Interim Management's Discussion and Analysis – Quarterly Highlights
For the nine-month period ended September 30, 2024

INTRODUCTION

This interim management's discussion and analysis ("Interim MD&A") of Volcanic Gold Mines Inc. (the "Company") is the responsibility of management and covers the nine-month period ended September 30, 2024. The Interim MD&A takes into account information available up to and including November 25, 2024 and should be read together with the unaudited condensed consolidated interim financial statements and accompanying notes for the nine-month period ended September 30, 2024 and the audited annual consolidated financial statements and accompanying notes for the year ended December 31, 2023.

All financial information in this document is prepared in accordance with IFRS Accounting Standards and presented in Canadian dollars unless otherwise indicated. Additional information related to the Company, including its most recent unaudited and audited financial statements, is available for viewing on SEDAR+ at www.sedarplus.ca.

FORWARD-LOOKING INFORMATION

This Interim 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 Interim MD&A include, without limitation, statements relating to:

- the Company's planned exploration activities;
- the Holly property mineral resource estimate as it involves the implied assessment, based on estimates and assumptions, that the resources described exist in the quantities predicted or estimated;
- 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 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 and project development;
- uncertainty of mineral resource estimates;

- 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;
- 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, which could impact 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 Interim MD&A.

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

- all required third party contractual, regulatory and governmental approvals will be obtained for the exploration and development of the Company's properties;
- there being no significant disruptions affecting operations, whether relating to labor, supply, power, damage to equipment or other matter;
- permitting, exploration and development activities proceeding on a basis consistent with the Company's current expectations;
- the accuracy of the Company's current mineral resource estimate;
- 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.

DESCRIPTION OF BUSINESS

The Company's business is the acquisition and exploration of mineral properties, focused on building multi-million ounce gold and silver resources in under-explored countries. The Company has recently exercised its option to acquire a 60% interest in the Holly and Motagua Norte gold-silver properties in Guatemala – see "Guatemala Properties" below. As well, management is assessing exploration or development opportunities in other jurisdictions.

Corporate Activities

In July and October 2020, the Company issued units consisting of common shares and common share purchase warrants in two non-brokered private placements and a bought-deal public financing, raising total gross proceeds of $13.6 million. The proceeds from these financings were intended and continue to be used for the exploration and advancement of the Company's principal assets in Guatemala and for general working capital purposes.

In April 2024, the Company extended the expiry date of 7,831,800 unexercised warrants exercisable at $0.70 from April 19, 2024 to April 18, 2025. All of the Company's 8,813,500 outstanding warrants exercisable at $0.30 expired unexercised on July 26, 2024.

Guatemala Properties

In May 2020, the Company signed an agreement whereby it was granted by Radius Gold Inc. ("Radius") the exclusive option (the "Option") to acquire a 60% interest in the Holly and Banderas gold-silver properties in Guatemala in consideration of, among other things, spending US$7.0 million on exploration of the properties within 48 months from the date drilling permits for the properties are granted (granted in March 2021).

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. Expenditures made by the Company on exploration of the Banderas property were credited towards the US$7.0 million expenditure requirement.

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

Holly Project

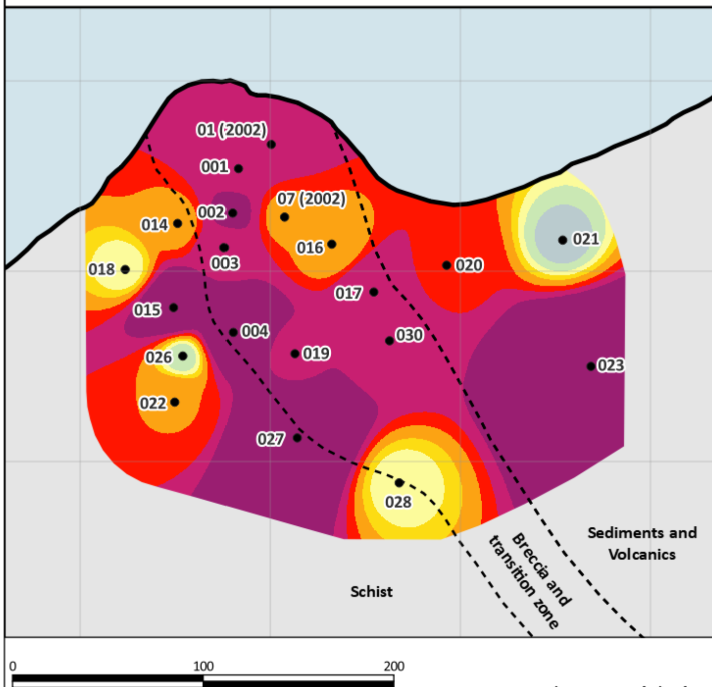
In 2021, the Company conducted a diamond core drilling program at the Holly Project to explore a series of high-grade northwest-striking veins cross-cutting a segment of the regional east-west trending Jocotan structure: the La Peña, El Pino and Alpha veins. A total of 32 drill holes for 5,259 metres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

