dollars unless otherwise indicated.

The Company’s public filings, including its most recent unaudited and audited financial statements can be reviewed on SEDAR+ at ([www.sedarplus.ca](http://www.sedarplus.ca)).

### Forward Looking Information

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

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

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

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

- risks associated with mineral exploration activities, and investing in companies which conduct mineral exploration and development activities;
- due diligence investigations on potential investments not identifying all relevant facts;
- inability to dispose of illiquid securities;

- receipt of royalty payments from the Tambor Project;
- fluctuations in commodity prices;
- fluctuations in foreign exchange rates and interest rates;
- credit and liquidity risks;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company does or may carry on business;
- reliance on key personnel;
- property title matters and local community relationships;
- risks associated with potential legal claims generally or with respect to environmental matters;
- adequacy of insurance coverage;
- dilution from further equity financing;
- competition;
- uncertainties relating to general economic conditions; and
- risks relating to pandemics, epidemics and public health crises, and the impact they might have on the Company's business, operations, financial condition and/or share price,

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

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

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

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

### **Business of the Company**

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

On October 29, 2024, the Company closed a non-brokered private placement of 8,292,859 units at \$0.07 per unit for gross proceeds of \$580,500. Each unit consisted of one common share of the Company and one warrant entitling the holder to purchase one additional common share of the Company at \$0.10 for one year following the closing. The proceeds of this financing is being used to fund an exploration program on the Tierra Roja Project in Peru (see property description below), and for general working capital purposes.

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

## Investments

For a description of the Company's equity investments activity during the period from January 1, 2023 to December 31, 2024, please see Note 6 of the Company's December 31, 2024 consolidated financial statements.

The Company's current cash and cash equivalents on hand is approximately \$575,000 and its current investments consist of:

<i>Electrum Discovery Corp. ("Electrum")</i> <i>(formerly Medgold Resources Corp.)</i> 632,906 shares Current market value: \$37,000	Electrum is a TSX-V listed Canadian-based mineral exploration and development company focused on the Western Tethyan Belt with activities in the Republic of Serbia. The Company has several copper-gold assets with significant exploration potential, including its flagship Timok East Project.
<i>Rackla Metals Inc. ("Rackla")</i> 3,009,775 shares Current market value: \$722,000	Rackla is a TSX-V listed mineral exploration company targeting Reduced Intrusion-Related Gold Systems (RIRGS) mineralization on its gold projects located in the Tombstone Gold Belt within the Selwyn Basin of the Yukon and Northwest Territories.
<i>Volcanic Gold Mines Inc. ("Volcanic")</i> 830,412 shares Current market value: \$107,000	Volcanic is a TSX-V listed company focused on building multi-million ounce gold and silver resources in underexplored countries. It owns a 60% interest in the Company's Holly and Motagua Norte gold/silver properties located in eastern Guatemala, and has published an Inferred Mineral Resource for the Holly property.

## Property Interests

### *Regional Exploration*

The Company is constantly prospecting and evaluating new properties, with geological field teams assessing new targets to maintain the Company's pipeline of projects. The Company recently identified for acquisition the Tierra Roja copper property located in Peru and described below.

### *Peru – Tierra Roja Copper Project*

In September 2024, the Company was granted the exclusive option to acquire the Tierra Roja exploration-stage copper project which is located in the Atacama Desert, southern Peru, at an elevation of 1,700 masl and 20 kilometres from the coast and Pan American highway. The project site is accessible by road and 4x4 tracks. Tierra Roja is at the northern end of the southern Peru coastal copper belt which hosts some of the largest copper mines in the world. Peru is the second largest copper producer globally. There has been no drilling or significant exploration conducted at Tierra Roja.

In December 2024, the property under option was increased to 1,870 hectares, and in early 2025, the Company signed an exclusivity agreement for a further 1,800 hectares adjoining the Tierra Roja concessions, which would increase the project total to 3,670 hectares. As well, the Company has the exclusive right to option an additional 4,500 hectares of exploration licenses within the broader district, covering three additional targets. With the Tierra Roja project and three new properties to explore, the Company has rapidly consolidated a compelling land position in one of the world's top producing copper belts in southern Peru.

The core of Tierra Roja hosts an 800 metre diameter circular anomaly with wide-spread ferruginous, sulphate soil crust developed over strong clay, sericite and silica alteration. In arid climates sulphate crusts can indicate underlying porphyry

copper mineralization. The presence suggests that sulfide oxidation and leaching have occurred, which may point to deeper copper enrichment zones.

The rusty clay sulphate crust present at Tierra Roja is a few metres thick and largely hides the underlying copper oxide mineralization. The property optionor, Mr. Montoya, a Peruvian geologist with over 50 years field experience, including senior positions with copper companies: Asarco Inc (Central America, Chile), Lowell Mineral Exploration (Chile, Peru), TVX Gold (Peru, Mexico) and Minsur (Peru), recognized the remote colour anomaly and the significance of the sulphate crust and staked the project. Mr. Montoya cut road access with a bulldozer, breaking the ferruginous sulphate crust, and exposed widespread oxide copper mineralization covering an area of 800 x 600 metres.

A total of 663 original rock chip channels (2 to 3 metres) were sampled by Mr. Montoya from the road cuts, tracks and drainages. As part of the Company's due-diligence, 50 duplicates and control samples were collected. These 713 samples define a large-scale copper system that is hosted in a multiphase intrusive complex.

Copper mineralization occurs as copper oxides, predominately malachite, chrysocolla and brochantite both disseminated within the felsic intrusives and concentrated in wide structural zones. High grades above 3% copper (max 12.5%) have been sampled at multiple locations over the property. Relict sulphide halos indicate that the intrusive host is the likely source of the copper mineralization which has been leached, oxidized and remobilized.

Initial mapping indicates porphyry copper alteration zonation. The main felsic intrusive host is intensely silicified, with strong sericite clay alteration (phyllic) combined with intense leaching of sulphides and supergene secondary enrichment of copper oxides. Wide halos of epidote, chlorite (propylitic) alteration are observed on the distal margins of the system.

#### Exploration and Drilling Plans

The Company's geological team is conducting exploration work at Tierra Roja with local input and geological and operational staff provided by our project partners. Since optioning the property, the Company has been actively advancing exploration at Tierra Roja. Detailed geological mapping, geochemical sampling and ground based magnetic surveys have been completed and compelling drill targets defined. Drill permitting is well advanced and IP/Resistivity surveys are scheduled to commence promptly. Plans are in place for an upcoming drill program to test high-priority targets.

#### Option and Exclusivity Terms

The Company may acquire a 100% interest in the 1,870 hectare Tierra Roja Project by making cash payments to the property owners totalling US\$5.0 million over a five-year period which will commence upon issuance of initial drill permits. Of this total amount, US\$1.0 million is required to be paid in instalments over the first three years, and US\$2.0 million is payable on each of the fourth and fifth anniversaries of the drill permit date.

The Company has also signed a 6 month exclusivity agreement with a local landowner to option if it chooses any or all of nine exploration concessions totalling approximately 6,300 hectares. Two of the claims, called the Hidekel property, cover approximately 1,800 hectares and directly adjoin the Tierra Roja project. US\$2,500 has been paid on signing the exclusivity agreement. The agreement allows the Company to conduct prospecting and evaluation of the licences, and the exclusive right to enter into an option agreement for each property.

#### *Mexico – Amalia Project*

The Amalia Project was initially comprised of 9,794 hectares located in the Sierra Madre gold belt in the State of Chihuahua, Mexico, approximately 25 kilometres southwest of the historic Guadalupe y Calvo mining district.

In July 2018, the Company granted to Pan American Silver Corp. ("Pan American") an exclusive option to earn an initial 65% interest in the Amalia Project. In late 2019, the Company signed an agreement with a private family to option the 800-hectare Palmillas Property which adjoins the Amalia Project and covers the northeastern and southwestern strike extension of the Amalia fault zone. In November 2024, the Company exercised this option to acquire 100% ownership of the Palmillas Property. Pursuant to the Company's option agreement with Pan American, the Palmillas Property is included within the Amalia Project.

Pan American has exercised its option to earn the initial 65% interest in the combined Amalia Project and Palmillas Property, having made cash payments to the Company totaling US\$1.5 million and expending a minimum of US\$2 million on exploration and reimbursement of the Company's costs to maintain its option agreements with the owners of Amalia and Palmillas. Pan American may earn an additional 10% by advancing the property to preliminary feasibility by June 2025. Pan American, as the operator, is funding and managing the expanded project in accordance with its option agreement terms.

#### Drilling Completed at Amalia

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

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

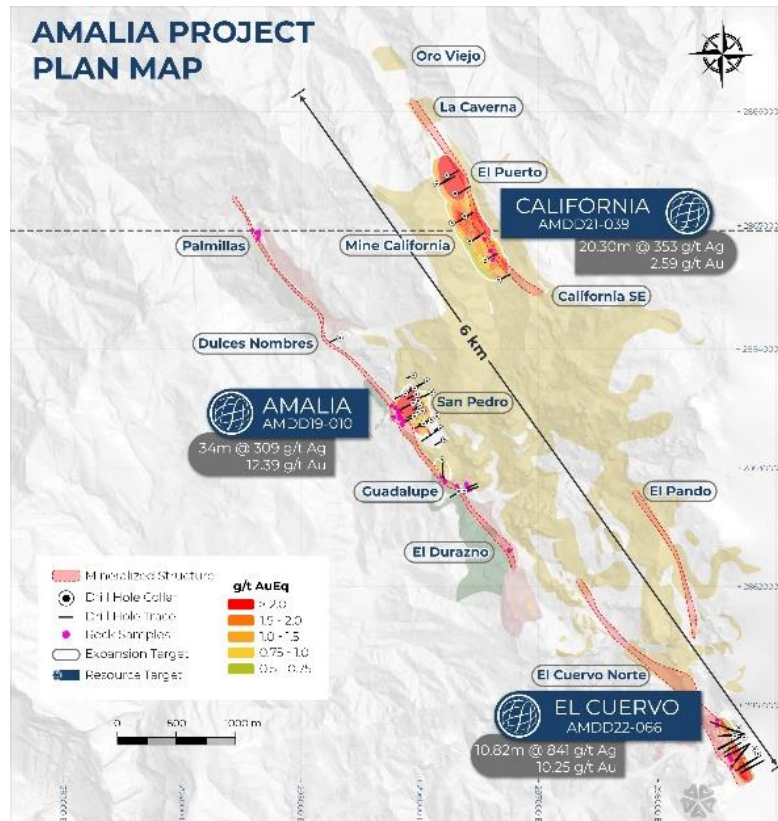
<b>ZONE</b>	<b># HOLES</b>	<b># METRES DRILLED</b>
Amalia	31	10,588.6
California	14	3,813.8
El Cuervo	22	8,655.6
<b>TOTALS:</b>	<b>67</b>	<b>23,058.0</b>

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

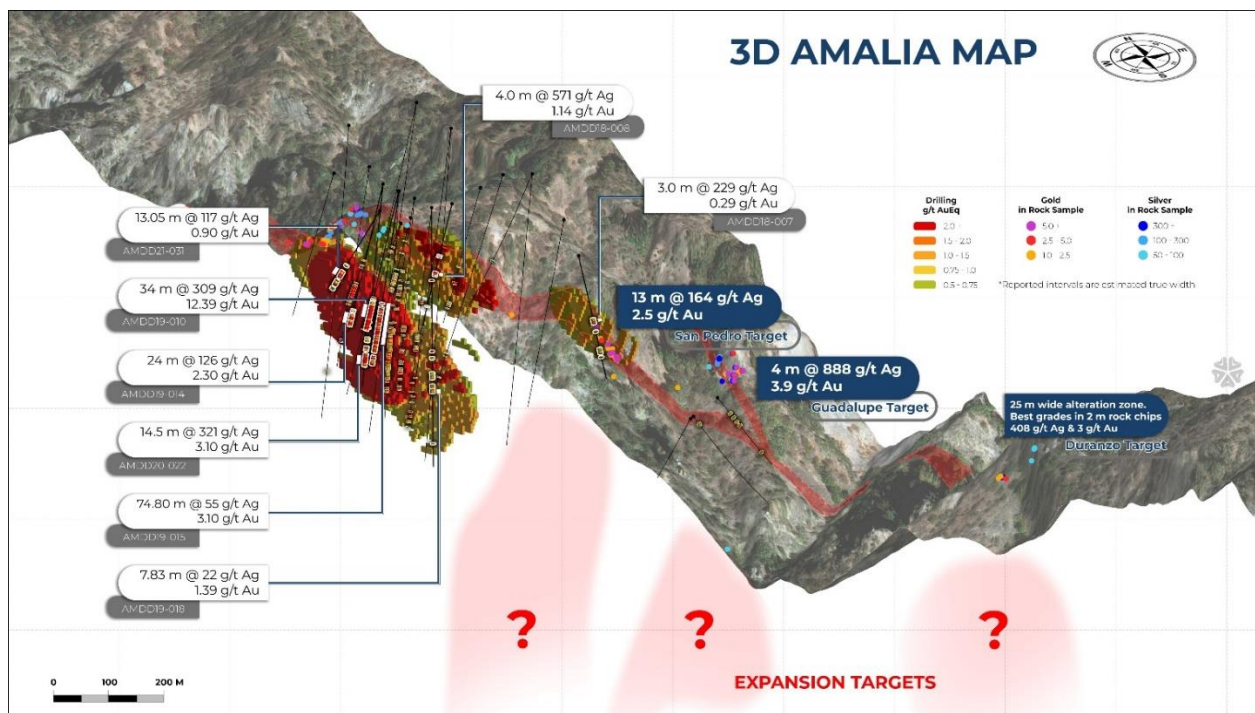
At Amalia, California and El Cuervo, impressive wide-width and high-grade gold and silver was intercepted at each of the three main targets drilled. A plan map and long sections from the main targets is included in the figures below.



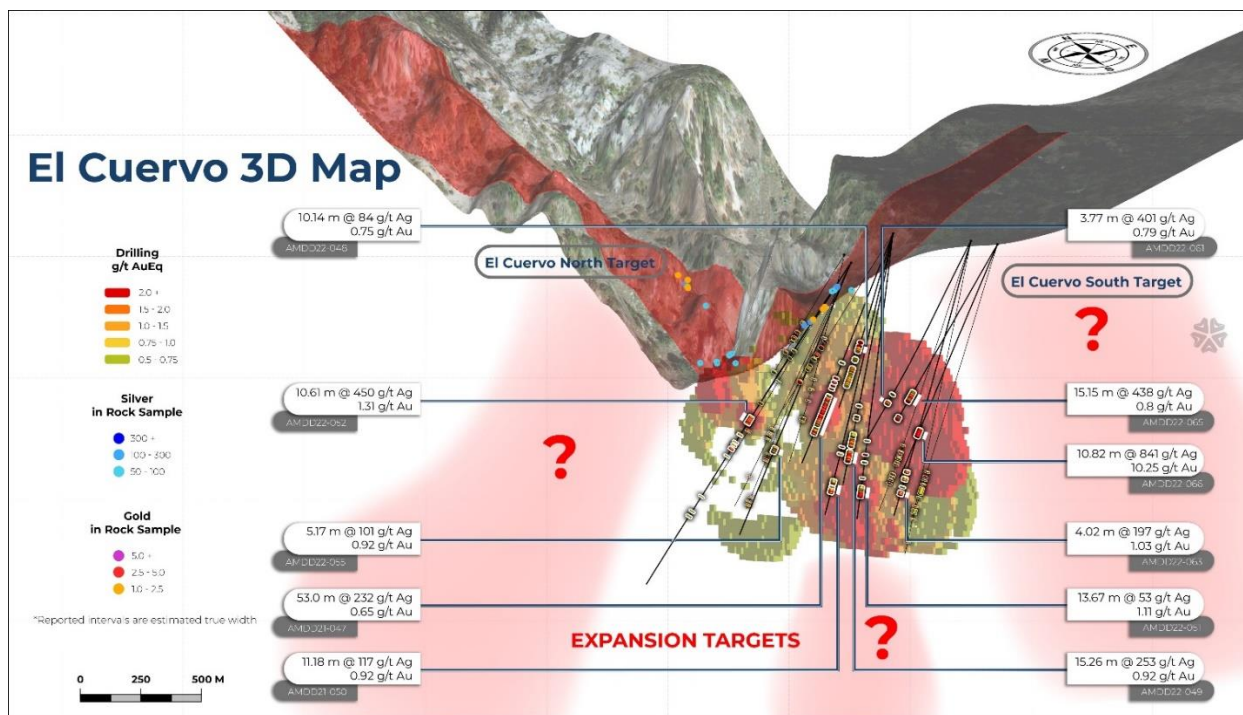
Amalia project plan map:



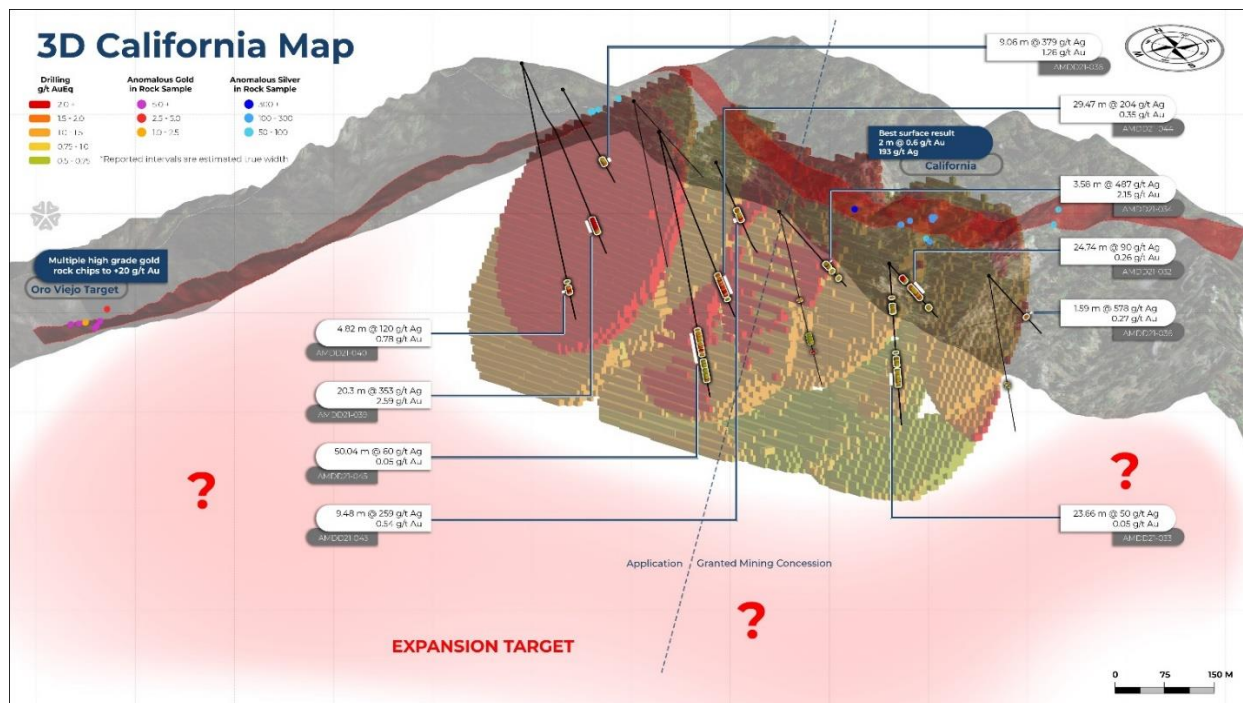
Amalia Central long section:



El Cuervo long section:



California long section:



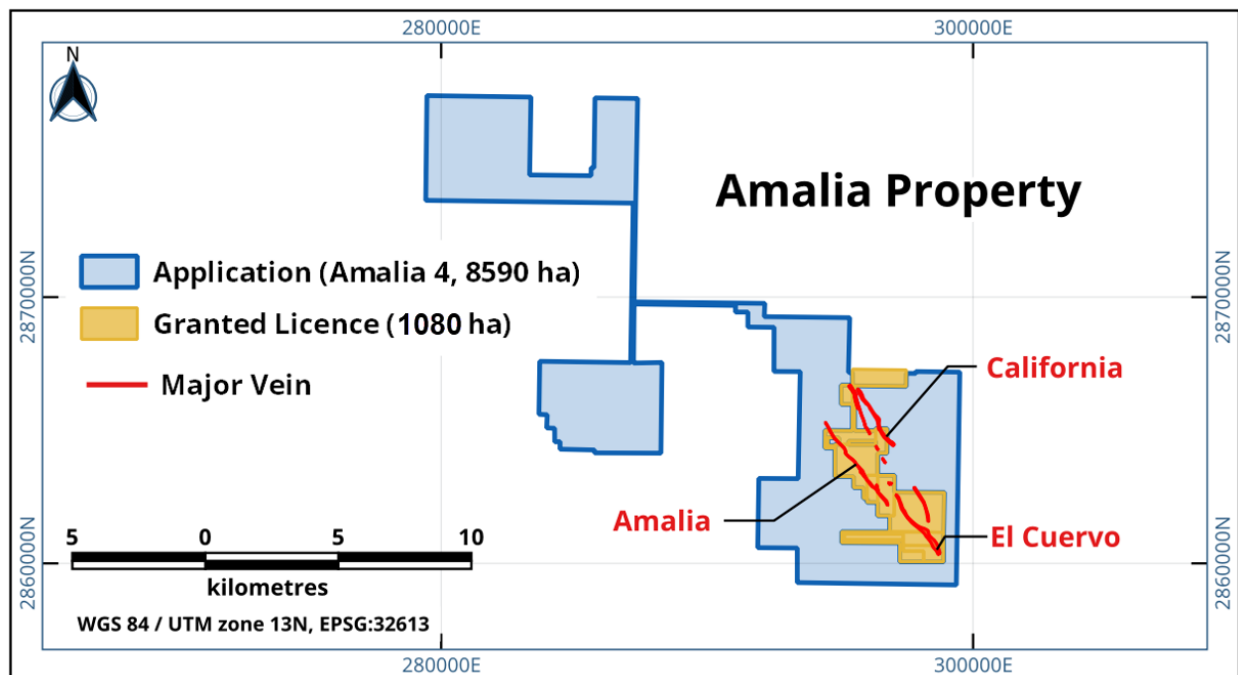
### Quality Assurance / Quality Control

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

### Concessions

The Amalia project (excluding the Palmillas concessions) consists of 378 hectares of core granted licenses and an 8,590 hectare Amalia 4 claim application. The Company and project JV partner Pan American have completed all the requirements, fee payments and surveys for the Amalia 4 application. The mining authority of Chihuahua has processed and approved the submission without fault and passed the license to the Mexico Mining Directorate proposing title issuance. The regulated time for the mining authority to comment and request revision has passed and granting of title is a legal requirement under the mining law. On May 4, 2023, the Company filed a legal demand to enforce the granting of title. Legal counsel believes the Company has clear legal right to the application and title.

The Mexico government's Mining Law Reform was published in the Federal Register on May 8, 2023, and includes changes to Mexico's Mining Law, National Waters Law, General Law of Ecological Equilibrium and Environmental Protection and General Law for the Prevention and Integral Handling of Wastes. The law reform was widely published and became effective on May 9, 2023, and certain provisions intend to restrict mineral exploration activities. It is unconstitutional to retroactively apply laws in Mexico, and the Company's management believes the new laws should not apply to the Companies' existing projects and licenses. As have almost all active exploration and mining companies in Mexico, the Company has filed legal challenges to the application of the reforms on all its properties and projects. The final status of those challenges has not been decided by the courts and the Company is still in appeal stages, including Amalia 4.





### Property Outlook

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

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

#### *Mexico – Plata Verde Project*

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

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

In July 2022, the Company signed an exclusivity agreement with Minera San Julian, S.A. de C.V. ("Minera San Julian"), a wholly owned subsidiary of Fresnillo plc, whereby Minera San Julian had the exclusive right to negotiate with the Company the terms of an option to earn a 70% interest in the Plata Verde Project. In March 2024, the Company and Minera San Julian signed an option agreement which replaced the exclusivity agreement and pursuant to the option terms, Minera San Julian made cash payments to the Company of US\$250,000 to mobilize drilling and field teams, and a second payment of US\$250,000 when drilling commenced.

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

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

### Drill Program

On June 26, 2024, the Company announced the commencement of a diamond drill program at Plata Verde. A total of 13 holes for 2,400 metres of diamond drilling were completed. The drill holes cut several zones of low-grade silver mineralization, but unfortunately did not intersect zones of significant silver mineralization. Due to the limited potential, Minera San Julian has relinquished its option on the property.

#### *Mexico – Rambler Project*

In January 2019, the Company staked the 10,379 hectare Rambler Project located in the Sierra Madre Mountains of the State of Chihuahua, Mexico, approximately 20 kilometres northwest of the Company's Amalia Project. The project area is previously unexplored with only minor historic artisanal-scale pitting of surface outcrops known. The Company's geologists discovered the project during regional prospecting surveys. Epithermal silver/gold (plus significant copper, zinc and lead) mineralization

has been sampled by the Company in several veins, vein breccias and disseminated zones over a 9 kilometre north-west trend. The property will be further evaluated once the license application has been granted.

### *Guatemala Properties*

In May 2020, the Company granted to Volcanic the exclusive option (the “Option”) to acquire a 60% interest in the Company’s Holly and Banderas gold-silver properties in Guatemala by spending US\$7.0 million on exploration of the properties within 48 months from the date drilling permits are granted.

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 remained unchanged. Under the modified option agreement, expenditures made by Volcanic on exploration of the Banderas property were credited towards the US\$7.0 million expenditure requirement.

On August 19, 2024, the Company announced that Volcanic had exercised the Option and therefore has acquired a 60% interest in the Holly and Motagua Norte properties. As a result, the Company will form a standard 40/60 joint venture with Volcanic in order to further develop the properties.

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

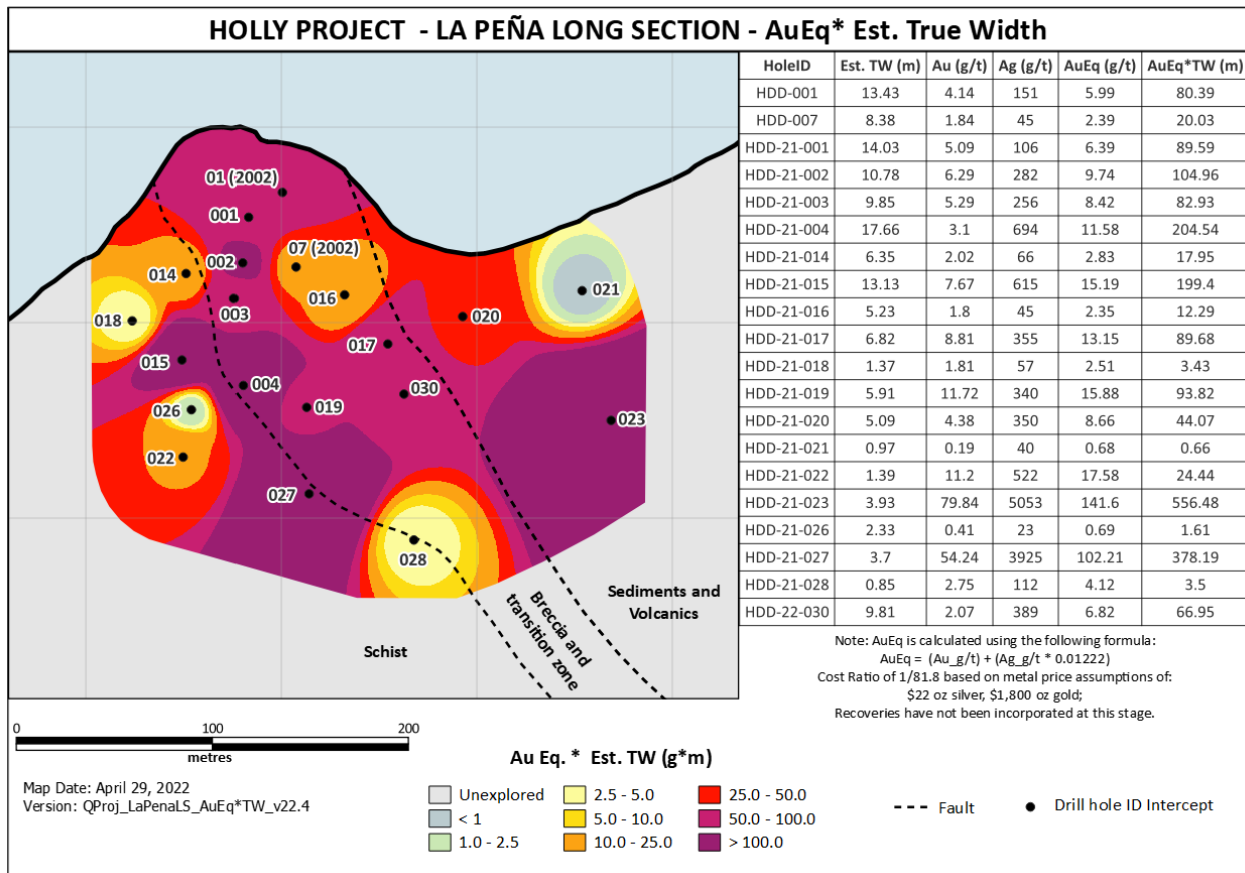
### Holly Project

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

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

The drilling successfully extended the high-grade La Peña vein to depth and along strike and improved understanding of the controls on high-grade mineralization, providing enough information for a maiden mineral resource estimation. The La Peña vein remains open in all directions. Several holes also cut high-grade gold in the Amber, Alpha and El Pino veins at a shallow depth, confirming that they all have significant potential which will be tested in future drill programs.

Figure 1: Holly Project: La Peña target long section with assay results table.



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

#### Highlights

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

**Table 1: Holly, Peña Vein Resource Estimate**  
(Effective date 7<sup>th</sup> June, 2022)

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

Notes:

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

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

The technical report for the Mineral Resource Estimate was filed on July 27, 2022, and is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

*Technical studies and permitting*

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

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

*Resumption of Exploration*

On March 3, 2025, the Company and Volcanic announced the resumption of exploration activities on the Holly Property. Volcanic has drilling permits in place and is working with landowners, local authorities and the local community for a social

licence to operate. Additional drilling will aim to extend the depth and strike extent of mineralization and tighten drill spacing to upgrade the confidence level of the mineral resource.

Initial drilling will focus on: (1) defining the strike length and tracking the Peña vein down-dip where the mineral resource could potentially be expanded, and (2) additional drilling on the El Pino vein to bring the existing high-grade drill intercepts into the mineral resource.

Management of the Company is of the view that the message that foreign investment into metallic mining has the potential to create jobs and generate significant local and national revenue is beginning to be heard and feedback from the local community is positive. The next drilling campaign will be an opportunity to further support the existing mineral resource estimate and to start bringing some of the other veins in the Holly system into the resource envelope.

### Motagua Norte Project

Volcanic conducted widespread exploration of the Company's large regional land position under the option agreement signed in May 2020 and identified Motagua Norte as an area with significant promise. Volcanic completed all the legal, environmental and community studies required to support four exploration licence applications comprising the Motagua Norte area and in September 2023 the first exploration licence, Cirilo 1, was granted. The Cirilo 1 exploration licence covers an area of 13.5 square kilometres (4.5 x 3 km) and includes the Mila gold anomaly. Volcanic is continuing to work with the permitting authorities towards granting the remaining three licences. To this end the area under application has been reduced from 72.68 to a 36.85 square kilometre area of interest by removing populated and low priority exploration areas where potential conflicts of interest with land users have been identified.

### *2024 drill program*

Volcanic's initial prospecting on the Cirilo 1 licence returned exceptional gold grades at Mila anomaly, a surface concentration of bonanza-grade and visible gold in quartz boulders spread over a 250 x 570 metre area. Volcanic commenced a first-pass exploratory drilling program at the Mila prospect in February 2024 to look for the source of the gold-bearing quartz boulder float.

As reported on May 23, 2024, a total of 13 holes were drilled in this first pass program testing a range of targets. The drilling tested beneath the gold-bearing quartz boulder float and the area immediately uphill. Drillholes were scissored on two orientations to test for the possibility of mineralization both parallel or oblique to the principal east-west trending structures. Whilst wide zones of quartz veining and stockwork were intercepted in several drillholes, assay results did not support the hypothesis that the gold-bearing quartz boulders originated from these structures, and no cross-cutting mineralized quartz veins or stockwork zones were encountered.

### Royalty Interests

#### *Guatemala – Tambor Project Royalty*

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

Commercial production commenced at the Tambor project in December 2014 and receipt of royalty payments by the Company commenced during the third quarter of 2015. To date, the Company has recognized net royalty income of \$1,530,555 of which \$746,375 has been received. In May 2016, KCA informed the Company that mining operations were suspended by the Supreme Court of Guatemala due to a lack of consultation by the Guatemalan Ministry of Mines with local indigenous people when the mine was permitted in 2011.



KCA initiated a Central America Free Trade Agreement Arbitration action against the Guatemalan government to overturn the suspension of operations and seek compensation from the Guatemalan authorities, from which the Company would benefit as well. The Arbitration hearing has been completed and a ruling is pending. Until these proceedings are concluded, the Company is allowing KCA to defer payment of the remaining balance owing to the Company. Due to these circumstances, for accounting purposes, a provision was recorded against the KCA receivable in the 2016 fiscal year.

#### *Mexico - Tlacolula Property Royalty*

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

On April 14, 2025, Fortuna announced that it has sold its interest in the San Jose Mine properties in Mexico, including the Tlacolula property, to JRC Ingeniería y Construcción S.A.C. (“JRC”), a private Peruvian company. The new property owner will assume all of Fortuna’s rights and obligations regarding the Company’s royalty on the Tlacolula property.

#### Outlook

The Company is continuing its strategy of conducting property evaluations and grassroots exploration on properties in various jurisdictions with the aim of delineating minable resources and delivering value to shareholders. Management looks forward to the advancement of its JV funded Amalia Project, and the Tierra Roja copper property.

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

#### **Selected Annual Information**

The following table sets forth selected annual financial information of the Company for, and as at, the end of each of the last three financial years ended December 31, 2024, 2023, and 2022:

	2024 (\$)	2023 (\$)	2022 (\$)
Investment and other income	7,816	13,502	9,954
Exploration expenditures	477,594	1,572,144	732,140
Net income (loss) for the year			
Total	(955,687)	(2,637,656)	1,076,154
Basic & fully diluted per share	(0.01)	(0.03)	0.01
Total assets	1,837,044	2,361,168	3,711,214
Total long-term liabilities	81,321	-	81,942
Cash dividends	-	-	-

Investment and other income was highest for the 2023 fiscal year due to the periodic rise of interest rates until mid-2023. The 2022 fiscal year resulted in a net income compared to net losses for the 2024 and 2023 fiscal years due to a \$1,350,913 gain on reclassification as an equity investment. The gain relates to the Company’s holding of Rackla shares that were previously treated as an investment in associate with a carrying cost of \$1 and their fair value being \$1,350,914 at the time of reclassification. This reclassification is also why total assets were higher for the 2022 fiscal year. The long-term liabilities presented for the 2024 and 2022 fiscal years are related to lease liabilities associated with office leases, one of which expired on December 31, 2024 and another that expires on December 31, 2029. The total lease liability for the 2023 fiscal year was \$81,942 and presented entirely as a short-term liability. The overall lease liability decreases each year as the remaining term of the office lease decreases.

### **Quarterly Information**

The following table provides information for the eight fiscal quarters ended December 31, 2024:

Quarter ended	Dec. 31, 2024 (\$)	Sep. 30, 2024 (\$)	June 30, 2024 (\$)	Mar. 31, 2024 (\$)	Dec. 31, 2023 (\$)	Sep. 30, 2023 (\$)	June 30, 2023 (\$)	Mar. 31, 2023 (\$)
Investment and other income	714	2,225	2,491	2,386	2,363	2,276	3,550	5,313
Exploration expenditures	170,343	131,644	62,023	113,584	452,449	462,942	403,814	252,939
Net loss	(353,422)	(243,294)	(141,877)	(217,094)	(939,300)	(533,636)	(791,913)	(372,807)
Basic and diluted loss per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)

The net loss for the quarter ended December 31, 2023 was highest amongst all quarters presented due to a write-off of \$309,223 relating to former mineral property interests. The quarterly net losses for the 2024 fiscal year are lower than the quarterly net losses for the 2023 fiscal year due to less exploration activity.

### **Results of Operations**

#### *Quarter ended December 31, 2024*

The quarter ended December 31, 2024 had a net loss of \$353,422 compared to \$939,300 for the quarter ended December 31, 2023, a decrease of \$585,878. This decrease was due to the current quarter exploration expenditures, net of cost recoveries, being \$170,343 compared to \$452,449 for the comparative quarter, a difference of \$282,106 and the comparative quarter recording a write-off of \$309,223 relating to the formerly held Tropico and Maricela properties.

General and administrative expenses for the quarter ended December 31, 2024 were \$178,435, compared to \$161,859 for the comparative quarter, an increase of \$16,576. This increase is due to office and administrative costs being \$19,666 higher for the current quarter and associated with increased insurance costs and expenses relating to the Company moving its shared corporate office to a new location. A notable cost increase for the current quarter was in salaries and benefits which was \$7,513 higher due to the Company's share of personnel resources increasing. The most notable cost decrease in the current quarter was in shareholder communications, which was \$8,399 less due to a reduction in promotional activities. Legal and audit fees and transfer agent and regulatory fees were also less in the current quarter by \$4,916 and \$4,066, respectively, due to the comparative quarter incurring more corporate activity.

#### *Year ended December 31, 2024*

The year ended December 31, 2024 had a net loss of \$955,687 compared to \$2,637,656 for the year ended December 31, 2023, a decrease of \$1,681,969. This decrease was due primarily to the current year exploration expenditures, net of cost recoveries, being \$477,594 compared to \$1,572,144 for the comparative period, a difference of \$1,094,550 and the comparative year recording a write-off of mineral property costs of \$309,223. Exploration expenditures were significantly lower for the current year as most exploration activity was paid for by companies which have or had options on the Company's properties in Mexico.

General and administrative expenses for the current year were \$490,273, compared to \$847,584 for the comparative year, a decrease of \$357,311. This decrease is primarily due to a share-based compensation expense of \$308,631 recorded in the comparative year compared to \$2,593 recorded in the current year. The share-based compensation expense for both years relates to the fair value of stock options that were granted and became fully vested during those periods, of which significantly more options were granted during the comparative year. Other notable cost decreases for the current year were in shareholder communications, travel costs, and management fees which were less by \$36,656, \$20,988, and \$12,500, respectively. As with the quarterly comparison, shareholder and communication costs were lower due to less promotional activities, and travel costs were lower for this reason as well. Management fees were less due to the CEO of the Company reducing his fees for most months since December 2023. Notable cost increases for the current year were in salaries and benefits which was \$17,104 higher due to the Company's share of personnel resources increasing and office and administration costs being \$11,600 higher for the same reasons as for the quarter comparison.

The net loss for the comparative year was reduced by a gain of \$106,202 from mineral property option agreements whereas there was no such gain for the current year.

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

### **Mineral Properties Expenditures**

A summary of the Company’s expenditure on its mineral properties during the year ended December 31, 2024 is as follows:

Mexico – A total of \$966,803, excluding cost recoveries, was incurred on exploration, property investigation, and miscellaneous administrative costs, of which \$758,737 was on the Plata Verde property, \$71,990 was on the Amalia property, \$15,598 was on the Tropic property, \$2,454 was on the Maricela property, and \$118,024 was on general exploration.

A total of \$246,483, excluding cost recoveries, was incurred on option payments and recorded as mineral property acquisition costs, of which \$60,905 was on the Plata Verde property and \$185,578 on the Amalia property.

Cost recoveries relating to funding from Fresnillo on the Plata Verde property totaled \$60,905 for the Company’s underlying option payments and \$803,051 for exploration costs. Cost recoveries relating to funding from Pan American on the Amalia property totaled \$185,578 for option payments and \$31,313 for exploration costs.

Guatemala – A total of \$100,971 was incurred, of which \$72,480 was the Company’s share of joint venture costs with Volcanic, and the remainder incurred on investigation of new opportunities and maintenance of the Company’s Guatemala properties.

Peru – A total of \$190,432 was incurred on exploration of the Company’s recently optioned Tierra Roja property.

Other – A total of \$53,752 was incurred on property investigation costs in regions other than Mexico, Guatemala, and Peru.

Further details regarding exploration expenditures for the years ended December 31, 2024 and 2023 are provided in the schedules at the end of this MD&A.

### **Liquidity and Capital Resources**

The Company’s cash and cash equivalents were \$838,209 at December 31, 2024 compared to \$910,755 at December 31, 2023. As at December 31, 2024, working capital was \$1,119,711 compared to \$2,022,609 at December 31, 2023. Included in working capital is the fair value of the Company’s equity investments which as of December 31, 2024 was \$565,963 compared to \$1,009,900 as of December 31, 2023. During the year ended December 31, 2024, the Company received funds totaling \$652,120 (US\$500,000) from Fresnillo for an exploration program on the Plata Verde Project. Also during the year ended December 31, 2024, the Company completed an equity financing to raise gross proceeds of \$580,500, and sold equity investments for net proceeds of \$39,090. These funds are being used to provide working capital for corporate and exploration operations. During the 2023 fiscal year, the Company raised gross proceeds of \$1.95 million by way of equity financing that provided working capital for corporate and exploration operations.

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

The Company intends to use the proceeds from any equity financings, sales of its equity investments, option payments received, and royalty income payments received to fund its exploration programs, investment opportunities, and general working capital requirements. The Company does not expect its current capital resources to be sufficient to cover its corporate operating costs and potential mineral property acquisitions or significant exploration expenditures through the next twelve months. As such, the

Company will continue to seek to raise additional capital and believes it will be able to do so, but recognizes the uncertainty attached thereto.

### *Commitments*

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

2025	\$	40,798
2026		40,798
2027		51,053
2028		41,612
2029		44,648
		<hr/>
		\$ 211,616

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

### **Financial Instruments and Risk Management**

The Company is exposed to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This section describes the Company’s objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the accompanying consolidated financial statements.

### **General Objectives, Policies and Processes**

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

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

#### a) Market Risk

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

### Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to fluctuations in foreign currencies through its operations in foreign countries. The Company monitors this exposure but has no hedge positions. As at December 31, 2024 and 2023, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

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

Based on the above net exposures at December 31, 2024, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in approximately a \$24,600 (2023: \$23,800) increase or decrease in profit or loss, respectively.

### Commodity Price Risk

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

### Interest Rate Risk

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

### Equity Price Risk

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

### b) Credit Risk

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

c) Liquidity Risk

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

**Related Party Transactions**

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

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

The Company reimburses Gold Group, a company controlled by Simon Ridgway, a Director of the Company, for shared administrative costs and other business-related expenses paid by Gold Group on behalf of the Company. During the years ended December 31, 2024 and 2023, the Company reimbursed Gold Group the following:

	<b>Three months ended December 31,</b>		<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
General and administrative expenses:				
Office and miscellaneous	\$ 17,249	\$ 10,470	\$ 49,793	\$ 52,018
Shareholder communications	1,498	15,536	12,739	26,851
Salaries and benefits	48,906	41,393	177,891	160,787
Transfer agent and regulatory fees	-	2,626	2,454	7,309
Travel and accommodation	6,174	1,505	16,978	24,714
	<b>\$ 73,827</b>	<b>\$ 71,530</b>	<b>\$ 259,855</b>	<b>\$ 271,679</b>
Exploration expenditures	<b>\$ 3,022</b>	<b>\$ -</b>	<b>\$ 12,933</b>	<b>\$ 4,062</b>

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

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

Receivables as of December 31, 2024 include an amount of \$4,074 (2023: \$Nil) owed from Gold Group for shared administrative costs.

Prepaid expenses and deposits as of December 31, 2024 include an amount of \$1,456 (2023: \$4,153) paid to Gold Group for shared office and administrative services.

Long-term deposits as of December 31, 2024 include an amount of \$60,000 (2023: \$60,000) paid to Gold Group as a deposit on the shared office and administrative services agreement.

Accounts payable and accrued liabilities as of December 31, 2024 include \$Nil (2023: \$9,546) payable to Gold Group for shared administrative costs, \$21,024 (2023: \$7,792) to Bruce Smith, the Chief Executive Officer of the Company, for

management fees and expense reimbursement, and \$108,868 (2023: \$9,594) payable to Volcanic for shared exploration and joint venture costs.

### Key management compensation

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

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Geological fees included in exploration expenditures	\$ 33,500	\$ 33,500	\$ 109,000	\$ 150,500
Management fees	16,000	14,500	51,500	64,000
Salaries, benefits and fees*	15,366	17,950	65,016	70,889
Share-based payments – fair value of stock options granted and vested	-	-	-	99,891
	<b>\$ 64,866</b>	<b>\$ 65,950</b>	<b>\$ 225,516</b>	<b>\$ 385,280</b>

\*Included in reimbursements to Gold Group

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

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

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

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
General and administrative expenses:				
Salaries and benefits	\$ 9,600	\$ 7,600	\$ 32,160	\$ 24,627
Exploration expenditures:				
Salaries and benefits	7,388	4,506	18,552	17,859
	<b>\$ 16,988</b>	<b>\$ 12,106</b>	<b>\$ 50,712</b>	<b>\$ 42,486</b>

### Other Data

Additional information related to the Company is available for viewing at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Share Position and Outstanding Warrants and Options**

As at the date of this MD&A, the Company's outstanding share position is 107,554,250 common shares and the following incentive stock options are outstanding:

<b><u>WARRANTS</u></b>		
<b>Number of warrants</b>	<b>Exercise price</b>	<b>Expiry date</b>
11,376,425	\$0.35	May 28, 2025
8,150,001	\$0.10	October 28, 2025
19,526,426		

<b><u>STOCK OPTIONS</u></b>		
<b>Number of options</b>	<b>Exercise price</b>	<b>Expiry date</b>
1,180,000	\$0.15	October 18, 2026
1,235,000	\$0.15	May 21, 2028
75,000	\$0.15	November 4, 2028
850,000	\$0.25	October 7, 2029
280,000	\$0.15	March 15, 2030
50,000	\$0.27	December 8, 2030
50,000	\$0.34	February 10, 2031
50,000	\$0.24	March 3, 2031
300,000	\$0.34	October 25, 2031
1,875,000	\$0.18	June 6, 2033
50,000	\$0.23	September 18, 2033
25,000	\$0.15	March 26, 2034
6,020,000		

### **Accounting Policies and Basis of Presentation**

The Company's material accounting policies and future changes in accounting policies are presented in the audited consolidated financial statements for the year ended December 31, 2024.

### **Future Changes in Accounting Policies**

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

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

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

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

### **Risks and Uncertainties**

#### *Royalty revenue*

The Company cannot predict future revenues from or operating results of mining activity. Management expects any future royalty revenues from the Tambor Project to fluctuate depending on the level of future production and the price of gold. The



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

#### *Competition*

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

#### *Inability to dispose of illiquid securities*

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

#### *Due diligence*

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

#### *Mineral property exploration and mining*

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

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

#### *Joint venture funding*

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

#### *Commodity price*

The Company is exposed to commodity price risk. Declines in the market price of gold, silver, base metals and other minerals may adversely affect the Company's ability to raise capital or attract joint venture partners in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of one of its mineral properties to a third party. The Company's past royalty revenue was derived from a royalty interest that is based on

the extraction and sale of gold. Factors beyond the control of the Company may affect the marketability of precious and base metals discovered or extracted. Metal prices have historically fluctuated widely. Consequently, the economic viability of the Company's property and royalty interests cannot be accurately predicted and may be adversely affected by fluctuations in metal prices.

#### *Financing and share price fluctuation*

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

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

#### *Political, regulatory and currency*

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

#### *Insurance*

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

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

#### *Environmental and social*

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future

changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present. Social risks are fairly significant in some of the Company's areas of operations. Violence, kidnapping, theft and other criminal activities could disrupt supply chains and discourage qualified individuals from being involved with the Company's operations.

### Mineral Properties Expenditure Detail

#### CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES

For the year ended December 31, 2024

	Guatemala		Mexico		Peru	Other	
	General	Mineral	General	Mineral	Mineral	General	Total
	Exploration	Properties	Exploration	Properties	Properties	Exploration	
Administration	\$ 3,282	\$ 16,909	\$ 9,679	\$ 4,622	\$ 1,487	\$ -	\$ 35,979
Camp and exploration support	-	2,819	-	39,591	-	-	42,410
Drilling	-	-	-	499,177	-	-	499,177
Environmental	-	3,817	-	-	-	-	3,817
Geochemistry	-	-	519	46,204	454	-	47,177
Geological services	3,782	25,518	35,688	58,687	166,771	37,258	327,704
Legal and accounting	3,098	9,099	22,887	64,921	3,895	-	103,900
Licenses, rights and taxes	-	-	485	32,415	-	-	32,900
Salaries and wages	5,062	24,027	41,939	50,554	722	11,367	133,671
Travel and accommodation	-	3,558	6,827	52,608	17,103	5,127	85,223
	15,224	85,747	118,024	848,779	190,432	53,752	1,311,958
Expenditures recovered	-	-	-	(834,364)	-	-	(834,364)
	<b>\$ 15,224</b>	<b>\$ 85,747</b>	<b>\$ 118,024</b>	<b>\$ 14,415</b>	<b>\$ 190,432</b>	<b>\$ 53,752</b>	<b>\$ 477,594</b>

#### CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES

For the year ended December 31, 2023

	Guatemala		Mexico		Other	
	General	Mineral	General	Mineral	General	Total
	Exploration	Properties	Exploration	Properties	Exploration	
Administration	\$ 967	\$ 8,707	\$ 17,299	\$ 11,127	\$ -	\$ 38,100
Drilling	-	-	-	345,714	-	345,714
Environmental	-	-	-	60,926	-	60,926
Geochemistry	-	-	20,344	28,296	2,693	51,333
Geological services	1,490	13,405	82,845	272,577	34,307	404,624
Legal and accounting	-	454	17,705	153,264	-	171,423
Licenses, rights and taxes	-	2,109	69,046	63,123	-	134,278
Salaries and wages	2,515	22,632	36,934	100,619	-	162,700
Travel and accommodation	-	117	29,140	204,156	-	233,413
	4,972	47,424	273,313	1,239,802	37,000	1,602,511
Expenditures recovered	-	-	-	(30,367)	-	(30,367)
	<b>\$ 4,972</b>	<b>\$ 47,424</b>	<b>\$ 273,313</b>	<b>\$1,209,435</b>	<b>\$ 37,000</b>	<b>\$ 1,572,144</b>