Management's Discussion and Analysis
For the year ended December 31, 2024

INTRODUCTION

This management's discussion and analysis ("MD&A") of Volcanic Gold Mines Inc. (the "Company") is the responsibility of management and covers the year ended December 31, 2024. The MD&A takes into account information available up to and including April 24, 2025 and should be read together with the Company's audited annual consolidated financial statements and accompanying notes for the year ended December 31, 2024.

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 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;
- 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 MD&A.

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

- all required third party contractual, regulatory and governmental approvals will be obtained for the exploration and development of the Company's properties;
- there being no significant disruptions affecting operations, whether relating to labor, supply, power, damage to equipment or other matter;
- permitting, exploration and 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.

A total of 8,813,500 warrants exercisable at $0.30 expired unexercised on July 26, 2024. 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 and all of those warrants have expired unexercised.

Guatemala Properties

In May 2020, the Company 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 formed a standard 60/40 joint venture in order to further develop the properties.

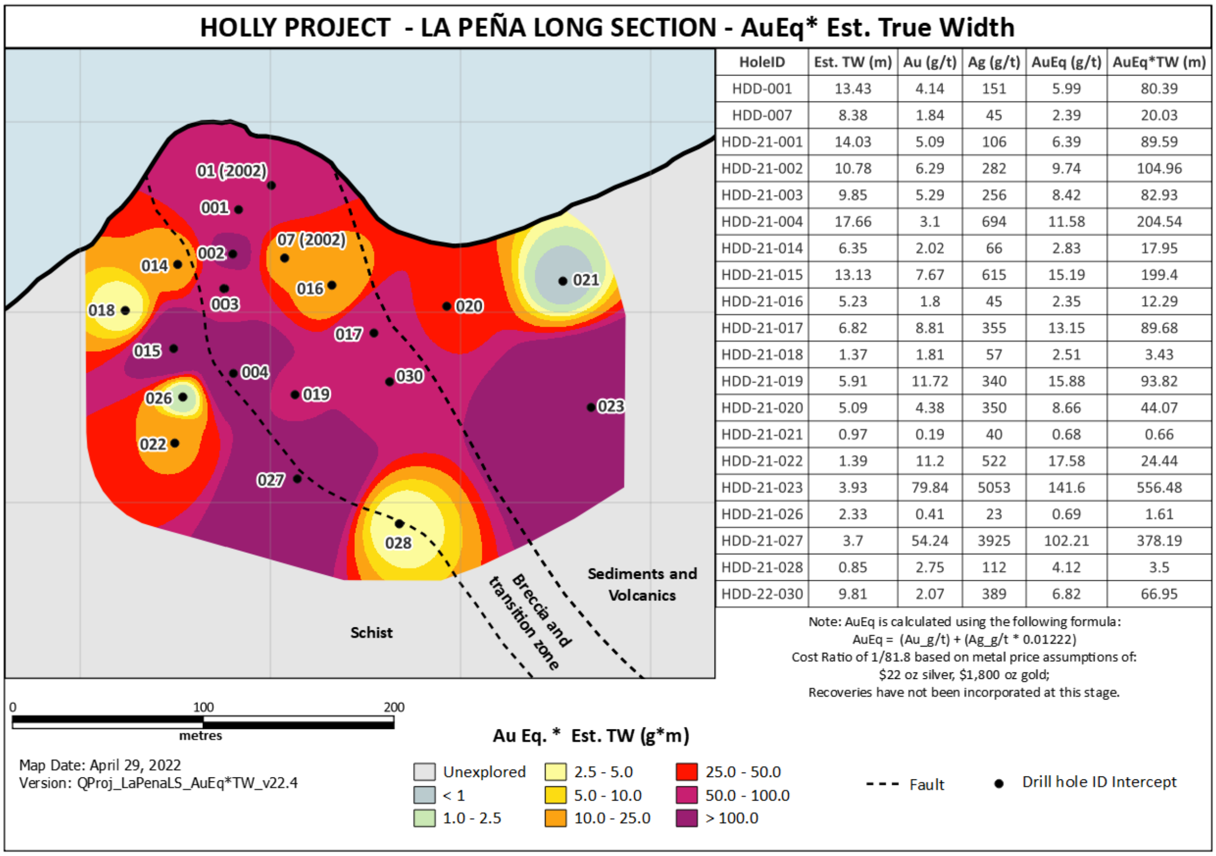
Holly Project

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 Jocotán structure: the 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 Jocotán structure.
- 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.*



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

On June 9, 2022, the Company 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 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 per troy ounce and Ag US$22 per troy ounce 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.