Drilling at Holly focused on extending the high-grade La Peña vein to depth and along strike with the goal of establishing a significant high-grade mineral resource and improving understanding of the controls on high-grade mineralization. The La Peña vein remains open in all directions. Several holes also cut high-grade gold in the Amber vein and Pino target at a shallow depth. The Amber vein, Pino vein, Alpha vein and the untested Jocotan splay targets all have significant potential and will be tested in future drill programs.

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

HOLLY PROJECT - LA PEÑA LONG SECTION - AuEq* Est. True Width



HoleID	Est. TW (m)	Au (g/t)	Ag (g/t)	AuEq (g/t)	AuEq*TW (m)
HDD-001	13.43	4.14	151	5.99	80.39
HDD-007	8.38	1.84	45	2.39	20.03
HDD-21-001	14.03	5.09	106	6.39	89.59
HDD-21-002	10.78	6.29	282	9.74	104.96
HDD-21-003	9.85	5.29	256	8.42	82.93
HDD-21-004	17.66	3.1	694	11.58	204.54
HDD-21-014	6.35	2.02	66	2.83	17.95
HDD-21-015	13.13	7.67	615	15.19	199.4
HDD-21-016	5.23	1.8	45	2.35	12.29
HDD-21-017	6.82	8.81	355	13.15	89.68
HDD-21-018	1.37	1.81	57	2.51	3.43
HDD-21-019	5.91	11.72	340	15.88	93.82
HDD-21-020	5.09	4.38	350	8.66	44.07
HDD-21-021	0.97	0.19	40	0.68	0.66
HDD-21-022	1.39	11.2	522	17.58	24.44
HDD-21-023	3.93	79.84	5053	141.6	556.48
HDD-21-026	2.33	0.41	23	0.69	1.61
HDD-21-027	3.7	54.24	3925	102.21	378.19
HDD-21-028	0.85	2.75	112	4.12	3.5
HDD-22-030	9.81	2.07	389	6.82	66.95

Note: AuEq is calculated using the following formula:
AuEq = (Au_g/t) + (Ag_g/t * 0.01222)
Cost Ratio of 1/81.8 based on metal price assumptions of:
$22 oz silver, $1,800 oz gold;
Recoveries have not been incorporated at this stage.

Au Eq. * Est. TW (g*m)

Unexplored | < 1 | 1.0 - 2.5 | 2.5 - 5.0 | 5.0 - 10.0 | 10.0 - 25.0 | 25.0 - 50.0 | 50.0 - 100.0 | > 100.0

--- Fault ● Drill hole ID Intercept

Map Date: April 29, 2022
Version: QProj_LaPenaLS_AuEq*TW_v22.4

On June 9, 2022, the Company announced a maiden inferred mineral resource estimate for 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 7th June, 2022)

Category	Cut-off grade AuEq (2) (g/t)	Tonnes above cutoff (millions)	Gold (g/t)	Silver (g/t)	Gold (oz)	Silver (oz)	Gold Equivalent(2) (g/t)	Gold Equivalent(2) (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$1,800 and Ag US$22 using formula (Au g/t + (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, Ludving 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 John Arthur. Mineral Resource domain modelling, grade interpolation, mineral resource classification and reporting of the mineral resource statement, was performed by 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 32 mE by 32 mN 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 2.33 t/m³ and below this an average density of 2.52 t/m³ 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.

