CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2025. These financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

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

	March 31, 2025	December 31, 2024
ASSETS		
Current		
Cash	$ 515,904	$ 837,745
Receivables (Note 9)	155,379	123,126
Prepaid expenses and deposits (Note 9)	31,336	14,435
Total current assets	702,619	975,306
Non-current		
Long-term deposits (Notes 9 and 13)	64,907	64,907
Property and equipment (Note 4)	38,269	49,813
Right-of-use asset (Note 5)	89,077	93,695
Mineral properties (Note 7)	100,000	100,000
Total non-current assets	292,253	308,415
	$ 994,872	**$ 1,283,721**
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities (Note 9)	$ 133,236	$ 223,276
Current portion of lease liability (Note 5)	14,524	14,202
	147,760	237,478
Non-current		
Lease liability (Note 5)	79,092	81,321
Total liabilities	226,852	318,799
Equity		
Share capital (Note 10)	26,575,256	26,575,256
Other equity reserves (Note 10)	1,724,214	2,166,219
Deficit	(27,355,039)	(27,600,142)
Equity attributed to shareholders of the Company	944,431	1,141,333
Non-controlling interest (Note 6)	(176,411)	(176,411)
Total equity	768,020	964,922
	$ 994,872	**$ 1,283,721**

Approved and authorized by the Board on May 23, 2025.

"Simon Ridgway" Director
Simon Ridgway

"Scott Ackerman" Director
Scott Ackerman

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

VOLCANIC GOLD MINES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (UNAUDITED)
(Expressed in Canadian Dollars)

	Three months ended March 31, 2025	2024
Exploration expenditures (Notes 8 and 9)	$ 87,680	$ 579,085
General and administrative expenses		
Consulting and management fees (Note 9)	10,500	21,000
Depreciation (Note 4)	16,162	11,954
Interest on lease liability (Note 5)	2,239	-
Legal and audit fees	3,058	4,033
Office and administration (Note 9)	26,045	21,779
Salaries and benefits (Note 9)	32,261	35,229
Share-based payments expense (Notes 9 and 11)	-	177,034
Shareholder communications (Note 9)	5,337	10,921
Transfer agent and regulatory fees (Note 9)	8,636	11,452
Travel (Note 9)	8,121	4,240
	112,359	297,642
	(200,039)	(876,727)
Interest and other income	3,485	23,860
Foreign exchange loss	(348)	(16,326)
Loss and comprehensive loss for the period	**$ (196,902)**	**$ (869,193)**
Basic and diluted loss per common share	$(0.00)	$(0.02)
Weighted average number of common shares outstanding – basic and diluted	45,551,210	45,551,210

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

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

	Three months ended March 31, 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (196,902)	$ (869,193)
Item not affecting cash:		
Depreciation	16,162	11,954
Interest on lease liability	2,239	-
Share-based payments	-	177,034
Non-cash working capital item changes:		
Amounts receivable	(32,253)	(12,406)
Prepaid expenses and deposits	(16,901)	(77,124)
Accounts payable and accrued liabilities	(90,040)	(35,013)
Net cash used in operating activities	(317,695)	(804,748)
FINANCING ACTIVITY		
Repayment of lease obligation	(4,146)	-
Net cash used in financing activity	(4,146)	-
Change in cash for the period	(321,841)	(804,748)
Cash, beginning of period	837,745	3,161,749
Cash, end of period	**$ 515,904**	**$ 2,357,001**

Supplemental cash flow information (Note 16)

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

VOLCANIC GOLD MINES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
For the three months ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

	Equity attributed to shareholders of the Company							
	Number of common shares	**Amount**	**Warrants and compensation options reserve**	**Share-based payment reserve**	**Deficit**	**Total equity attributed to shareholders**	**Non-controlling interest**	**Total**
Balance, December 31, 2023	45,551,210	$ 26,575,256	$ 156,636	$ 1,832,549	$ (24,960,471)	$ 3,603,970	$ (176,411)	$ 3,427,559
Loss for the period	-	-	-	-	(869,193)	(869,193)	-	(869,193)
Share-based payments	-	-	-	177,034	-	177,034	-	177,034
Balance, March 31, 2024	45,551,210	26,575,256	156,636	2,009,583	(25,829,664)	2,911,811	(176,411)	2,735,400
Loss for the period	-	-	-	-	(1,770,478)	(1,770,478)	-	(1,770,478)
Balance, December 31, 2024	45,551,210	26,575,256	156,636	2,009,583	(27,600,142)	1,141,333	(176,411)	964,922
Loss for the period	-	-	-	-	(196,902)	(196,902)	-	(196,902)
Transfer of other equity reserve of expired and forfeited options	-	-	-	(442,005)	442,005	-	-	-
Balance, March 31, 2025	**45,551,210**	**$ 26,575,256**	**$ 156,636**	**$ 1,567,578**	**$ (27,355,039)**	**$ 944,431**	**$ (176,411)**	**$ 768,020**