Resumption of Exploration

On March 3, 2025, the Company announced the resumption of exploration activities on the Holly Property. The Company 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

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 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

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.

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.

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 MD&A.

SELECTED ANNUAL INFORMATION

The following table provides financial results for the years ended December 31, 2024, 2023 and 2022:

	2024	2023	2022
Exploration expenditures	$ 1,767,925	$ 1,861,236	$ 2,211,924
Loss and comprehensive loss attributed to equity shareholders of the Company	2,639,671	2,293,792	2,656,654
Basic and diluted loss per share attributed to equity shareholders of the Company	0.06	0.05	0.06
Total assets	1,283,721	3,661,889	5,944,749
Total liabilities	318,799	234,330	265,446
Non-controlling interest (deficiency)	(176,411)	(176,411)	(176,411)
Working capital	737,828	2,966,255	5,377,247

Exploration expenditures for the three fiscal years presented are primarily related to the earn-in of an option agreement the Company entered into in 2020 to acquire the Holly and Banderas properties, and subsequently amended in 2023 to substitute the Banderas property with the Motagua Norte property. Since early 2022 the Company's property activities were focused on community relations, acquiring land access agreements, and licensing and drill permitting for the Motagua Norte property. The loss and comprehensive loss for fiscal 2024 was significantly impacted by a share-based payments expense of $177,034 compared to an expense of $42,048 for fiscal 2023 and a recovery of $33,900 for fiscal 2022. Total assets were highest for the 2022 fiscal year due to the Company raising in excess of $13 million by way of equity financings during the 2020 fiscal year. The proceeds of these financings have been the primary source of capital to fund operations since then.

SUMMARY OF QUARTERLY RESULTS

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

	Dec '24	Sept '24	June '24	Mar '24	Dec '23	Sept '23	June '23	Mar '23
Total assets	$ 1,283,721	$ 1,362,800	$ 1,656,679	$ 2,934,717	$ 3,661,889	$ 4,138,777	$ 4,632,041	$ 5,342,206
Working capital	737,828	989,247	1,213,528	2,286,050	2,966,255	3,691,855	4,180,986	4,810,618
Loss and comprehensive loss attributed to equity shareholders of the Company	249,496	232,095	1,288,887	869,193	532,889	498,692	641,558	620,653
Basic and diluted loss per share attributed to equity shareholders of the Company	0.01	0.00	0.03	0.02	0.01	0.01	0.02	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 two most recent quarters are significantly lower than the other quarters presented due to the Company suspending exploration activity in Guatemala as it assessed the Guatemalan government's intentions towards the mining industry. The loss for the quarter ended June 30, 2024 is higher than all other quarters presented due in part to a write-off of $204,873 in mineral property costs. That loss for that quarter and the quarter ended March 31, 2024 were also higher than 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 December 31, 2024

During the quarter ended December 31, 2024, the Company incurred a loss of $249,496, compared to a loss of $532,889 for the quarter ended December 31, 2023, a decrease of $283,393. Significant expenses for the quarters ended December 31, 2024 and 2023 are as follows:

	2024	2023
Exploration expenditures	$ 109,662	$ 434,976
Consulting and management fees	20,500	21,000
Legal and audit fees	45,717	39,753
Office and administration	32,161	29,504
Salaries and benefits	32,875	37,990
Interest and other income	6,376	31,134

The loss for the quarter ended December 31, 2024 was less than the comparative quarter due to a decrease of $325,314 in exploration expenditures as activities for the current quarter primarily involved maintenance of the Company's properties. 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.

Legal and audit fees were $5,964 higher in the current quarter due to business development activities. Salaries and benefits costs were lower in the current quarter due to a reduction in shared personnel who provided promotional and investor relations services. Consulting and management fees and office and administration costs were fairly consistent between the comparative periods.

Interest income for the current quarter was $24,758 less than the comparative quarter as the Company's capital resources subject to earning interest had decreased since the comparative quarter in conjunction with a downward trend in interest rates that began mid-2024.