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 Company 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 Company's current application to upgrade the Holly project licence from an exploration to exploitation licence.

Way forward

The gold and silver discovery made at Holly is significant. It is a high-grade vein deposit that could be mined from underground, causing very little surface disruption. With a paved highway adjacent to the deposit, it will not require a processing plant, but is well situated to truck the high-grade ore to a nearby mill. Bluestone Resources' (TSX-V: BSR) Cerro Blanco feasibility stage gold and silver project is within trucking distance. The approval of an amendment to the Cerro Blanco environmental permit to allow surface mining announced by Bluestone Resources on January 18, 2024 is a positive step forward, but the subsequent notification that the environmental authority is challenging its approval process indicates that the government's attitude towards metallic mining remains unsettled (see Bluestone Resources Inc. announcements on June 17 and 21, 2024). The recent announcement that mining company Aura Minerals Inc. (TSX:ORA) has entered into an agreement to acquire Bluestone and the Cerro Blanco project is a strong vote of confidence that the permitting issues can be resolved (see Bluestone Resources Inc. announcements on October 28 and November 5, 2024). In the meantime, the Company continues to closely monitor the situation and intends to resume drilling at Holly as soon as there is a clear path to production at the Cerro Blanco gold project.

Motagua Norte Project

The Company conducted widespread exploration of Radius's large regional land position under the option agreement signed in May 2020 and identified Motagua Norte as an area with significant promise. The Company 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 kilometre (4.5 x 3 km) and includes the Mila gold anomaly. The Company 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 kilometres 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

The Company's initial prospecting on the Cirilo 1 licence returned exceptional gold grades at the Mila anomaly, a surface concentration of bonanza-grade and visible gold in quartz boulders spread over a 250 x 570 metre area. A first-pass exploratory drilling program at the Mila prospect commenced in February 2024 to look for the source of the gold-bearing quartz boulder float. The drilling has established that gold-bearing quartz float at Mila covers a thin serpentinite package and underlying schistose metasedimentary rocks. Some significant quartz veins and stockwork zones with wide and intense alteration halos occupy a series of east-west trending structures. The principal structures, such as the Veta Madre Fault and the Veta Padre structure, are located to the south and uphill from the field of gold-bearing boulders. Secondary veins and quartz stockwork separate these two larger structures.

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, dipping in either direction. Whilst wide zones of quartz veining and stockwork on both the Veta Madre and Veta Padre structures were successfully intercepted in several drillholes, assay results indicate that the gold-bearing quartz boulders did not originate from these structures, and no cross-cutting mineralized quartz veins or stockwork zones were encountered.

Recent Developments in Guatemala

The Guatemalan Government has engaged in a review of the current mining sector policy, which was first enacted in 2007 and was intended for a 15 years time span. The UN Economic Commission for Latin America and the Caribbean - ECLAC has engaged in a thorough review of the mining sector in order to advise the Ministry of Energy and Mines on the modernization and actualization of the current mining legal framework. The Guatemalan Congress is ultimately the only entity capable of changing the Mining Law, and this issue is not in the near future agenda. Whilst Government policy towards the mining sector remains unclear the Company will continue to monitor the situation at the two significant precious metal deposits where developments are on hold before committing further funds to Guatemala. Development of the multi-million ounce gold deposit at Cerro Blanco and operations at the large high grade silver-lead-zinc deposit at Escobal are both currently inactive. These mines could employ thousands of people, providing jobs to Guatemalans so they can thrive in their own communities.

Technical Information

Luc English, Ph.D., Vice-President, Exploration of the Company, is a Chartered Geologist and Fellow of the Geological Society of London and is the Company's Qualified Person as defined by National Instrument 43-101. Dr. English has approved the disclosure of the technical information in this Interim MD&A.

