



BATERO GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED MAY 31, 2026 AND 2025

The following management discussion and analysis ("MD&A"), prepared as of July 17, 2026 should be read in conjunction with the Batero Gold Corp. (the "Company" or "Batero") interim unaudited condensed consolidated financial statements and the accompanying notes for the period ended May 31, 2026 and 2025. The Company has adopted International Financial Reporting Standards ("IFRS") and the following disclosure and associated financial statements are presented in accordance with IFRS. All comparative information provided is in accordance with IFRS. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR+ at www.sedarplus.ca.

Qualified Person

Except as otherwise disclosed herein, all the scientific and technical information disclosed in this MD&A was reviewed and approved by Roger Moss, Ph.D. P.Geo. a qualified person as defined under NI 43-101.

1. GENERAL COMPANY OVERVIEW

Batero is focused on the exploration and development of its 100% owned Batero-Quinchia project, which is located within Colombia's Middle Cauca Belt of porphyry gold-copper and epithermal gold systems (the "Project" or the "Batero-Quinchia Project"). The Company completed a drilling program in 2017 to evaluate the highest gold grades in the oxide and transition zones of the porphyry mineralization at the Batero-Quinchia Project's La Cumbre deposit.

The underlying value of the unproven mineral interests is entirely dependent on the existence of economically recoverable resources and the ability of the Company to obtain the necessary financing to complete development and future production. The amounts shown as exploration and evaluation assets represent net costs to date, less amounts written off, and do not necessarily represent present or future values.

As at May 31, 2026, the Company had working capital of \$45,682 (August 31, 2025 - deficit \$1,833,440) and an accumulated deficit of \$31,384,393 (August 31, 2025 – deficit \$30,843,988). At present the Company has no producing properties and consequently has no current operating income or cash flow. There is material uncertainty about whether the Company will be able to obtain the required financing and complete or develop a business. This material uncertainty casts significant doubt about the Company's ability to continue as a going concern. The 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. The 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 Company continues the process of exploring and evaluating its mineral properties.

2. OVERALL PERFORMANCE AND OUTLOOK

The outlook for Batero is:

- Capitalized at May 31, 2026 with cash of CAD \$246,136.
- Continuing to advance the Batero-Quinchia Project in a cost effective and timely manner. Notably, the Company has taken advantage of Colombian mining law which has allowed it to integrate three mining titles into one tenement, reducing the need to develop three separate mining projects, one for each title. This will allow for more economic development of the project and the deposit.

3. DISCUSSION OF OPERATIONS

Readers are cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability. Readers are also cautioned that inferred mineral resources are considered too speculative geologically to have economic considerations applied to them.

Batero-Quinchia Project

The Company is focused on accelerating the La Cumbre deposit towards a development decision. Engineering, environmental impact assessment, archaeological studies and social baseline studies are being prepared to reflect a changed footprint and will be used to support a review of any development options.

Property Description and Location

The Batero-Quinchia Project is located within the Municipality of Quinchia, Department of Risaralda, Republic of Colombia, approximately 55 kilometres to the north of Risaralda's capital, Pereira. The Project consists of a 1,407 - hectare tenement plus one application for a concession contract of 155 hectares and is supported with full infrastructure including roads, water and power. The closest population centre, the town of Quinchia, lies 3 kilometres northwest of the tenement. The tenement is centered on the La Cumbre porphyry-gold target located at 420976E and 585718N, within Zone 18 north of the Universal Transverse Mercator grid (UTM WGS84).

Concession Agreements

On January 16, 2012, the Company reported that concession agreements are executed on 100% of the Company's property. On October 2, 2013, the Company confirmed that concession contract 18567 was formally and officially registered by ANM. This concession is part of the block of three concessions comprising the Company's 100% owned Batero-Quinchia Project. Concession contract 22270 was registered during October 2005, and registration of the remaining concession agreement 22159 was formalized October 20, 2019.