Year ended December 31, 2024

During the year ended December 31, 2024 the Company incurred a loss of $2,639,671, compared to a loss of $2,293,792 for the year ended December 31, 2023, an increase of $345,879. Significant expenses for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Exploration expenditures	$ 1,767,925	$ 1,861,236
Consulting and management fees	83,500	78,000
Depreciation	50,349	48,063
Legal and audit fees	52,123	49,806
Office and administration	108,663	111,640
Salaries and benefits	139,460	136,175
Share-based payments expense	177,034	42,048
Shareholder communications	40,835	49,251
Write-off of mineral property costs	204,873	-
Interest and other income	54,493	142,088

The loss for the current year was higher than the comparative year due in part to a $204,873 write-off of mineral property costs relating to a terminated surface rights option agreement compared to no such expense for the comparative period and a share-based payments expense that was $134,986 higher than that for the comparative year. The share-based payment expense for both years related to the granting of stock options that were vested immediately in the respective periods.

Exploration expenditures for the current year were lower by $93,311 and primarily involved exploration and drilling on the Motagua Norte property during the first half of the year and maintenance of properties for the second half of the year. Exploration expenditures for the comparative year involved activity on the Holly and Motagua Norte properties that primarily focused on community relations, access agreements, and permitting in addition to exploration.

Consulting and management fees were $5,500 higher for the current year due to an increase in the Chief Executive Officer's compensation during the latter part of the 2023 fiscal year. Shareholder communications costs were $8,416 lower for the current year due to less promotional and tradeshow participation activity. Depreciation, legal and audit fees, office and administration, salaries and benefits were all fairly consistent between the current and comparative years.

As with the quarterly comparison, interest income for the current year was $87,595 lower than the comparative year as the Company's capital resources subject to earning interest had decreased since the comparative year in conjunction with the lowering of interest rates during the current year.

For both the current and comparative quarterly and annual periods, the fees paid to Simon Ridgway, a Director and CEO of the Company, and to Michael Povey, a former 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 shared administrative personnel, including the Company's Chief Financial Officer, Corporate Secretary, and former Vice President of Corporate Development 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 December 31, 2024, the Company had current assets of $975,306 and current liabilities of $237,478, resulting in working capital of $737,828.

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 does not expect its current capital resources to be sufficient to carry out its planned exploration expenditures and cover operating costs through the next twelve months. As such, the Company will seek to raise additional capital. 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.

Commitment

The Company and two other related publicly listed companies, Radius and Rackla Metals Inc ("Rackla") (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	$	40,798
2026		40,798
2027		43,759
2028		41,612
2029		44,648
	$	211,615

FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial assets and liabilities are classified in the in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significant of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quotes 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).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of cash, receivables, deposits and accounts payable and accrued liabilities approximates fair value due to the short-term nature of the financial instruments. Cash, receivables and long-term deposits are classified as amortized cost. Accounts payable and accrued liabilities and lease liability are classified as amortized cost.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

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 cash is held at a large Canadian financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper.

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 manages liquidity risk through its capital management as outlined below. 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.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

   The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash as they are generally held with large financial institutions. As at December 31, 2024, the Company is not exposed to significant interest rate risk.

b) Foreign currency risk

The Company is exposed to financial risk related to the fluctuation of foreign currency rates. The Company operates in Canada and Guatemala. A substantial portion of the Company's expenses are incurred in US dollars and Guatemalan quetzals. A significant change in the currency exchange rate between the Canadian dollar relative to the US dollar and quetzal could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. 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:

As at	2024		2023	
	US Dollars (CAD equivalent)	**Guatemalan Quetzal (CAD equivalent)**	**US Dollars (CAD equivalent)**	**Guatemalan Quetzal (CAD equivalent)**
Cash	$ 66,316	$ 22,906	$ 84,189	$ 31,739
Receivables	-	-	-	2,033
Accounts payable and accrued liabilities	(102,468)	(17,772)	(126,048)	(6,672)
Net exposure	**$ (36,152)**	**$ 5,134**	**$ (41,859)**	**$ 27,100**