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

1. NATURE AND GOING CONCERN

Volcanic Gold Mines Inc. is a publicly traded company incorporated under the British Columbia Corporations Act on April 25, 2007. The Company together with its subsidiaries (collectively referred to as the "Company") is principally engaged in acquisition and exploration of resource properties. The Company currently trades under the symbol "VG" on the TSX Venture Exchange ("TSX-V").

The head office, principal address and records office of the Company are located at 1111 Melville Street, Suite 1000, Vancouver, British Columbia, V6E 3V6, Canada.

These condensed consolidated interim 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 condensed consolidated interim 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 March 31, 2025, the Company had not yet achieved profitable operations and has accumulated losses of $27,355,039 (December 31, 2024: $27,600,142) since inception and is expected to incur further losses in the development of its business. The Company will periodically have to raise funds to continue operations (Note 17); although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

Statement of compliance

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

Basis of Measurement

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

The condensed consolidated interim financial statements are presented in Canadian dollars ("CAD").

The preparation of condensed consolidated interim financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial statements are disclosed in Note 3.

2. BASIS OF PREPARATION (cont'd)

Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. A 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 intercompany transactions and balances have been eliminated on consolidation.

Details of the Company's principal subsidiary as at March 31, 2025 is as follows:

Name	Place of incorporation	Ownership %	Principal activity
Recursos del Golfo S.A.	Guatemala	100%	Exploration company

Foreign Currency Translation

The functional currency is the currency of the primary economic environment in which the entity operations and has been determined for each entity within the Company. The functional currency for all entities within the corporate group is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standards ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of loss and comprehensive loss.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The effect of a change in an accounting estimate is recognized prospectively by including it in 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 condensed consolidated interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

a) The application of the Company's accounting policy for mineral property expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company.

   Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's mineral property assets.

   In respect of costs incurred for its investment in mineral property assets, management has determined there are no indicators of impairment. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, economics assessment/ studies, accessible facilities and existing permits.

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

b) Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

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

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 and to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs involves significant judgment based on historical experience 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 condensed consolidated interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

a) The Company may be subject to income tax in several jurisdictions and significant judgment is required in determining the provision for income taxes. During the ordinary course of business and on dispositions of mineral property or interests therein, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events, and interpretation of tax law. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

b) In estimating the fair value of share-based payments, using the Black-Scholes option pricing model, management is required to make certain assumptions and estimates. Changes in assumptions used to estimate fair value could result in materially different results.

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

(Expressed in Canadian Dollars)

4. EQUIPMENT

	Computer equipment	Furniture and equipment	Field equipment	Leasehold Improvements	Vehicles	Total
Cost						
Balance, December 31, 2023	$ 27,125	$ 2,562	$ 32,072	$ -	$ 161,107	$ 222,866
Additions	-	-	-	7,326	-	7,326
Disposals	-	-	-	-	(22,555)	(22,555)
Balance, December 31, 2024	27,125	2,562	32,072	**7,326**	**138,552**	**207,637**
Balance, March 31, 2025	**$ 27,125**	**$ 2,562**	**$ 32,072**	**$ 7,326**	**$ 138,552**	**$ 207,637**
Accumulated amortization						
Balance, December 31, 2023	$ 19,182	$ 1,432	$ 16,255	$ -	$ 90,566	$ 127,435
Charge for year	4,275	339	8,435	120	35,949	49,118
Disposals	-	-	-	-	(18,729)	(18,729)
Balance, December 31, 2024	23,457	1,771	24,690	120	107,786	157,824
Charge for year	970	59	2,229	360	7,926	11,544
Balance, March 31, 2025	**$ 24,427**	**$ 1,830**	**$ 26,919**	**$ 480**	**$ 115,712**	**$ 169,368**
Carrying amounts						
At December 31, 2024	$ 3,668	$ 791	$ 7,382	$ 7,206	$ 30,766	$ 49,813
At March 31, 2025	**$ 2,698**	**$ 732**	**$ 5,153**	$ **6,846**	**$ 22,840**	**$ 38,269**

5. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company co-signed with two related parties, Radius Gold Inc. ("Radius") and Rackla Metals Inc. ("Rackla"), a lease agreement for shared headquarter office space in Vancouver, British Columbia. The term of the lease is five years, commencing on January 1, 2025, with the Company taking early possession of the office space in December 2024. 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 lease liability was measured at the present value of the remaining lease payments and discounted using an incremental borrowing rate of 10%.