Technical Report on the Batero-Quinchia Project

On October 6, 2022, the Company announced the results of an updated mineral resource estimate for the La Cumbre deposit via press release (the "October 2022 Press Release") and filed a technical report on the updated mineral resource estimate with an effective date of December 31, 2021 entitled "Batero Gold Corp. La Cumbre Gold Project, Department of Risaralda, Colombia, NI 43-101 Technical Report on Updated Mineral Resource Estimate and Preliminary Economics Assessment" (the "Report"), which was prepared by an independent consulting company, Linares Americas Consulting S.A.C. ("LINAMEC").

On December 22, 2022, the Company announced that as part of a routine technical disclosure review by the British Columbia Securities Commission (the "BCSC" or the "Commission"), the BCSC found that the Report prepared by

LINAMEC did not comply with certain provisions of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and Form 43-101F1 – *Technical Report* (together, “NI 43-101”). As a result, mineral resource estimates in the Report should not be relied on until they have been verified and supported by an amended technical report prepared and filed in accordance with NI 43-101. Furthermore, the preliminary economic assessment contained in the Report were not prepared at a preliminary feasibility study level, and the disclosure in the Report with respect to the estimate of potential economic mineral resources which could be an advance estimate of the potential mineral reserves should not be relied upon.

On September 25, 2023, the Company announced the results of an updated mineral resource estimate for the La Cumbre deposit via press release and filed a technical report on the updated mineral resource estimate with an effective date of September 15, 2022, amended and restated report date of September 25, 2023 entitled “Batero Gold Corp. La Cumbre Gold Project, Department of Risaralda, Colombia, NI 43-101 Technical Report on Updated Mineral Resource Estimate and Preliminary Economic Assessment” (the “Report”), which was prepared by an independent consulting company, Linares Americas Consulting S.A.C. (“LINAMEC”). The Report incorporates the results of all drilling conducted between 2006 and 2017 in the area known as “La Cumbre”, including 41,338.50 metres in 143 drill holes. The main objective was to evaluate the metal content of the oxide, transition, and primary zones, and to update the total mineral resource estimate for the La Cumbre Project. This Technical Report now includes the mineral resource estimate of the primary sulfide zone in addition to the oxide and transitional zones (Tables 1 to 4). The financial model prepared for the report presents a post-tax NPV5% of US\$480.6 million, with a Post-Tax IRR of 32.1% and a 2.5-year payback time. The base case scenario was valued under a gold price of US\$1,750/oz, silver price of US\$22.00/oz and a USD: COP 1.00:3963 exchange rate (Table 5). The Qualified Persons responsible for the report believe that the La Cumbre Project is economically viable based on these prices.

Table 1. Mineral Resource Statement for Oxide Zone – September 15, 2022:

Total Resources for Oxide Zone (Cutoff = 0.218 Au g/t)							
Resource	Volume	Density	Tonnage	Au g/t	Au oz	Ag g/t	Ag oz
Measured	5,304,580	2.520	13,367,541	0.768	330,230	1.62	694,795
Indicated	354,404	2.520	893,099	0.403	11,565	1.38	39,713
Meas. + Ind.	5,658,984	2.520	14,260,640	0.745	341,795	1.60	734,507
Inferred	12,489	2.520	31,471	0.412	417	1.31	1,321

Table 2. Mineral Resource Statement for Transitional Zone – September 15, 2022:

Total Resources for Transitional Zone (Cutoff = 0.218 Au g/t)							
Resource	Volume	Density	Tonnage	Au g/t	Au oz	Ag g/t	Ag oz
Measured	2,887,300	2.520	7,275,997	0.670	156,665	1.62	378,460
Indicated	401,916	2.520	1,012,829	0.461	15,000	1.43	46,552
Meas. + Ind.	3,289,217	2.520	8,288,826	0.644	171,665	1.59	425,012
Inferred	308,662	2.520	777,827	0.422	10,561	1.35	33,667

Table 3. Mineral Resource Statement for Primary Zone – September 15, 2022:

Total Resources for Primary Zone (Cutoff = 0.179 Au g/t)							
Resource	Volume	Density	Tonnage	Au g/t	Au oz	Ag g/t	Ag oz
Measured	41,126,022	2.645	108,778,327	0.466	1,630,754	1.50	5,263,075
Indicated	1,655,100	2.645	4,377,739	0.362	50,911	0.04	5,168
Meas. + Ind.	42,781,122	2.645	113,156,067	0.462	1,681,665	1.45	5,268,243
Inferred	35,837	2.645	94,789	0.337	1,026	1.14	3,484

Total 4. Mineral Resource Statement for All Mineral Zones - September 15, 2022:

Total Resources All Mineral Zones							
Resource	Volume	Density	Tonnage	Au g/t	Au oz	Ag g/t	Ag oz
Measured	49,317,902	2.624	129,421,866	0.509	2,117,649	1.52	6,336,330
Indicated	2,411,421	2.606	6,283,667	0.383	77,476	0.45	91,432
Meas. + Ind.	51,729,322	2.623	135,705,533	0.503	2,195,124	1.47	6,427,763
Inferred	356,987	2.533	904,088	0.413	12,005	1.32	38,472

Notes to accompany La Cumbre Mineral Resource tables:

1. Mineral Resources have an effective date of September 15, 2022.
2. The Mineral Resource was estimated by Mr. Fernando Linares (MAusIMM (CP)) and Mr. Walter La Torre (MAusIMM (CP)) of LINAMEC SAC, Independent Qualified Persons under NI 43-101.
3. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability
4. The MRE has been categorized in accordance with the CIM Definition Standards (CIM, 2014).
5. Mineral Resources are reported within a conceptual optimized pit that uses the following input parameters: Au price: US\$1,750/troy oz and US\$22.0/troy oz Ag, mining cost: US\$1.95/t, process cost (including G&A): US\$10.20/t processed, gold selling cost: US\$47.00/troy oz and overall slope angle of 39°.
6. The resource models used ordinary kriging ("OK") grade estimation within a three-dimensional block model and mineralized zones defined by wireframed solids. The 2m composite grades were capped where appropriate.
7. All tonnages reported are dry metric tonnes and ounces of contained gold are troy ounces.
8. Gold recovery in the oxide and transitional zones was fixed at 85.5%. Gold recovery in the primary zone was fixed at 84.1%.
9. Mineral Resources (Oxide & Transitional) are reported using a 0.218 Au g/t cut off grade. Mineral Resources (Primary) are reported using a 0.179 Au g/t cut off grade.
10. All figures are rounded to reflect the relative accuracy of the estimates. Minor discrepancies may occur due to rounding to appropriate significant figures.
11. LINAMEC is not aware of any environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues that could materially affect the potential development of the Mineral Resource.

Table 5. PEA Highlights

Item	Unit	Open pit
Commodity Prices (Long term)		
Gold Price	US\$/oz	\$1,750
Silver Price	US\$/oz	\$22.00
LoM Mine Plan Summary		
Mine Life	years	14
Minable resource	kt	106,594
Gold grade	g/t	0.56
Silver grade	g/t	1.57
Processing Rate	tpd	15,000-30,000
LoM Processing Recovery (Oxide and Transitional Materials)		
Gold Recovery	%	85.50%
Silver Recovery	%	46.90%
Net Revenue	US\$M	\$2,905.40
Mining	\$/t processed	3.66
Processing	\$/t processed	6.98
Site G&A	\$/t processed	0.22
Treatment, Refining, Freight	\$/t processed	0.13
By-product credits	\$/t processed	-0.55
C1 Cash Operating Cost	US\$/oz	684.22
All in Sustaining Costs	US\$/oz	770.89
Operating Costs	US\$M	\$1,171.50

Item	Unit	Open pit
Royalties	US\$M	\$92.50
EBITDA	US\$M	\$1,641.40
Net Cash Flow		
Less: Cash taxes	US\$M	(\$352.40)
Less: Change in working capital	US\$M	\$0.00
Less: Capital expenditures	US\$M	(\$466.30)
Net Cash Flow	US\$M	\$822.70
Post-Tax NPV 5%	US\$M	\$480.60
Post-Tax IRR	US\$M	32.10%
Payback (1st phase)	Years	2.5

Note: Cash costs comprise the sum of anticipated mining, processing, general and administrative costs, and selling costs plus byproduct credits. All-in sustaining costs (AISC) are an extension of the cash costs adding the costs to sustain production. Totals may not sum due to rounding. Mr. Fernando Linares (MAusIMM (CP)) and Mr. Walter La Torre (MAusIMM (CP)) of LINAMEC SAC, are the Independent Qualified Persons responsible for the Preliminary Economic Assessment.