Based on the above net exposure as at December 31, 2024, and assuming all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar and Guatemalan quetzal would result in an increase/decrease of approximately $3,100 in the Company's loss and comprehensive loss for the year ended December 31, 2024 (2023: $1,500).

c) Price risk

The Company is exposed to price risk with respect to commodity prices, particularly gold. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

OUTSTANDING SHARE AND OPTIONS DATA

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

No. of options	Exercise price	Expiry date
1,575,000	$0.57	October 6, 2030
325,000	$0.57	October 8, 2030
800,000	$0.57	January 27, 2031
150,000	$0.205	January 9, 2033
690,000	$0.23	February 28, 2034
3,540,000		

TRANSACTIONS WITH RELATED PARTIES

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

Related party	Nature of transactions
Gold Group Management Inc. ("Gold Group")	Shared office and administrative related charges
Mill Street Services Ltd. ("Mill Street")	Consulting services
Rackla	Shared office lease
Radius	Property transactions, exploration support, and shared office lease

Balances and transactions with related parties not disclosed elsewhere in this MD&A are as follows:

a) During the periods ended December 31, 2024 and 2023, the Company reimbursed Gold Group, a private company controlled by Simon Ridgway, a Director and Chief Executive Officer of the Company, for the following costs:

	Three months ended December 31,		Year ended December 31,	
	2024	**2023**	**2024**	**2023**
General and administrative expenses:				
Office and administration	$ 20,319	$ 18,580	$ 81,531	$ 85,671
Salaries and benefits	32,875	37,990	139,460	136,175
Shareholder communications	457	2,706	10,597	30,963
Transfer agent and regulatory fees	-	1,000	3,620	11,874
Travel and accommodation	6,056	2,268	18,446	25,922
	$ 59,707	**$ 62,544**	**$ 253,654**	**$ 290,605**
Exploration expenditures	**$ 14,245**	**$ 3,360**	**$ 31,174**	**$ 12,509**

Gold Group is reimbursed by the Company for certain shared costs and other business-related expenses paid by Gold Group on behalf of the Company. Salaries and benefits for the years ended December 31, 2024 and 2023 include those for the Chief Financial Officer, the Vice President of Corporate Development, and the Corporate Secretary.

b) Receivables as of December 31, 2024 includes an amount of $111,324 (2023: $9,594) due from Radius for shared and joint venture exploration costs.

c) Prepaid expenses and deposits as of December 31, 2024 includes an amount of $858 (2023: $3,744) paid to Gold Group.

d) Long-term deposits as of December 31, 2024 consists of $61,000 (2023: $61,000) paid to Gold Group as a deposit pursuant to the Company's office and administrative services agreement with Gold Group.

e) Included in accounts payable and accrued liabilities as of December 31, 2024 was $35,136 (2023: $21,839) owing to Gold Group, $5,000 (2023: $6,000) owing to Michael Povey, a former Director and Chairman of the Company, for consulting fees, and $4,029 (2023: $8,730) owing to Luc English, the Vice President of Exploration of the Company, for consulting fees and expense reimbursement. The amount for Gold Group is due on a monthly basis and secured by a deposit.

The Company has identified certain of its directors and senior officers as its key management personnel. Included for the periods ended December 31, 2024 and 2023 are the following items paid or accrued to key management personnel and/or companies with common directors.

	Three months ended December 31,		Year ended December 31,	
	2024	**2023**	**2024**	**2023**
General and administrative expenses:				
Consulting and management fees	$ 20,500	$ 21,000	$ 83,500	$ 78,000
Salaries and benefits	22,957	17,234	62,959	60,816
Share-based payments (value of stock options granted and vested)	-	-	49,986	42,048
Exploration expenditures:				
Consulting and management fees	47,348	61,460	256,383	227,741
	$ 90,805	**$ 99,694**	**$ 452,828**	**$ 408,605**

Key management compensation includes consulting fees paid in 2023 and 2024 to Mill Street, a company controlled by Simon Ridgway, a Director and Chief Executive Officer of the Company.

The value of stock option grants issued to non-key management directors during the year ended December 31, 2024 was $83,310 (2023: $Nil).

ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The Company's significant accounting policies and future changes in accounting policies are presented in note 3 of the audited consolidated financial statements for the year ended December 31, 2024.

FUTURE ACCOUNTING CHANGES

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

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. 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.