CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
AUGUST 31, 2023 AND 2022

(Expressed in Canadian Dollars)

D&H Group LLP
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Independent Auditor's Report

To the Shareholders of Batero Gold Corp.

Opinion
We have audited the consolidated financial statements of Batero Gold Corp. (the "Company"), which comprise the consolidated statements of financial position as at August 31, 2023 and August 31, 2022, and the consolidated statements of net loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2023 and August 31, 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended August 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets
Description
Management assesses whether there are indicators of impairment to exploration and evaluation assets when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed the recoverable amount. Management applies judgement in assessing whether impairment indicators are present. No impairment indicators were identified by management as of August 31, 2023.

This matter was significant to our audit because the carrying value of the Company's exploration and evaluation assets at August 31, 2023, was $ 45,395,854, which represents a significant portion of the Company's total assets and management applies significant judgement in assessing whether impairment indicators are present. See Note 3 and Note 6 to the consolidated financial statements.

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How the Key Audit Matter Was Addressed in the Audit

Our approach to addressing the matter included the following procedures, among others:
Evaluated management's assessment as to whether there were any indicators of exploration and evaluation assets, which included the following:

- Obtained the mineral claim listing held by the Company and confirmed the mineral claims held with the related mining authorities.
- Considered the Company's intentions to carry out future exploration and evaluation expenditures which included reading Board of Directors' meeting minutes and enquiring as to the intentions and strategy of the Company.
- On a sample basis, we tested the continued exploration and evaluation additions during the fiscal year.
- Assessed whether there were other changes in circumstances indicating that the exploration and evaluation expenditures may not be recoverable, based on the evidence obtained in other areas of the audit.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company had an accumulated deficit of $ 30,490,466 and a working capital deficit of $ 17,694. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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The engagement partner on the audit resulting in this independent auditor's report is Trevor Nakanishi.

"D&H Group LLP"

Vancouver, B.C.
December 18, 2023

Chartered Professional Accountants

BATERO GOLD CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

	Notes	**August 31, 2023**	August 31, 2022
		$	$
Assets			
Current assets			
Cash		**98,870**	224,741
Amounts receivables		**2,781**	1,063
Prepaid expenses and advances		**2,765**	17,799
Total current assets		**104,416**	243,603
Property and equipment	5	**3,036,577**	3,057,531
Exploration assets	6	**45,395,854**	45,117,114
Total non-current assets	11	**48,432,431**	48,174,645
Total assets		**48,536,847**	48,418,248
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**122,110**	154,685
Total current liabilities		**122,110**	154,685
Non current liabilities			
Loan payable	10, 12	**590,942**	0
Total non current liabilities		**590,942**	0
Total liabilities		**713,052**	154,685
Equity			
Share capital	7	**66,327,048**	66,327,048
Equity reserve	8	**11,987,213**	11,987,213
Deficit	1	**(30,490,466)**	(30,050,698)
Total equity		**47,823,795**	48,263,563
Total liabilities and equity		**48,536,847**	48,418,248

These consolidated financial statements were approved for issue by the Board of Directors on December 18, 2023, and are signed on its behalf by:

"Gonzalo de Losada"
Director

"Juan David Uribe"
Director

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

BATERO GOLD CORP.
CONSOLIDATED STATEMENTS OF
NET LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Notes	For the year ended August 31, 2023	2022
		$	$
Expenses			
Salaries and wages		**75,306**	199,237
Depreciation		**19,350**	25,139
Office and administration		**43,861**	27,205
Taxes		**49,621**	52,263
Professional and consulting fees	10	**168,311**	197,914
Transfer agent and filing fees		**24,273**	20,948
Travel and accomodation		**0**	458
Operating expenses		**380,722**	523,164
Operating loss		**(380,722)**	(523,164)
Other income			
Others income	10	**6,637**	0
Interest income (expense)	10	**(44,834)**	(2,091)
Foreign exchange gain (loss)		**(20,849)**	86,576
Other income (expenses)		**(59,046)**	84,485
Net loss and comprehensive loss for the period		**(439,768)**	(438,679)
Net loss per share:			
Basic and diluted loss per common share		**(0.00)**	(0.00)
Weighted average number of common shares outstanding - Basic and fully diluted		**115,182,383**	115,182,383

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

BATERO GOLD CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian dollars)

	For the year ended August 31, 2023	2022
	$	$
Cash flows from:		
Operating activities		
Net loss for the period	**(439,768)**	(438,679)
Adjustment for items not affecting cash:		
Gain on disposal of equipment	**(4,282)**	0
Depreciation	**19,350**	25,139
Changes in non-cash working capital items:		
Amounts receivables	**(1,718)**	(20)
Prepaid expenses and advances	**15,034**	11,142
Accounts payable and accrued liabilities	**(32,575)**	(218,097)
Cash flows from (used in) operating activities	**(443,959)**	(620,514)
Investing activities		
Additions to property and equipment	**(352)**	(45,509)
Additions to exploration assets	**(278,740)**	(1,174,307)
Sale of equipment	**6,238**	0
Cash flows from (used in) investing activities	**(272,854)**	(1,219,816)
Financing activities		
Proceeds from loan payable	**614,264**	0
Repayments to loan payable	**(23,322)**	0
Cash flows from (used in) financing activities	**590,942**	0
Net increase (decrease) in cash	**(125,871)**	(1,840,330)
Cash and cash equivalents, beginning of period	**224,741**	2,065,071
Cash and cash equivalents, end of period	**98,870**	224,741

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

BATERO GOLD CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS´ EQUITY
(Expressed in Canadian dollars)

	Share capital				
	Number of shares	Amount	Equity reserve	Deficit	Total
		$	$	$	$
Balance at August 31, 2021	**115,182,383**	**66,327,048**	**11,987,213**	**(29,612,019)**	**48,702,242**
Net loss and comprehensive loss for the year	0	0	0	(438,679)	(438,679)
Balance at August 31, 2022	**115,182,383**	**66,327,048**	**11,987,213**	**(30,050,698)**	**48,263,563**
Net loss and comprehensive income loss for the year	0	0	0	(439,768)	(439,768)
Balance at August 31, 2023	**115,182,383**	**66,327,048**	**11,987,213**	**(30,490,466)**	**47,823,795**

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

NOTE 1. NATURE OF BUSINESS AND GOING CONCERN

Batero Gold Corp. was incorporated under the Business Corporations Act (British Columbia) on January 15, 2008. The Company's common shares are listed and trade on the TSX Venture Exchange ("TSXV") under the symbol "BAT". The Company, together with its subsidiaries (collectively referred to as the "Company" or "Batero"), is engaged in the exploration and development of mineral property interests in Colombia. The Company's head office is located at 2 Toronto St, Suite 230, Toronto, Ontario, M5C 2B5.

The Company is in the process of exploring and evaluating its exploration and evaluation assets. On the basis of information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the exploration and evaluation assets is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. The amounts shown as exploration and evaluation assets do not necessarily represent present or future values.

As at August 31, 2023, the Company had working capital deficit of ($17,694) (August 31, 2022 $88,918) and an accumulated deficit of $30,490,466 (August 31, 2022 $30,050,698). At present the Company has no producing properties and consequently has no current operating income or cash flow. Management requires financing to fund its planned exploration program and related activities at its Batero-Quinchia Project and ongoing administrative costs for at least the next twelve months. While the Company has been successful in securing financing in the past, there is material uncertainty about whether the Company will be able to obtain the required financing in the future and complete or develop a business. This material uncertainty casts significant doubt about the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business. These financial statements do not include any adjustments for the recoverability and classification of assets and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

The consolidated financial statements of the Company for the years ended August 31, 2023 and 2022, were reviewed, approved, and authorized by the Board of Directors on December 18, 2023.

NOTE 2. BASIS OF PRESENTATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). IFRS represents standards and interpretations approved by the IASB, and are comprised of IFRSs, International Accounting Standards (IASs") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRICs") or the former Standing Interpretations Committee ("SICs").

Details of the Group
The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Bahia Bonita Properties S.A. ("Bahia"), a Panamanian company, and Sociedad Minera Quinchia S.A.S. ("Minera Quinchia"), a Colombian company. Intercompany balances and transactions are eliminated on consolidation. All amounts, unless specifically indicated otherwise, are presented in Canadian dollars.

Basis of Measurement
The consolidated financial statements have been prepared on a historical cost basis and have been prepared using the accrual basis of accounting except for cash flow information. These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Company are as follows:

3.1 Critical Judgements and Sources of Estimation Uncertainty

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Critical judgments
Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Impairment of long-lived assets
Management is required to assess impairment in respect of intangible exploration assets and property and equipment. Management uses the triggering events defined in IFRS 6 and IAS 36, respectively. Management's assessment of any impairment of exploration assets and property and equipment is dependent on geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits, life of mine plans, economic and market conditions, useful lives of assets and their related salvage values. Management has determined that there were no impairment indicators present under IFRS 6 and IAS 36.

Estimation uncertainty
Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Income taxes
In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Depreciation of property and equipment
Depreciation expense is calculated based on estimated asset lives. Should the asset life or depreciation rates differ from the initial estimate, an adjustment would be made in the consolidated statements of net loss and comprehensive loss.

3.2 Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company is not exposed to significant credit or interest rate risk although cash is held in excess of federally insured limits with a major financial institution.

3.3 Amounts receivable

Amounts receivable are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest method. Receivables are classified as amortized cost.

3.4 Accounts payable and accrued liabilities

Payables are obligations to pay for materials or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Payables are classified as amortized cost and are initially measured at fair value and are subsequently measured at amortized cost using the effective interest method.

3.5 Exploration assets

Costs related to the acquisition, examination and evaluation of exploration assets are capitalized as incurred. General expenses related to evaluation and exploration that are not directly related to the asset are not capitalized and are expensed as incurred.

Once an economically viable reserve has been determined for an area, and the decision to proceed with development has been approved, exploration assets attributable to that area are first tested for impairment and then reclassified to property and equipment.

Subsequent recovery of the value of exploration assets depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off.

From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. Option payments are recorded as property costs or recoveries when the payments are made or received.

The Company assesses exploration assets for impairment when facts and circumstances suggest that the carrying amounts may exceed the recoverable amounts. To the extent that the value of an exploration asset is not expected to be recovered, it is charged to earnings.

3.6 Property and equipment

Property and equipment, which is comprised of land, mobile and field equipment, buildings, office furniture and computer hardware and computer software, is recorded at cost less accumulated depreciation calculated using the straight-line method over their estimated useful lives of between 1 and 20 years. No depreciation is taken on land.

3.7 Share capital

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from the issuance of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common share and any residual value remaining is allocated to common share purchase warrants.

3.8 Share-based payments

The Company grants share options to acquire common shares of the Company to directors, officers, consultants and employees.

The fair value of the options to employees is measured at the grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded vesting method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received, at either the fair value of the goods or services received or the fair value of the equity instruments issued using the Black-Scholes option pricing model. The fair value is recognized as an expense with a corresponding increase in share-based payment reserves. The amount recognized as expense is adjusted to reflect the number of share options that ultimately vest. On exercise of the option, the related share-based payment expense is reclassified from share-based payment reserve to share capital.

3.9 Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

The increase in the provision due to the passage of time is recognized as interest expense. As at August 31, 2023 and 2022, the Company does not have any environmental rehabilitation obligation.

3.10 Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. The carrying value of a long-lived asset is impaired when the carrying amount exceeds the estimated undiscounted net cash flows from use and fair value.

In that event, the amount by which the carrying value of an impaired long-lived asset exceeds its fair value is charged to earnings.

3.11 Foreign exchange

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in 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, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate 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 comprehensive loss.

3.12 Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statement of net loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is only recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recognized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.13 Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

3.14 Financial instruments

Classification
The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in comprehensive income (loss) in the period in which they arise.

Financial assets and liabilities carried at FVOCI are initially recorded at fair value. Unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVOCI are included in comprehensive income (loss) in the period in which they arise.

Impairment of Financial Assets at Amortized Cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the expected credit loss has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. Regardless of whether credit risk has increased significantly, the loss allowance for trade receivables without a significant financing component classified at amortized cost, are measured using the lifetime expected credit loss approach. The Company shall recognize in the statements of comprehensive income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive income (loss).

NOTE 4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following three categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVOCI"), at amortized cost.

The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	**Category**
a. Cash and cash equivalents	FVTPL
b. Amounts receivables	Amortized Cost
c. Accounts payable and accrued liabilities	Amortized Cost
d. Loan payable	Amortized Cost

IFRS 7 establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs in making fair value measurements as follows:

Level 1 - applied to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

Level 3 - applies to assets or liabilities for which there are unobservable market data.
The carrying value of accounts payable and accrued liabilities approximate their fair value due to the short-term nature of these instruments. Pursuant to IFRS 7, the fair value of cash is measured on a recurring basis based on Level 1 inputs.

The Company´s risk exposure and financial instruments are summarized below:

4.1 Credit risk

Credit risk is the risk of potential loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Cash is mostly held in large Canadian financial institutions. Management believes that the credit risk concentration with respect to cash is low. The Company currently has limited credit risk from operations.

4.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due. The Company prepares expenditure budgets which are regularly monitored and updated as considered necessary. To facilitate its exploration program and ongoing corporate, general and administrative overhead, the Company raises funds through private equity placements, public offerings and option agreements with third parties.

As at August 31, 2023, the Company had cash of $98,870 (August 31, 2022 – $224,741) to settle current liabilities of $122,110 (August 31, 2022 - $154,685).

4.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is limited interest rate risk due to the short-term nature of the Company's financial instruments.

4.4 Foreign currency risk

The Company conducts its business in Colombia in Colombian pesos, and in Canada in Canadian dollars. An insignificant dollar value of business in each country is transacted in a currency that is foreign to that operation, and as a result any foreign currency risk inherent in day-to-day operations is minimal.

The Company funds activities in the Colombian operation and advances funds from time to time by way of direct investment.

4.5 Capital Management

The Company's objective when managing capital, defined as its shareholders' equity, is to safeguard the entity's ability to continue as a going concern, so that it can continue to acquire and explore mineral interests.

The Company funds all administration and exploration programs from the issue of shares, generally through private placements. The Company prepares a budget for seasonal exploration programs and may initiate equity offerings to ensure sufficient funds for each season's programs. If the Company is unsuccessful in raising sufficient capital, exploration programs may be extended, delayed or cancelled. In order to conserve cash, the Company may issue shares to pay for properties or compensate directors, employees and contractors through stock options.

The Company is not subject to any externally imposed capital requirements.

(Expressed in Canadian dollars)

NOTE 5. PROPERTY AND EQUIPMENT

	Land $	Mobile And Field Equipment $	Buildings $	Computer Hardware and Software $	Office Furniture $	Total $
Cost						
As at August 31, 2021	2,481,184	190,033	619,650	333,038	156,256	3,780,161
Additions	15,819	2,183	0	26,977	530	45,509
As at August 31, 2022	2,497,003	192,216	619,650	360,015	156,786	3,825,670
Additions	0	0	0	352	0	352
Disposals	0	0	0	(4,575)	(6,051)	(10,626)
As at August 31, 2023	**2,497,003**	**192,216**	**619,650**	**355,792**	**150,735**	**3,815,396**
Accumulated Depreciation						
As at August 31, 2021	0	(143,087)	(155,796)	(307,414)	(136,702)	(742,999)
Additions	0	(3,711)	(1,229)	(18,656)	(1,544)	(25,140)
As at August 31, 2022	0	(146,798)	(157,025)	(326,070)	(138,246)	(768,139)
Additions	0	(2,071)	(1,138)	(15,303)	(838)	(19,350)
Disposals	0	0	0	2,619	6,051	8,670
As at August 31, 2023	**0**	**(148,869)**	**(158,163)**	**(338,754)**	**(133,033)**	**(778,819)**
Net Book Value						
As at August 31, 2022	2,497,003	45,418	462,625	33,945	18,540	3,057,531
As at Augst 31, 2023	**2,497,003**	**43,347**	**461,487**	**17,038**	**17,702**	**3,036,577**

NOTE 6. EXPLORATION ASSETS

The Batero-Quinchia property comprises three concession contracts and a concession contract application in a contiguous block located within the Municipality of Quinchia, Department of Risaralda, Colombia.

The Company has a 100% interest in the Batero-Quinchia Property and will be required to issue an additional 2,000,000 common shares of the Company if a National Instrument 43-101 ("NI 43-101") compliant report is prepared at any time by the Company that establishes the existence of at least five million ounces of gold categorized as measured resources (as such term is defined in NI 43-101) at a cut-off grade of 0.7 grams per tonne of gold or gold equivalent on the Batero-Quinchia Property.

Additions to the Batero-Quinchia Property during the year ended August 31, 2023 and 2022, are as follows:

(Expressed in Canadian dollars)

		August 31, 2023 $		August 31, 2022 $
Opening balance	**$**	**45,117,114**	$	43,942,807
Exploration costs				
Camp supplies		**39,875**		123,721
Salaries and wages		**119,335**		310,085
Field workers		**36**		2,964
Foreign corporate taxes		**25,286**		74,443
Metallurgy		**0**		45,641
Consulting and professional fees		**68,614**		173,391
Security		**0**		32,449
Social and environmental		**4,123**		330,183
Travel		**10,306**		62,167
Acquisition costs				
Concession fees		**11,165**		15,445
Land acquisition		**0**		3,818
Total exploration and acquisition costs	**$**	**278,740**	$	1,174,307
Ending balance	**$**	**45,395,854**	$	45,117,114

NOTE 7. SHARE CAPITAL

Authorized: Unlimited common shares without par value.

Unlimited preferred shares without par value

There was no activity affecting share capital during the period ended August 31, 2023 and 2022.

NOTE 8. EQUITY RESERVE

Stock options

The Company has a stock option plan (the "Stock Option Plan") under which it may grant options to directors, officers and technical consultants for up to 10% of the issued and outstanding common shares to directors, officers, employees and consultants. Under the plan, the exercise price of an option may not be less than the closing market price during the trading day immediately preceding the date of the grant of the option, less any applicable discount allowed by the TSXV. The options can be granted for a maximum term of five years and vest at the discretion of the board of directors. The fair value of each stock option granted is estimated on the date of grant using the Black-Scholes option-pricing model.

(Expressed in Canadian dollars)

During the year ended August 31, 2023 there was no stock option activity.

	Number of options #	Weighted average exercise price $
Balance - August 31, 2021	1,500,000	0.20
Expired	(1,500,000)	0.20
Balance - August 31, 2022	**0**	**0.00**
Expired	0	0.00
Balance - August 31, 2023	**0**	**0.00**

NOTE 9. INCOME TAXES

The Company's provision for income taxes differs from the amount computed by applying the combined Canadian federal and provincial income tax rates to loss before income taxes as a result of the following:

	August 31, 2023 $	2022 $
Statutory tax rates	**26.50%**	26.50%
Income tax recovery computed at the statutory rates	**$ 33,500**	$ (116,200)
Tax rate differences	**24,100**	3,500
Benefit of tax losses not recognized	**(57,600)**	112,700
Provision for (recovery of) income taxes	**$ 0**	$ 0

The enacted tax rates in Canada of 26.5% (26.5% - 2022) and Colombia of 35% (35% - 2022) where the company operates are applied in the tax provision calculation.

The following table reflects the Company's deferred income tax assets (liabilities) that have not been recognized in the consolidated financial statements:

	August 31, 2023 $	2022 $
Property and equipment	**$ (424,100)**	$ (495,900)
Non-capital losses carried forward	**4,880,000**	4,602,200
Mineral property costs	**2,046,900**	2,046,900
	$ 6,502,800	$ 6,153,200

As at August 31, 2023, the Company has Colombian non-capital losses of $4,891,000 CAD (2022 - $4,215,000) that have not been recognized and may be carried forward and applied against Colombian taxable income of future years. The non-capital loss may be carried forward indefinitely.

(Expressed in Canadian dollars)

As at August 31, 2023, the Company has Canadian non-capital losses of $11,956,000 CAD (2022 - $11,799,000) that have not been recognized and may be carried forward and applied against Canadian taxable income of future years. The non-capital losses have expiry dates as follows:

	$
2029	35,000
2030	573,000
2031	1,993,000
2032	2,647,000
2033	2,162,000
2034	1,016,000
2035	820,000
2036	1,516,000
2037	252,000
2038	54,000
2039	0
2040	62,000
2041	189,000
2042	480,000
2043	157,000
Total	**11,956,000**

NOTE 10. RELATED PARTY DISCLOSURES

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (executive and non-executive) of the Company.

Antioquia Gold Ltd. a Company controlled by the same group that controls Batero Gold Corp. had the following transactions with the Company:

- During the years ended August 31, 2023 and 2022, the Company paid or accrued amounts due to Antioquia Gold Ltd, a company with key management personnel common to Batero Gold Corp, for back office services. Antioquia Gold Ltd. was paid $34,596 (August 31, 2022 - $52,196). Batero shares office space with Antioquia Gold Ltd. and the payments made to it were primarily for shared office costs.

- Accounts payable and accrued liabilities related to shared office space as at August 31, 2023, is $8,341 (August 31, 2022 - $8,697).

- Income for sale of equipment as at August 31, 2023, is $6,051 (August 31, 2022 - $Nil). Amounts receivable as at August 31, 2023, is $Nil (August 31, 2022 - $Nil) owing to related parties.

- During the year, Minera Quinchia, a subsidiary of Batero, entered into a loan agreement to receive $2,400,000,000 COP ($790,000 CAD) over 15 months expiring January 20, 2024. The loan is unsecured, denominated in COP, bears interest at IBR + 7.5% and the terms of repayment are to be mutually agreed upon when the loan agreement expires. The Company and the related party have mutually agreed that repayment will not occur before August 31, 2024 and the loan payable has been classified as long-term. As at August 31, 2023 the loan payable balance was $590,942 including principal $569,320 and $21,622 of interest. Total interest expense for the fiscal year was $43,375.

Income and expenses details:

		August 31,		
		2023		2022
		$		$
Legal	$	**78,067**	$	15,643
Audit		**48,232**		43,633
Back-office services		**34,596**		52,196
Other professional fees		**0**		78,645
Finance		**6,064**		3,369
Others		**1,352**		4,428
Total Professional and consulting fees	$	**168,311**	$	197,914
Income for sale of equipment	$	**6,051**	$	0
Others		**586**		0
Total Others income	$	**6,637**	$	**0**
Bank Expenses	$	**(1,459)**	$	(2,091)
Loan interest expense		**(43,375)**		0
Total Interest income (expenses)	$	**(44,834)**	$	**(2,091)**

NOTE 11. SEGMENTED INFORMATION

The Company operates in one geographic center. It has one reportable operating segment, being that of exploration and evaluation activities in Colombia. Geographically, as at August 31, 2023, all non-current assets in the amount of $48,432,431 (August 31, 2022 - $48,174,645) were held in Colombia.

NOTE 12. EVENTS AFTER THE REPORTING PERIOD

After the cut-off period and before the issuance of financial statements, the loan from Antioquia Gold Ltd has increased $350,000,000 COP ($115,850 CAD).