Environmental, Social and Corporate Initiatives

Environmental Licensing and Prior Consultation

Batero, with the support of Servicios Ambientales y Geográficos (“SAG”), has initiated a preliminary review of the components of the Environmental Impact Assessment (“EIA”) that require updating in accordance with the terms of reference established by the National Environmental Licensing Authority (“ANLA”). Once the prior consultation process with the Embera Karambá community has been formally concluded, the Company intends to update and submit the EIA as part of the corresponding environmental licensing process.

As part of the prior consultation process, Minera Quinchía and the Embera Karambá community participated in five technical working groups intended to jointly develop the methodological framework for the consultation. As the parties were unable to reach an agreement, the Directorate of the National Authority for Prior Consultation (“DANCP”), in the exercise of its legal authority, established the applicable methodological framework through Resolution No. 146 dated December 3, 2025.

Minera Quinchía subsequently completed the activities contemplated under the methodology established by the national authorities, with the corresponding procedural stage concluding on May 13, 2026. The indigenous community elected not to participate in certain stages of the process and filed legal actions seeking its suspension; however, the judicial authorities did not grant the requested relief.

The process is currently pending a determination by the competent national authority regarding the request to formally close the prior consultation process and the potential application of the proportionality test provided for under applicable law. The process remains subject to review by the relevant administrative and judicial authorities to ensure compliance with due process requirements.

Social Management and Community Engagement

During 2026, the Company’s social management team continued to strengthen the Project’s social licence through ongoing, legitimate and transparent engagement with stakeholders in the region. These activities supported cooperation with local and departmental authorities, the National Federation of Coffee Growers, local coffee-growing associations, educational institutions, Community Action Boards and other community organizations.

The Company supported initiatives focused on improving rural infrastructure, strengthening education and cultural

activities, promoting sustainable coffee production, encouraging generational renewal and increasing local procurement.

Key initiatives undertaken during the reporting period included:

- Rural road infrastructure: Improvement of approximately 322 metres of tertiary roads through an agreement among the National Federation of Coffee Growers, the Municipality of Quinchía and local communities.
- Education: Launch of the “Threads of Gold, Woven Peace” Goldsmithing School, with the participation of 45 students from a local educational institution and the surrounding community.
- Culture: Continued support for the La Cumbre Rural Symphonic Band and for traditional community and cultural activities undertaken in partnership with the local government.
- Productive development: Support for coffee-growing families engaged in the production and marketing of specialty coffees, with the objective of strengthening the local value chain and generating sustainable income across approximately 50 communities in the municipality.
- Generational renewal: Implementation of the “Little Coffee Growers” program, through which 15 children from coffee-growing families began training related to local coffee production and culture.
- Local procurement: Continued promotion of the acquisition of goods and services from local suppliers, where commercially and operationally feasible.

These initiatives strengthened cooperation among the Company, government authorities, productive associations, educational institutions and local communities. They also contributed to building trust, supporting peaceful coexistence and promoting sustainable social and economic development in the Project’s area of influence.

Environmental Management

During the reporting period, the environmental management team focused on complying with regulatory commitments, maintaining the Project’s environmental permits and strengthening the environmental baseline through periodic monitoring.

The Company continued to monitor streamflow, in-situ physicochemical water-quality parameters, climatic variables and groundwater levels. The information obtained through these activities supports the preparation of technical reports and the fulfilment of obligations arising from the environmental permits granted by the Regional Autonomous Corporation of Risaralda (“CARDER”).