SUMMARY OF QUARTERLY RESULTS

The Company's mineral properties, working capital balance and operating results over the last eight quarters are summarized as follows:

	Sept '24	June '24	Mar '24	Dec '23	Sept '23	June '23	Mar '23	Dec '22
Total assets	$ 1,362,800	$ 1,656,679	$ 2,934,717	$ 3,661,889	$ 4,138,777	$ 4,632,041	$ 5,342,206	$ 5,944,749
Working capital	989,247	1,213,528	2,286,050	2,966,255	3,691,855	4,180,986	4,810,618	5,377,247
Loss and comprehensive loss attributed to equity shareholders of the Company	232,095	1,288,887	869,193	532,889	498,692	641,558	620,653	600,674
Basic and diluted loss per share attributed to equity shareholders of the Company	0.01	0.03	0.02	0.01	0.01	0.02	0.01	0.01

Total assets and working capital position have trended downward over the past eight quarters due to the Company funding its operations from the equity financing proceeds raised in 2020. The losses for the most recent two quarters are higher than the first six quarters presented due in part to the Company conducting a drill program during those periods.

RESULT OF OPERATIONS

All references to 'loss' in the results of operations discussion below refers to the loss attributed to equity shareholders of the Company.

Quarter ended September 30, 2024

During the quarter ended September 30, 2024 the Company incurred a loss of $232,095, compared to a loss of $498,692 for the quarter ended September 30, 2023, a decrease of $266,597. Significant expenses for the three-month periods are as follows:

	September 30, 2024	**September 30, 2023**
Exploration expenditures	$ 113,360	$ 413,160
Consulting and management fees	21,000	21,000
Office and administration	28,171	30,379
Salaries and benefits	40,051	31,021
Shareholder communications	24,688	12,439
Interest and other income	9,333	34,090

The loss for the quarter ended September 30, 2024 was lower than the comparative quarter due to a decrease in exploration expenditures of $299,800. Exploration expenditures for the current quarter primarily involved maintenance of the Company's properties and downsizing of operations in Guatemala. Exploration expenditures for the comparative quarter involved activity on the Holly and Motagua Norte properties that focused on community relations, access agreements, and permitting in addition to exploration.

Salaries and benefits costs were higher in the current quarter due to increased usage of shared personnel who provided promotional and investor relations services. Shareholder communications costs were higher in the current quarter due to the Company participating in a mining industry tradeshow with a higher cost than in the current quarter. There was no change in consulting and management fees while office and administration costs were fairly consistent between the comparative periods.

Interest income for the current quarter was $24,757 less than the comparative quarter as the Company's capital resources subject to earning interest had decreased since the comparative quarter.

Nine months ended September 30, 2024

During the nine-month period ended September 30, 2024 the Company incurred a loss of $2,390,175, compared to a loss of $1,760,903 for the nine-month period ended September 30, 2023, an increase of $629,272. Significant expenses and income for the nine-month periods are as follows:

	September 30, 2024	**September 30, 2023**
Exploration expenditures	$ 1,658,263	$ 1,426,260
Consulting and management fees	63,000	57,000
Office and administration	76,502	82,136
Salaries and benefits	106,585	98,185
Share-based payments	177,034	42,048
Shareholder communications	37,733	43,580
Transfer agent and regulatory fees	23,975	23,810
Interest and other income	48,117	110,954
Write-off of mineral property costs	204,873	-

The loss for the current nine-month period was greater than the comparative period due in part to exploration expenditures being higher by $232,003 and a $204,873 write-off of mineral property costs relating to a terminated surface rights option agreement. Exploration expenditures for the current period primarily involved activity on the Motagua Norte property which included a drill program. Exploration expenditures for the comparative period involved activity on the Holly and Motagua Norte properties that primarily focused on community relations, access agreements, and permitting in addition to exploration.

The current period's loss was also higher due to a share-based payments expense of $177,034 compared to $42,048 for the comparative period, a difference of $134,986. The share-based payment expense for both periods related to the granting of stock options that were vested immediately in the respective periods.

Consulting and management fees were higher for the current period due to an increase in the Chief Executive Officer's compensation during the latter part of the 2023 fiscal year. Salaries and benefits costs were higher in the current period due to a combination of increased usage of shared personnel and higher personnel-related benefits and employer taxes. Shareholder communications costs were lower for the current period due to less promotional and tradeshow participation activity. Current period office and administration costs were lower due to less insurance and information technology-related costs.

As with the quarterly comparison, interest income for the current period was lower than the comparative period as the Company's capital resources subject to earning interest had decreased since the comparative period.

