ALERIO GOLD CORP.

Condensed Interim Financial Statements

For the nine months ended May 31, 2023

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company for the nine months ended May 31, 2023 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

ALERIO GOLD CORP.

Condensed Interim Statements of Financial Position
As at May 31, 2023 and August 31, 2022
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	May 31, 2023	August 31, 2022
Assets		
Current		
Cash	$ 376	$ 6,503
Receivables	13,928	49,177
Prepaid expenses	42,645	69,269
	56,949	124,949
Exploration and evaluation assets (Note 5)	15,989,086	15,989,086
	$ 16,046,035	$ 16,114,035
Liabilities and Shareholders' Equity		
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 8)	$ 325,247	$ 173,241
Loan payable (Note 6)	100,000	100,000
	425,247	173,241
Shareholders' Equity		
Common Shares (note 7)	18,226,621	18,226,621
Reserves (note 7)	243,700	222,000
Deficit	(2,849,533)	(2,507,827)
	15,620,788	15,940,794
Total Liabilities and Shareholders' Equity	$ 16,046,035	$ 16,114,035

Nature of Operations and Going Concern (note 1)
Subsequent Events (notes 7 and 13)

Approved on behalf of the Board:

"Jonathan Challis" (signed)
Director

"Geoff Balderson" (signed)
Director

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

ALERIO GOLD CORP.

Condensed Interim Statements of Loss and Comprehensive Loss
For the three and nine months ended May 31, 2023 and 2022
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the three months ended May 31, 2023	For the three months ended May 31, 2022	For the nine months ended May 31, 2023	For the nine months ended May 31, 2022
		(Note 12)		(Note 12)
Expenses				
Accounting and audit fees	$ -	$ 2,000	$ 5,427	$ 28,318
Consulting fees (Note 8)	24,000	135,050	202,833	426,922
Exploration costs (Note 5)	30,596	67,764	86,331	122,935
Filing and transfer agent fees	3,290	5,184	11,024	21,980
Finance cost (note 6)	-	-	21,700	-
Interest and bank charges	1,854	350	2,463	1,954
Legal fees	4,396	4,869	7,938	67,067
Marketing	6,759	55,882	13,514	163,417
Office expense	1,969	5,485	10,858	7,243
Travel	-	11,092	-	11,092
Website	-	-	-	1,079
	72,864	287,676	362,088	852,007
Loss before other item:	(72,864)	(287,676)	(362,088)	(852,007)
Other item				
Gain on settlement of accounts payable	19,666	-	19,666	-
	19,666	-	19,666	-
Net loss for the period	(53,198)	(287,676)	(342,422)	(852,007)
Income taxes				
Income tax recovery	716	-	716	-
Net Loss and comprehensive loss for the period	**$ (52,482)**	**$ (287,676)**	**$ (341,706)**	**$ (852,007)**
Basic and Diluted Loss per Share	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**	**$ (0.01)**
Weighted Average Number of Common Shares Outstanding	**101,230,827**	**73,230,827**	**101,230,827**	**57,042,518**

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

ALERIO GOLD CORP.

Condensed Interim Statements of Changes in Shareholders' Equity
For the nine months ended May 31, 2023 and 2022
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Common Shares				Total
	Number Outstanding	Amount	Reserves	Deficit	Shareholders' Equity
		(Note 12)		(Note 12)	
Balance, August 31, 2021	19,709,027	$ 2,369,506	$ 356,443	$ (1,631,899)	$ 1,094,050
Reclassification of expired options	-	-	(169,035)	169,035	-
Exercise of share purchase options	80,000	27,030	(11,830)	-	15,200
Shares issued for exploration and evaluation assets	50,000,000	12,500,000	-	-	12,500,000
Private placement	3,441,800	860,450	-	-	860,450
Share issue cost	-	(60,365)	19,347	-	(41,018)
Net loss and comprehensive loss for the period	-	-	-	(852,007)	(852,007)
Balance, May 31, 2022	73,230,827	$ 15,696,621	$ 194,925	$ (2,314,871)	$ 13,576,675
Balance, August 31, 2022	101,230,827	$ 18,226,621	$ 222,000	$ (2,507,827)	$ 15,940,794
Finders warrants issued	-	-	21,700	-	21,700
Net loss and comprehensive loss for the period	-	-	-	(341,706)	(341,706)
Balance, May 31, 2023	101,230,827	$ 18,226,621	$ 243,700	$ (2,849,533)	$ 15,620,788

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

ALERIO GOLD CORP.
Condensed Interim Statements of Cash Flows
For the nine months ended May 31, 2023 and 2022
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the nine months ended May 31, 2023		2022
			(Note 12)
Cash Provided by (Used In)			
Operating Activities			
Net loss for the period	$	(341,706)	$ (852,007)
Items not affecting cash			
Financing cost		21,700	-
Change in working capital balances:			
Receivables		35,249	(34,991)
Prepaid expenses		26,624	(172,000)
Accounts payable and accrued liabilities		152,006	101,616
Cash Used in Operating Activities		(106,127)	(957,382)
Investing Activities			
Advance on exploration and evaluation asset		-	(200,000)
Exploration and evaluation assets		-	(619,243)
Cash Used in Investing Activities		-	(819,243)
Financing Activities			
Proceeds from issuance of shares, net share issuance costs			834,632
Loan payable		100,000	-
Cash Provided by Financing Activities		100,000	834,632
Change in cash for the period		(6,127)	(941,993)
Cash, beginning of period		6,503	1,197,565
Cash, end of period	$	376	$ 255,572
Supplemental Cash Flow Information			
Amounts paid for interest	$	-	$ -
Amounts paid for taxes (recovery)	$	(716)	$ -
Non-cash Transactions:			
Fair value of agent's warrants	$	-	$ 11,830
Shares issued for exploration and evaluation asset	$	-	$ 12,500,000

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Alerio Gold Corp. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on March 22, 2018. On June 11, 2019, the Company completed its initial public offering ("IPO"). On October 28, 2021, the Company changed its name to Alerio Gold Corp. from Project One Resources Ltd. and is now publicly traded on the Canadian Securities Exchange ("CSE") under the ticker ALE. The principal business of the Company is the acquisition, exploration and evaluation of resource properties with its main focus in Guyana, South America. On November 22, 2021, the Company was accepted for listing and commenced trading on the Frankfurt Stock Exchange under the symbol "3FRO" with a WKN number of A3C6XZ.

The Company's head office address is Suite 459 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2, and its registered office address is Suite 1710 – 1177 West Hastings Street, Vancouver, British Columbia, V6E 2L3.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. At present, the Company has no operating income. The Company incurred a net loss of $341,706 during the period ended May 31, 2023 and, as of that date, had a deficit of $2,849,533 (August 31, 2022 - $2,507,827). Without additional financing, the Company may not be able to fund its ongoing operations and complete exploration activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations. These financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus ("COVID-19") pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting.

The condensed interim financial statements were authorized for issue by the Board of Directors on July 31, 2023.

(b) Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The condensed interim financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at August 31, 2022.

Recent accounting pronouncements and changes in accounting policies

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods are as follows:

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023 and are not expected to have a material impact on the Company.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The effect of a change in an accounting estimate is recognized prospectively by including it in net loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

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

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. See Note 1.

Recoverability of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, economic assessments/studies, accessible facilities and existing permits.

Title to exploration and evaluation assets

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

Significant estimates and assumptions

Fair value of consideration in acquisitions

The fair value of consideration transferred in a asset acquisition requires management to make estimates regarding the valuation of equity issued. Valuations of the consideration transferred are highly dependent on the inputs used and assumptions made by management regarding share prices.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

Tassawini and Harpy properties, Guyana

On October 28, 2021, the Company acquired 100% of the right, title and interest to two gold properties in Guyana known as the Tassawini and Harpy properties each holding four mining permits respectively. As consideration, the Company paid cash of $636,889 (US$500,000), of which $216,865 was paid during the year ended August 31, 2021 and issued 50,000,000 common shares with a fair value of $12,500,000. Goldeneye Capital Ltd. will retain a 3% Royalty over the Tassawini property, and the Company will have the option to repurchase up to 1.5% for a one-time payment of US$3,000,000. The Company also capitalized $199,218 in legal costs.

Purini properties, Guyana

On June 28, 2022, the Company entered into an asset purchase agreement with Purini Partnership to acquire 100% interest in five prospecting permits located near the Purini River in the Mazaruni Mining District No. 3, Guyana. As consideration, the Company has agreed to a one-time cash payment of $300,000 (paid) and the issuance of 27,000,000 common shares. On July 6, 2022, the Company issued 27,000,000 common shares at a price of $0.09 per share for a total fair value of $2,430,000. In connection with the asset purchase, the Company issued 1,000,000 common shares to RSJ Consulting Inc. with a fair value of $100,000 to facilitate the transaction. The Company also capitalized $39,843 in legal costs.

Details of exploration activities during the nine months ended May 31, 2023 and 2022 are as follows:

		2023		2022
Engineering, geology, and project management	$	-	$	42,474
Security		86,331		80,462
	$	86,331	$	122,936

6. Loan payable

On February 8, 2023, the Company entered into a loan agreement for a total of $100,000 with a lender. The loan is unsecured, non-interest bearing and due on or before 90 days from the date of advance. In connection with the loan, the Company has agreed to issue 1,000,000 share purchase warrants exercisable at $0.10 per share for a period of 12 months from the date of the loan. The Company fair valued the share purchase warrants at $21,700 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4.25%; dividend yield of 0%; volatility of 144%; expected life of one year; stock price of $0.06. The Company's volatility was based on the Company's historical trade data. (Note 13)

7. SHAREHOLDERS' EQUITY

(a) Authorized

Unlimited number of common shares without par value.

7. SHAREHOLDERS' EQUITY (cont'd)

(b) Issued and outstanding

As at May 31, 2023, 101,230,827 (August 31, 2022 – 101,230,827) common shares without par value.

There were no shares issued during the nine months ended May 31, 2023.

For the year ended August 31, 2022:

On July 6, 2022, the Company issued 27,000,000 common shares fair valued at $2,430,000 pursuant to the terms of an asset purchase agreement (Note 5).

On July 8, 2022, the Company issued 1,000,000 common shares pursuant to the terms of a consulting agreement with a fair value of $100,000 (Note 5).

During January 2022, the Company issued 3,441,800 units pursuant to a private placement at $0.25 per unit for gross proceeds of $860,450. Each unit consisted of one common share and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share at $0.40 per share for a period of two years. In addition, the Company paid cash finder's fees of $41,018 and issued a total of 164,070 agent's warrants at a price of $0.40 until January 20, 2024. The Company fair valued the agent's warrant at $19,347 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.26%; dividend yield of 0%; volatility of 112%; expected life of two years; stock price of $0.25.

On October 28, 2021, the Company issued 50,000,000 common shares with a fair value of $12,500,000 pursuant to the terms of an asset purchase agreement (Note 5).

On October 5, 2021, the Company issued 80,000 common shares pursuant to the exercise of share purchase options for total proceeds of $15,200. The Company transferred $11,830 from reserves.

(c) Escrow shares

On October 28, 2021, the Company executed escrow agreements with an escrow agent and a security holder where they agreed to deposit 42,400,000 common shares in escrow. Under the escrow agreement, 10% of the shares were released on November 3, 2021 and 15% of the shares will be released every six months following. As at May 31, 2023, the Company has 19,080,000 common shares (August 31, 2022 – 31,800,000) held in escrow with the next release of 6,360,000 on November 3, 2023.

(d) Stock options

The Company's stock option plan authorizes the issuance of options up to a maximum of 10% of the Company's issued shares. The exercise price of any option granted shall not be less than the fair market value of the shares at the time of the grant. The expiry date for each option, set by the Board of Directors at the time of issue, shall not be more than ten years after the grant date. Unless stipulated by the Board of Directors, options granted generally vest fully on the date of grant.

(Expressed in Canadian Dollars)

7. SHAREHOLDERS' EQUITY (cont'd)

(d) Stock options (cont'd)

On July 12, 2022, the Company granted 750,000 stock options to consultants of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.10 per share expiring on July 13, 2023. The stock options vest on the date of grant. The fair value of the stock options of $27,075 was determined using the Black-Scholes option pricing model with the following assumptions: share price on date of grant of $0.09; risk-free interest rate of 3.09%; dividend yield of 0%; expected life of one year; forfeiture rate of 0%; expected volatility of 112%.

	May 31, 2023		August 31, 2022	
	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $
Outstanding and exercisable, beginning of period	750,000	0.10	1,250,000	0.22
Exercised	-	-	(80,000)	0.19
Forfeited/Cancelled	-	-	(1,170,000)	0.21
Granted	-	-	750,000	0.10
Outstanding and exercisable, ending of period	750,000	0.10	750,000	0.10

As at May 31, 2023, the Company has outstanding 750,000 stock options exercisable at $0.10 per share expiring on July 13, 2023.

Subsequently to May 31, 2023, 750,000 stock options expired unexercised.

(e) Share purchase warrants

	May 31, 2023		August 31, 2022	
	Number of share purchase warrants	Weighted average exercise price $	Number of share purchase warrants	Weighted average exercise price $
Outstanding, beginning of period	3,605,870	0.40	2,871,900	0.40
Issued	1,000,000	0.10	3,605,870	0.40
Expired	-	-	(2,871,900)	0.40
Outstanding, end of period	4,605,870	0.33	3,605,870	0.40

(Expressed in Canadian Dollars)

7. SHAREHOLDERS' EQUITY (cont'd)

(e) Share purchase warrants (cont'd)

Number of warrants outstanding	Weighted average exercise price	Expiry dates	Weighted average remaining life (years)
2,974,070	$0.40	January 11, 2024	0.87
631,800	$0.40	January 20, 2024	0.89
1,000,000	$0.10	February 7, 2024	0.94
4,605,870			

8. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

		For the nine months ended May 31, 2023	2022
Consulting fees			
	Harmony Corporate Services Ltd., a company controlled by the CFO	$ 27,000	$ 21,000
	A company controlled by the former CEO	-	27,000
	A company controlled by the former CFO	-	21,000
		$ 27,000	$ 69,000

Included in accounts payable and accrued liabilities at May 31, 2023 is $3,150 (August 31, 2022 - $9,450) owed to a company controlled by the CFO for unpaid consulting fees and expense reimbursements.

9. RISK MANAGEMENT

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash and receivables. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution and receivables consist entirely of GST receivable.

9. RISK MANAGEMENT (cont'd)

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due.

The Company monitors its cash flows to meet the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at May 31, 2023, the Company had a working capital deficiency of $368,298 (August 31, 2022 – working capital deficiency of $48,292). The Company plans to raise financing from private placements to meet its current and future obligations.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk at this time. The Company currently does not plan to enter into foreign currency future contracts to mitigate foreign currency risk.

10. CAPITAL MANAGEMENT

The Company has just commenced operations. It has not yet determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company did not change its approach to capital management during the period ended May 31, 2023.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

11. SEGMENTED INFORMATION

The Company has one operating segment, acquisition, exploration and evaluation of resource properties, and all long-term assets of the Company are located in Guyana.

12. COMPARATIVE FIGURES

The comparative figures have been restated to conform to the presentation adopted in the current period.

13. SUBSEQUENT EVENT

On June 30, 2023, the Company entered into an agreement with a lender for an additional $100,000 in loan advance. The loan is unsecured, non-interest bearing and due on or before August 22, 2023. In connection with the loan, the Company has agreed to a fee of $40,000 and the issuance of 3,000,000 share purchase warrants exercisable at $0.05 per share for a period of 36 months from the date of advance. The lender and the Company have agreed to cancel the 1,000,000 share purchase warrants issued on February 8, 2023.