Key environmental activities undertaken during the period included:

- Regulatory compliance: Submission of compliance reports associated with Resolution No. 2204 of 2023 and updating of the Company’s information in the Single Environmental Registry (“RUA”).
- Water and wastewater management: Characterization of domestic wastewater generated at the camp and continued monitoring of surface water, groundwater and water flows within the Project’s area of influence.
- Solid and hazardous waste management: Management of the collection, transportation and final disposal of solid and hazardous waste through duly authorized waste-management service providers, in accordance with applicable regulations.
- Forestry management: Processing and management of the forestry permits required for the maintenance of the camp and related Project areas.
- Environmental monitoring and education: Periodic monitoring of water sources and groundwater levels, together with environmental education and awareness activities in rural communities within the area of influence.
- Institutional relations: Meetings and technical coordination with CARDER to strengthen communication, address regulatory requirements and support continued compliance with the Company’s environmental obligations.

These activities support the continued validity of the Project’s permits relating to water abstraction, wastewater discharge and forestry use.

Corporate Matters

During the reporting period, the Company updated its internal administrative and employment practices in response to changes in Colombian labour legislation, including amendments to the statutory working week and other applicable employment regulations. These measures were implemented to maintain compliance with local law and to continue improving working conditions for employees.

4. SELECTED ANNUAL INFORMATION

The following are selected financial data prepared in accordance with IFRS and derived from the audited consolidated financial statements of the Company for the financial years ending August 31:

	2025	2024	2023
Audited data, for fiscal years ended August 31,	\$	\$	\$
Operating loss	(310,654)	(290,815)	(380,722)
Interest income (expenses)	(194,457)	(158,562)	(44,834)
Foreign exchange gain (loss)	(35,294)	95,855	(20,849)
Net loss and comprehensive loss	(540,405)	(353,522)	(439,768)
Basic and diluted loss per share	(0,00)	(0,00)	(0.00)
Additions to exploration asset	168,435	229,784	278,740
Total assets	48,851,612	48,673,216	48,536,847

None of the Company's properties have advanced to the point where a production decision can be made. Consequently, the Company has no producing properties and no sales or revenues from that source.

During the year ended August 31, 2025, the Company realized a net loss of \$ 540,405 (2024 – \$ 353,522).

5. SELECTED QUARTERLY INFORMATION

The following are selected quarterly financial information for the nine most recent quarters prepared in accordance with IFRS:

	May 31, 2026 3th Qtr	Feb 28, 2026 2nd Qtr	Nov 30, 2025 1st Qtr	Aug 31, 2025 4th Qtr
\$CAD 000's except per share data and numbers of shares				
Operating expenses	134,008	(53,750)	167,250	59,322
Interest income (expenses)	(113,102)	(79,395)	(88,367)	(51,691)
Foreign exchange gain (loss)	(25,693)	(156,737)	6,990	(99,323)
Net income (loss)	(272,803)	(182,382)	(248,627)	(210,336)
Net income (loss) per common share	(0)	(0)	(0.00)	(0.00)
Number of shares outstanding	115,182,383	115,182,383	115,182,383	115,182,383
Exploration and evaluation additions	96,943	28,973	57,064	39,016
	May 31,	Feb 28,	Nov 30,	Aug 31,

\$CAD 000's except per share data and numbers of shares	2025 3th Qtr	2025 2nd Qtr	2024 1st Qtr	2024 4th Qtr
Operating expenses	68,234	82,018	101,080	70,169
Interest income (expenses)	(51,051)	(50,492)	(41,223)	(44,536)
Foreign exchange gain (loss)	53,786	(76,760)	87,003	101,538
Net income (loss)	(65,499)	(209,270)	(55,300)	(13,167)
Net income (loss) per common share	(0)	(0)	(0)	(0)
Number of shares outstanding	115,182,383	115,182,383	115,182,383	115,182,383
Exploration and evaluation additions	33,360	42,583	53,476	38,333

6. LIQUIDITY AND CAPITAL RESOURCES

The Company has followed a policy of converting a significant portion of its Canadian dollar cash holdings into US funds in the belief that the US dollar will strengthen.