The continuity of the ROU asset and lease liability for the period ended March 31, 2025 is as follows:

Right-of-use asset	
Value of right-of-use asset as at December 31, 2023	$ -
Value of right-of-use asset recognized during the year	94,926
Depreciation	(1,231)
Value of right-of-use asset as at December 31, 2024	93,695
Depreciation	(4,618)
Value of right-of-use asset as at March 31, 2025	**$ 89,077**

Lease liability	
Lease liability recognized as of December 31, 2024	$ -
Lease liability recognized during the year	94,926
Lease interest	597
Lease liability recognized as of December 31, 2024	95,523
Lease payments	(4,146)
Lease interest	2,239
Lease liability recognized as of March 31, 2025	**$ 93,616**

(Expressed in Canadian Dollars)

6. NON-CONTROLLING INTEREST

Non-controlling interests (“NCI”s) in the net assets of consolidated subsidiaries are identified separately from the Company’s equity therein. Total comprehensive loss of the Company’s subsidiary is attributed to the equity holders of the Company and to the non-controlling interests even if this results in the non-controlling interest having a deficit balance.

The Company adjusts the non-controlling interest by attributing a proportionate amount of the subsidiaries net identifiable assets. The Company also adjusts other comprehensive loss to reflect the new ownership interest. These adjustments are also recognized in equity.

For the period ended March 31, 2025, 25% of the net assets of the Company’s consolidated subsidiary, Guiord SA (“Guiord”), were attributable to its non-controlling interest. The value of the NCI at March 31, 2025 was a deficiency of $176,411 (December 31, 2024: $176,411). There was no income or loss allocated to NCI during the periods ended March 31, 2025 and 2024.

7. MINERAL PROPERTIES

The Company capitalizes the acquisition costs of its mineral property interests. The following sets out any changes in capitalized amounts during the period from January 1, 2024 to March 31, 2025:

Acquisition costs		**Holly**		**Motagua Norte**		**Total**
Balance, December 31, 2023	$	100,000	$	204,873	$	304,873
Write-off of acquisition costs		-		(204,873)		(204,873)
Balance, December 31, 2024		100,000		-		100,000
Balance, March 31, 2025	**$**	**100,000**	**$**	**-**	**$**	**100,000**

Details of the Company’s Guatemala mineral property interests are disclosed in full in the consolidated financial statements for the year ended December 31, 2024. There have been no significant mineral property transactions that have occurred since December 31, 2024.

(Expressed in Canadian Dollars)

8. EXPLORATION EXPENDITURES

During the periods ended March 31, 2025 and 2024, the Company incurred the following exploration expenditures on the Holly and Motagua Norte properties and on regional exploration in Guatemala:

	Three months ended March 31, 2025		
	Holly	**Regional and General**	**Total**
Geological and other consulting	$ 30,346	$ 14,927	$ 45,273
Legal and accounting	-	2,102	2,102
Office and administration	-	22,615	22,615
Project management	8,610	-	8,610
Salaries and benefits	8,182	6,087	14,269
Travel	13,209	5,741	18,950
	60,347	51,472	111,819
Expense recoveries	(24,139)	-	(24,139)
	$ 36,208	**$ 51,472**	**$ 87,680**

	Three months ended March 31, 2024			
	Holly	**Motagua Norte**	**Regional and General**	**Total**
Community relations	$ 472	$ 25,778	$ 375	$ 26,625
Drilling	-	47,841	-	47,841
Environmental	-	7,733	-	7,733
Field expenses	246	87,459	1,975	89,680
Geological and other consulting	7,043	173,037	5,025	185,105
Legal and accounting	11,495	72,590	-	84,085
Office and administration	6,062	18,607	12,373	37,042
Project management	-	29,742	-	29,742
Salaries and benefits	7,450	38,932	348	46,730
Travel	1,003	32,488	511	34,002
	33,771	534,207	20,607	588,585
Expense recoveries	-	(6,365)	(3,135)	(9,500)
	$ 33,771	**$ 527,842**	**$ 17,472**	**$ 579,085**

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

The Company had transactions during the periods ended March 31, 2025 and 2024 with related parties consisting of directors, officers and the following companies with common directors:

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 these condensed consolidated interim financial statements are as follows:

a) During the periods ended March 31, 2025 and 2024, 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 March 31, 2025	2024
General and administrative expenses:		
Office and administration	$ 17,499	$ 20,627
Salaries and benefits	32,261	35,229
Shareholder communications	4,302	7,490
Transfer agent and regulatory fees	217	1,500
Travel and accommodation	8,121	4,240
	$ 62,400	**$ 69,086**
Exploration expenditures	**$ 11,827**	**$ 5,595**

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 period ended March 31, 2025 include those for the Chief Financial Officer and Corporate Secretary (2024: include those for the Chief Financial Officer, Corporate Secretary, and former Vice President of Corporate Development).

b) Receivables as of March 31, 2025 include an amount of $143,007 (December 31, 2024: $111,324) due from Radius for shared and joint venture exploration costs.

c) Prepaid expenses and deposits as of March 31, 2025 include an amount of $8,060 (December 31, 2024: $858) paid to Gold Group.

d) Long-term deposits as of March 31, 2025 include an amount of $61,000 (December 31, 2024: $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 March 31, 2025 was $22,192 (December 31, 2024: $35,136) owing to Gold Group, $6,900 (December 31, 2024: $4,029) owing to Luc English, the Vice President of Exploration of the Company for consulting fees and expense reimbursement, and $Nil (December 31, 2024: $5,000) owing to Michael Povey, a former Director and Chairman of the Company, for consulting fees. The amount for Gold Group is due on a monthly basis and secured by a deposit.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS (cont'd)

The Company has identified certain of its directors and senior officers as its key management personnel. Included for the periods ended March 31, 2025 and 2024 are the following items paid or accrued to key management personnel and/or companies with common directors.

	Three months ended March 31, 2025	2024
General and administrative expenses:		
Consulting and management fees	$ 10,500	$ 21,000
Salaries and benefits	7,258	12,883
Share-based payments (value of stock options granted and vested)	-	49,986
Exploration expenditures:		
Geological and other consulting fees	17,772	78,866
	$ 35,530	**$ 162,735**

Key management compensation for the periods ended March 31, 2025 and 2024 include consulting fees paid 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 period ended March 31, 2024 was $83,310.

10. EQUITY

a) Common shares

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

As at March 31, 2025, 45,551,210 (December 31, 2024: 45,551,210) common shares and nil preferred shares were issued and outstanding.

There was no share capital activity during the periods ended March 31, 2025 and 2024.

b) Warrants

A summary of warrants activity from January 1, 2024 to March 31, 2025 is as follows:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2023	16,645,300	$0.49
Expired during the year	(8,813,500)	$0.30
Balance, December 31, 2024	7,831,800	$0.70
Balance, March 31, 2025	**7,831,800**	**$0.70**

Details of warrants outstanding as of March 31, 2025 are:

Expiry date	Number of warrants	Exercise price
April 18, 2025[(1)]	7,831,800	$0.70

(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 for these warrants was extended further by one year to April 19, 2024. During the 2024 fiscal year, the expiry date for these warrants was extended further by one year to April 18, 2025. Subsequently, these warrants expired unexercised. There was no additional value attributed to the warrants upon modification.

(Expressed in Canadian Dollars)

11. SHARE-BASED PAYMENTS

Option Plan Details

The Company has a stock option plan whereby options may be granted to directors, employees, consultants, and certain other service providers to encourage ownership of the Company's common shares. The Company may grant options for up to 10% of the issued and outstanding common shares. The term of any option granted under the plan may not exceed 10 years. The vesting periods for all options granted pursuant to the plan will be determined at the discretion of the Board of Directors at the time of the grant. The number of options granted to any one person may not exceed 5% of the outstanding listed common shares in a 12-month period.

The following is a summary of stock option activity during the three-month period ended March 31, 2025:

				During the period				
Grant date	**Expiry date**	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**Forfeited / cancelled**	**Closing balance**	**Vested and exercisable**
Oct 7, 2020	Oct 6, 2030	$0.57	2,275,000	-	-	(700,000)	1,575,000	1,575,000
Oct 9, 2020	Oct 8, 2030	$0.57	325,000	-	-	-	325,000	325,000
Jan 28, 2021	Jan 27, 2031	$0.57	800,000	-	-	-	800,000	800,000
Jan 10, 2023	Jan 9, 2033	$0.205	225,000	-	-	(75,000)	150,000	150,000
Feb 29, 2024	Feb 28, 2034	$0.23	850,000	-	-	(160,000)	690,000	690,000
			4,475,000	**-**	**-**	(935,000)	**3,540,000**	**3,540,000**
		Weighted average exercise price	$0.49	-	-	$0.48	$0.49	$0.49

The following is a summary of stock option activity during the three-month period ended March 31, 2024:

				During the period				
Grant date	**Expiry date**	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**Forfeited / cancelled**	**Closing balance**	**Vested and exercisable**
Oct 7, 2020	Oct 6, 2030	$0.57	2,275,000	-	-	-	2,275,000	2,275,000
Oct 9, 2020	Oct 8, 2030	$0.57	325,000	-	-	-	325,000	325,000
Jan 28, 2021	Jan 27, 2031	$0.57	800,000	-	-	-	800,000	800,000
Jan 10, 2023	Jan 9, 2033	$0.205	225,000	-	-	-	225,000	225,000
Feb 29, 2024	Feb 28, 2034	$0.23	-	850,000	-	-	850,000	850,000
			3,625,000	**850,000**	**-**	**-**	**4,475,000**	**4,475,000**
		Weighted average exercise price	$0.55	$0.23	-	-	$0.49	$0.49

The fair value at grant date of 850,000 options granted during the period ended March 31, 2024 was $0.21 per option.

The weighted average remaining contractual life of the options outstanding at March 31, 2025 is 6.35 (December 31, 2024: 6.58) 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.

(Expressed in Canadian Dollars)

11. SHARE-BASED PAYMENTS (cont'd)

The model inputs for options granted during the period ended March 31, 2024 included a risk-free interest rate of 3.47%, dividend yield of 0%, volatility of 94% and expected life of ten years.

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.

Expenses Arising from Share-based Payment Transactions

There were no stock options granted during the period ended March 31, 2025. Total expenses arising from stock option grants during the period ended March 31, 2024 and recorded as share-based payments expense was $177,034.

12. SEGMENT INFORMATION

The Company operates in a single reportable operating segment, being the exploration and evaluation of mineral properties. The mineral property interests and substantially all property and equipment are located in Guatemala and substantially all of the exploration expenditures are incurred in Guatemala. Substantially all of the Company's other assets and expenditures are located and incurred in Canada.

13. COMMITMENT

The Company has entered into a shared operating lease agreement for its office premises (Note 5) 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 lease can be terminated upon the third anniversary date with a payment equal to two months gross rent. The annual commitments under the lease for the Company, if the early termination option is not exercised, are as follows:

2025	$	30,080
2026		40,798
2027		43,759
2028		41,612
2029		44,648
	$	**200,897**

14. 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 liabilities are classified as amortized cost.

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

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 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'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 March 31, 2025, the Company had working capital of $554,859 (December 31, 2024: $737,828) 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 13).

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 March 31, 2025, 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 March 31, 2025, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

As at	March 31, 2025		December 31, 2024	
	US Dollars (CDN equivalent)	**Guatemala Quetzal (CDN equivalent)**	**US Dollars (CDN equivalent)**	**Guatemala Quetzal (CDN equivalent)**
Cash	$ 66,478	$ 10,947	$ 66,316	$ 22,906
Accounts payable and accrued liabilities	(105,970)	(17,126)	(102,468)	(17,772)
Net exposure	**$ (39,492)**	**$ (6,179)**	**$ (36,152)**	**$ 5,134**

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

Risk management (cont'd)

Market risk (cont'd)

b) Foreign currency risk (cont'd)

Based on the above net exposure as at March 31, 2025, and assuming all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an increase/decrease of approximately $4,600 (December 31, 2024: $3,100) in the Company's profit or loss, respectively.

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.

15. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and development of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

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 intends to complete an equity financing (Note 17) 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 expanded exploration activity and property acquisition opportunities.

16. SUPPLEMENTARY CASH FLOW INFORMATION

No cash was paid for interest or taxes for the periods ended March 31, 2025 and 2024.

There were no significant non-cash investing and financing transactions during the periods ended March 31, 2025 and 2024 not disclosed elsewhere in these condensed consolidated interim financial statements.

17. SUBSEQUENT EVENTS

Subsequent to March 31, 2025, the following events which have not been disclosed elsewhere in these condensed consolidated interim financial statements have occurred:

i) The Company has announced a proposed non-brokered private placement financing to raise gross proceeds of up to $1.5 million. The offering will consist of up to 12.5 million units at $0.12 per unit. Each unit will consist of one common share of the Company and one warrant which will entitle the holder to purchase one additional common share at a price of $0.16 for twenty-four months.

ii) A total of 7,831,800 warrants with an exercise price of $0.70 per share expired unexercised.