For both the current and comparative quarterly and nine-month periods, the fees paid to Simon Ridgway, a Director and CEO of the Company, and to Michael Povey, a Director and Chairman of the Company, were allocated partly to exploration expenditures and partly to consulting and 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 rent 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 Vice President of Corporate Development, Chief Financial Officer, and Corporate Secretary during both the current and comparative periods.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date primarily through the issuance of common shares. The Company's exploration activities do not provide a source of income and therefore the Company has a history of losses and an accumulated deficit.

As at September 30, 2024, the Company had current assets of $1,137,629 and current liabilities of $148,382, resulting in working capital of $989,247.

During the 2020 fiscal year, the Company raised gross proceeds of $5.0 million from a non-brokered private placement, and gross proceeds of $8.6 million from a bought deal public financing and concurrent non-brokered private placement. Cash share issuance costs for these financings totaled $1.2 million. The net proceeds from the 2020 financings continue to be used for working capital purposes and to fund exploration activities in Guatemala.

The Company expects its current capital resources to be sufficient to carry out its planned exploration expenditures and cover operating costs through the next twelve months. Actual funding requirements may vary from those planned due to a number of factors, including expanded exploration activity and property acquisition opportunities. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto.

The Company's condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's continuing operations rely on the ability of the Company to continue to raise capital as and when needed.

Commitment

The Company and two other related publicly listed companies (the 'Lessees') are party to a five-year operating lease agreement for office premises that commences on January 1, 2025 and expires on December 31, 2029. The Lessees have the option to terminate the lease after three years with an early termination payment equivalent to two months gross rent. The Company's annual commitments under this lease are as follows:

2025	$	42,871
2026		42,871
2027		43,759
	$	129,501

OUTSTANDING SHARES, OPTIONS, AND WARRANTS DATA

At the date of this Interim MD&A, the Company had outstanding 45,551,210 common shares and the following stock options and warrants:

No. of options	Exercise price	Expiry date
2,275,000	$0.57	October 6, 2030
325,000	$0.57	October 8, 2030
800,000	$0.57	January 27, 2031
225,000	$0.205	January 9, 2033
850,000	$0.23	February 28, 2034
4,475,000		

No. of warrants	Exercise price	Expiry date
7,831,800	$0.70	April 18, 2025[1] [2]

(1) During the 2022 fiscal year, the expiry date for these warrants was extended by one year to April 20, 2023. During the 2023 fiscal year, the expiry date of these warrants was extended further by one year to April 19, 2024. During the period ended September 30, 2024, the expiry date for these warrants was extended further by one year to April 18, 2025.

(2) There was no additional value attributed to the warrants upon modification.

TRANSACTIONS WITH RELATED PARTIES

See Note 8 of the condensed consolidated interim financial statements for the nine months ended September 30, 2024 for details of other related party transactions which occurred in the normal course of business.

ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The Company's material accounting policies are presented in the audited consolidated financial statements for the year ended December 31, 2023.

FUTURE ACCOUNTING CHANGES

The Company has reviewed upcoming policies and determined that none are expected to have an impact on the Company's condensed consolidated interim financial statements.

RISKS AND UNCERTAINTIES

The operations of the Company are highly speculative due to the high-risk nature of its business in the mineral exploration industry. Companies in the exploration stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as, but not limited to, the following:

Mineral Property Exploration and Mining Risks

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 future 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.

Joint Venture Funding Risk

The Company's strategy may include seeking partners through joint ventures to fund future 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 future 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 Risk

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

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of projects. Exploration and development of future 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 exploration and development which could result in the loss of 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 and corresponding effect on the Company's financial position.

Political, Regulatory and Currency Risks

The Company's mineral property interests are located in Guatemala, an emerging nation with a newly elected federal political party. 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 extent of which is yet to be determined with the new political leadership.

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 and Guatemalan quetzals. At this time there are no currency hedges in place. Therefore, a weakening of the Canadian dollar against the US dollar or Guatemalan quetzal could have an adverse impact on the amount of exploration conducted.

Insured and Uninsured Risks

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

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 may be fairly significant in the Company's areas of operations. Violence, kidnapping, theft and other criminal activities, and community protests could disrupt the Company's exploration activities or supply chains and discourage qualified individuals from being involved with the Company's operations.

Competition

The Company competes with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of projects as well as for the recruitment and retention of qualified employees.