The Company has received loans from Antioquia Gold Ltd, a Company controlled by the same group that controls Bateria Gold Corp, and shares two Directors, to cover its cash obligations:

- During the period ended May 31, 2026, the Company received the amount of USD \$ 463,974 (August 31, 2025 \$305,096).
- The total loan and interest that the Company owes to Antioquia Gold Ltd as at May 31, 2026 amount to \$2,809,596. The total loan plus interest are unsecured, denominated in COP, bear interest at IBR + 7.5%.

On an ongoing basis, the Company examines various financing alternatives to address future funding requirements. Although the Company has been successful in these activities in the past, the Company has no assurance of the success or sufficiency of these initiatives in the future. The Company's ability to secure future financing is dependent on a variety of factors outside of the Company's control, including, but not limited, to general market conditions, changes in economic conditions and fluctuations in commodity prices. See Section 11 'Risks and Uncertainties' below.

7. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

8. RELATED PARTY TRANSACTIONS

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 Bateria, had the following transactions with the Company:

- During the periods ended May 31, 2026 and 2025, the Company incurred \$25,816, (May 31, 2025 \$23,403) for professional fees and consulting fees with Antioquia Gold Ltd, the payments made to it were primarily for shared office costs and key management personnel common to Bateria Gold Corp. As at May 31, 2026 \$119,136 (August 31, 2025 \$76,764) remained unpaid in accounts payable and accrued liabilities.

- Minera Quinchia, a subsidiary of Batero, entered into a loan agreement to receive \$2,400,000,000 COP (\$790,000 CAD) which was amended during fiscal year 2024 to \$4,800,000,000 COP (\$1,580,000 CAD) and subsequent to fiscal year 2025 was further amended to receive \$6,702,045,000 COP (\$2,300,000 CAD). The term of the loan was amended during fiscal year 2024 from 15 months to 38 months expiring December 20, 2025 and subsequent to fiscal year 2025 was further amended to 74 months expiring December 20, 2028. 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. As at May 31, 2026 the loan payable balance was \$2,809,596 (August 31, 2025 \$1,761,370) including principal \$2,200,787 (August 31, 2025 \$1,406,656) and \$608,809 (August 31, 2025 \$354,714) of interest. Total interest expense for the fiscal year was \$189,147 (August 31, 2025 \$191,804).

9. PROPOSED TRANSACTIONS

The Company does not currently have any proposed transactions as at May 31, 2026. The Company will make disclosure in respect of any such opportunity when required under applicable securities rules.

10. FINANCIAL INSTRUMENTS AND OTHER POTENTIAL RISKS

1. 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

2. The Company’s risk exposure and financial instruments are summarized below:

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 and receivables. Cash is mostly held in large Canadian financial institutions. Receivables consist primarily of amounts due from the federal Government of Canada. Management believes that the credit risk concentration with respect to cash and receivables is low. The Company currently has limited credit risk from operations.

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 May 31, 2026, the Company had cash of \$246,136 (August 31, 2025 – \$ 35,144) to settle current liabilities of

\$205,158 (August 31, 2025 - \$ 160,374).

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.

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.

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.

11. RISKS AND UNCERTAINTIES

An investment in the Company involves a number of risks. Prospective investors should carefully consider the following risks and uncertainties in addition to other information in this report in evaluating the Company and its business before making any investment decision in the common shares of the Company. The Company's business, operating and financial condition could be harmed due to any of the following risks. The risks described below are not the only ones facing the Company. Additional risks not presently known to us may also impair business operations.

Exploration and Mining Risks

The Company is engaged in mineral exploration and development activities. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors beyond the Company's control. Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral resources, any of which could result in work stoppages, damage to property, and possible environmental damage.

Hazards such as unusual or unexpected formations and other conditions such as formation pressures, fire, power outages, labour disruptions, flooding, explorations, cave-ins, landslides and the inability to obtain suitable machinery, equipment or labour are involved in mineral exploration, development and operation. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which the Company may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Company's financial position.

The Company relies upon consultants and others for exploration and development expertise. Substantial expenditures are required to establish resources through drilling, to develop metallurgical processes to extract the metal from the resource and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required

for development can be obtained on a timely basis.

The economics of developing mineral properties are affected by many factors including the cost of operations, variations in the grade of resource mined, fluctuations in metal markets, allowable production, importing and exporting of minerals and environmental protection.

Financing Risks

The Company is limited in both financial resources, and sources of operating cash flow and has no assurance that additional funding will be available to us for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's projects with the possible loss of such properties.

Regulatory Requirements

Even if the Company's mineral properties are proven to host economic mineral resources, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits or repatriation of profits. The Company may acquire other properties in other jurisdictions or countries. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, and expropriation of property, environmental legislation and mine safety.

Uninsurable Risks

During exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company has currently decided not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

No Assurance of Titles

It is possible that any of the Company's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

Permits and Licenses

The operations of the Company may require licenses and permits from various governmental authorities. There can be no assurance that such licenses and permits as may be required to carry out exploration, development and mining operations at the Company's projects will be granted.

Competition

The mineral industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than the Company for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees.

In addition, there is no assurance that a ready market will exist for the sale of commercial quantities of resource. Factors beyond the control of the Company may affect the marketability of any substances discovered.

These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or losing its investment capital.

Environmental Regulations

The Company's operations may be subject to environmental regulations promulgated by government agencies from

time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments.

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, 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. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Stage of Development

The Company is in the business of exploring for, with the goal of producing, mineral resources from its mineral exploration properties. None of the Company's properties have commenced commercial production and the Company has no history or earnings or cash flow from its operations. As result of the foregoing, there can be no assurance that the Company will be able to develop any of its properties profitably or that its activities will generate positive cash flow. A prospective investor in the Company must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of its management in all aspects of the development and implementation of the Company business activities.

Markets for Securities

There can be no assurance that an active trading market in the Company's securities will be established and sustained. The market price for its securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of our peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Company. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector, which have often been unrelated to the operating performance of companies.

Reliance on Key Individuals

The Company's success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in its growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Company.

Geopolitical Risks

The Company may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploitation and production, price controls, export controls, currency availability, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on mineral exports, increased financing costs, and site safety. In addition, legislative enactments may be delayed or announced without being enacted and future political action that may adversely affect the Company cannot be predicted.

12. OUTSTANDING SHARE, WARRANT AND OPTION DATA

As at May 31, 2026, the Company had the following outstanding securities:

- 115,182,383 common shares issued and outstanding in the capital of the Company ("Common Shares");
- Nil Common Share purchase warrants ("Warrants"); and
- Nil stock options ("Options").

13. FORWARD LOOKING STATEMENTS

Certain statements in this MD&A are forward-looking statements or forward-looking information (collectively “forward-looking statements”) within the meaning of applicable securities legislation. The Company is hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking statements in this MD&A include, but are not limited to, statements with respect to: (i) the registration of the concession agreements comprising the Batero-Quinchia Project; (ii) the market and future price of gold; (iii) the timing, cost and success of future exploration activities, including, but not limited to, the advancement of the La Cumbre sector of the Batero-Quinchia Project towards a production decision; (iv) currency fluctuations; (v) requirements for additional capital; (vi) the completion of the Amended Report; and (vii) the removal from the BCSC’s Reporting Issuer’s in Default List upon filing the Amended Report.

Forward-looking statements are based on reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable.

Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed.

The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined, risks relating to variations in resource, grade or recovery rates resulting from current exploration and development activities, risks relating to changes in the price of gold, silver and copper and the worldwide demand for and supply of such metals, risks related to current global financial conditions, uncertainties inherent in the estimation of mineral resources, access and supply risks, reliance on key personnel, risks inherent in the conduct of mining activities, including the risk of accidents, labour disputes, increases in capital and the risk of delays or increased costs that might be encountered during the development process, regulatory risks, including risks relating to the acquisition of the necessary licenses and permits, financing, capitalization and liquidity risks, including the risk that the financing necessary to fund the exploration and development activities at the Batero-Quinchia Project may not be available on satisfactory terms, or at all, risks related to disputes concerning property titles and interest, and environmental risks.

14. ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca.