Batero Gold Announces Preliminary Economic Assessment for the Batero-Quinchia Gold Project

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Nov 4, 2013) - Batero Gold Corp. (Batero, or the Company) (TSX VENTURE:BAT) reports the results of an updated Mineral Resource estimate and a Preliminary Economic Assessment (PEA) at its 100% owned Batero-Quinchia project (the Project) in Riseralda, Colombia. The updated Mineral Resource estimate and PEA were prepared by RPA Inc. (RPA) and include drill hole data available as of October 2012, and metallurgical testwork data available as of March 2013. A National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101) technical report summarizing the PEA (the "Technical Report") is being completed by RPA, and will be filed on SEDAR within 45 days of this news release. The Technical Report will also be available on the Batero website.

PEA Highlights

The PEA evaluates the economics of an open pit contract mining and heap leach processing scenario that takes advantage of the relatively high gold recoveries and fast leach kinetics of the surface oxide mineralization within the Batero-Quinchia deposit. Higher grade, near surface mixed and primary mineralization within the oxide pit footprint are also mined.

Highlights from the PEA, with a base case gold price of US$1,400/oz are as follows (all figures are in U.S. dollars unless otherwise stated):

- Mine life of seven years at 3.5 million tonnes per annum production steady state (10,000 tonnes per day).
- Life-of-Mine (LoM) gold production of 390,000 ounces of gold and 817,000 ounces of silver recovered.
- Annual average production of 56,000 ounces of gold and 117,000 ounces of silver recovered.
- Total open pit production which has been factored for mining extraction and mining dilution:
    - 9.4 Mt of Measured Mineral Resources at 0.81 g/t Au and 1.8 g/t Ag for 244,000 ounces of contained gold and 545,000 ounces of contained silver,
    - 11.0 Mt of Indicated Mineral Resources at 0.77 g/t Au and 2.0 g/t Ag for 273,000 ounces of contained gold and 720,000 ounces of contained silver,
    - 3.3 Mt of Inferred Mineral Resources at 0.59 g/t Au and 1.6 g/t Ag for 64,000 ounces of contained gold and 171,000 ounces of contained silver.
- Approximately 86% of open pit production tonnage is classified as Measured or Indicated Mineral Resources.
- Mining strip ratio of 0.3:1 (waste: production).
- LoM average gold and silver heap leach recoveries of 67% and 57% respectively.
- Initial capital cost of $97.3 million, which includes $16.2 million in contingency costs.
- Pre-tax payback of 23 months.
- Net pre-tax cashflow of $105.0 million.
- Pre-tax Internal Rate of Return (IRR) of 27%.
- Pre-tax Net Present Value (NPV) at a 5% discount rate of $69.1 million.
- Total cash operating cost (net of silver credits) of $842 per ounce gold.
- After-tax payback of 30 months.
- Net after-tax cashflow of $76.9 million.
- After-tax IRR of 21%.
- After-tax NPV at a 5% discount rate of $47.3 million.

The PEA was prepared by RPA in accordance with the standards set out in NI 43-101. The PEA is considered preliminary in nature. It includes inferred mineral resources that are considered too speculative to have the economic considerations applied that would enable classification as mineral reserves. There is no certainty that the conclusions within the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability**.**

Darryl Lindsay, Interim CEO of Batero Gold Corp. stated, "We are pleased with the results of the updated mineral resource, metallurgical testwork, and results of this initial PEA for the Project. The heap leach scenario focused on near surface mineralization presents a conservative capital cost and development timeline while remaining consistent with the overall project strategy as a possible first stage in a potential multiple stage development plan. The mineralized production from the PEA is defined from less than 45 % of the measured mineral resource and less than 15 % of the indicated mineral resource. The PEA focuses on a conservative initial capital expense based on current market conditions and the treasury of the Company."

Batero-Quinchia Mineral Resource Estimate

Mineral Resources for the Project were updated using drill hole data consisting of 176 drill holes and 35,962 assays available as of October 2012. The drill hole spacing varies considerably over the property and ranges from less than 30 m to over 200 m. At La Cumbre, the drill holes are generally spaced approximately 50 m apart with some areas defined by even closer spaced holes. The drill holes at Dos Quebradas are spaced at approximately 50 m and 100 m spacings. The drill holes at El Centro are more irregularly and wider spaced with spacings in the 100 m to 200 m range. Mineral Resources for the Project were updated using metallurgical testwork data available as of March 2013, and are presented in Table 1. The Mineral Resource estimate is reported constrained by an open pit shell that is based on a conceptual open pit mining scenario with grinding and cyanide leaching process to recover gold and silver.

Table 1 - Batero-Quinchia Project Mineral Resource Estimate - Effective June 27, 2013

Category	Tonnes (Mt)	Gold (g/t)	Silver (g/t)	Copper (%)	Sulphur (%)	Gold (oz)
Total Measured	26.1	0.67	1.8	0.11	1.42	565,000
Total Indicated	105.6	0.57	1.8	0.10	1.50	1,935,000
Total M+I	131.8	0.59	1.8	0.11	1.49	2,500,000
Total Inferred	33.5	0.50	1.6	0.06	1.23	542,000

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
3. Mineral Resources are estimated using a gold price of US$1,500 per ounce.
4. Gold recoveries of 85% for oxide and 75% for mixed and primary redox domains are used based on preliminary metallurgical test work for the conceptual process method.
5. Mineral Resources are constrained by a conceptual open pit shell and estimated at a 0.3 g/t Au discard cut-off grade.
6. Totals may not represent the sum of the parts due to rounding.

The mineral resource estimate represents that portion of the deposit with a reasonable prospect for economic extraction at this time using the parameters defined by RPA.

Please see Figure 1 - 3D View Looking Northwest - Blocks Above 0.3 g/t Gold for a three dimensional view of the mineral resources and open pit shell.

Open Pit Mining and Heap Leach Processing

The base case scenario for the Project includes open pit mining of Measured, Indicated, and Inferred Mineral Resources with heap leach processing for ultimate recovery of gold and silver in doré bars. Steady state production of 3.5 million tonnes per annum is achieved in the second year of production. The mine design consists of four separate open pits. Approximately 87% of production is from the main La Cumbre open pit, with remaining production coming from two La Cumbre satellite pits and the Dos Quebradas pit. Backhoe excavators loading approximate 30t payload rigid trucks are assumed for the primary production equipment. The majority of material is assumed to be free digging or rippable, however, it is still drilled on a regular bench grid pattern for grade control.

A mining contractor is specified for mining operations to deliver open pit production to the crushing and screening facility and for haulage of production from the crushing and screening facility to the heap leach

pad. On the heap leach pad, a system of grasshopper conveyors and a radial stacker are used to build the heap leach pad lifts. An Owner's team is designated to provide technical services and contract management.

See Figure 2 - Isometric View of La Cumbre Open Pit Looking Northwest and Figure 3 - Isometric View of La Cumbre NE, La Cumbre NW, and Dos Quebradas Pits Looking South for location of the proposed open pits. Please visit www.baterogold.com to view all figures.

Metallurgical Testing and Recovery

Metallurgical testwork undertaken by Batero for the Project was completed in three phases by three different testing laboratories. Preliminary work was done on six samples in 2011 by G&T Metallurgical Services Ltd. (G&T). In 2012, C. H. Plenge & Cia. S.A. (Plenge) completed tests on seven samples. In October 2012, a number of samples were shipped to SGS Mineral Services (SGS) in Lima, Peru, which had been selected to perform a comprehensive metallurgical test program to investigate variables related to heap leaching and milling. In late 2012 and early 2013, SGS completed the following tests on 16 individual samples and four composite samples:

- Bottle Roll Tests for 72 hours at nominal particle size distributions of 100% passing 2 mm and 80% passing 75 µm.
- Magnetic separation tests to determine if gold may be associated with magnetite.
- Column leach tests were conducted for 30 days including duplicate tests, one without agglomeration and one with agglomeration, for two samples containing saprolite.
- Analysis of +200 mesh (i.e., 74 µm) and -200 mesh size fractions was conducted to determine if the gold was concentrated in one of the size fractions.

The column leach tests were conducted in columns that were 150 mm diameter by 2.5 m high; material was crushed to 12 mm prior to loading. The gold and silver recoveries and reagent consumptions for the six column tests are summarized in Table 2.

Table 2 - Batero-Quinchia Project Summary Of SGS Column Leach Test Data (-12 mm)

Test	Description	30-day Gold Recovery	30-day Silver Recovery	NaCN, kg/t	CaO, kg/t
Batch 2	Without Agglomeration	40.8%	51.6%	1.40	0.86
Batch 3	Without Agglomeration	79.2%	58.0%	2.17	2.36
Batch 3	With Agglomeration	79.5%	46.2%	2.49	2.36
Batch 5	Without Agglomeration	39.9%	49.0%	1.54	1.01
Batch 6	Without Agglomeration	85.5%	76.6%	2.47	1.48
Batch 6	With Agglomeration	85.8%	68.9%	3.02	1.48

In order to estimate recovery for the Project, RPA first classified the samples using the material type domains from the resource model. Recovery data from the bottle roll tests was compared to the recoveries achieved in the column tests and heap leach recoveries were estimated for all of the samples tested. Table 3 presents the heap leach recoveries used in the PEA by domain.

Table 3 - Batero-Quinchia Project - Estimated Heap Leach Recoveries

Material Domain	Au Recovery	Ag Recovery
Oxide	83%	60%
Mixed	61%	58%
Primary	46%	50%

Capital and Operating Costs

The estimated cost to construct and commission the Project is $97.3 million including a contingency of $16.2 million. This amount includes the direct field costs of executing the Project, plus indirect and Owner's costs associated with design, construction, and commissioning. Cost estimates are based on the PEA design, and are considered to have an accuracy of +/- 30%. Tables 4 and 5 present the Project's LoM capital cost summary and operating cost summary respectively.

Table 4 -Batero-Quinchia Capital Cost Summary

Area	Construction Cost (US$ millions)	Ongoing Cost (US$ millions)	Total Cost LoM (US$ millions)
Infrastructure	15.3	1.9	17.2
Mine	3.8	0.8	4.6
Process	38.5	2.0	40.5
Subtotal Direct Capital Cost	57.7	4.7	62.3
Indirect Cost	16.9	0.0	16.9
Owner's Cost	6.5	0.0	6.5
Contingency	16.2	0.0	16.2
Closure	0.0	8.0	8.0
Total Capital Cost	97.3	12.7	110.0

Note: Totals may not represent the sum of the parts due to rounding.

Table 5 - Batero-Quinchia Project Operating Cost Summary

Area	Units	LoM Unit Cost	Total Cost LoM (US$ millions)
Mining	US$/t moved	3.39	101.9
Mining	US$/t production	4.29	101.9
Processing	US$/t production	7.75	183.8
G&A	US$/t production	1.76	41.7
Total Operating Cost	US$/t production	13.80	327.3

Total Cash Operating Cost, Net Ag Credits	US$/oz Au	842
Total Capital Cost	US$/oz Au	282
Total Cost of Production	US$/oz Au	1,124

Sensitivity Analysis

Project economics are most sensitive to changes in head grade, recovery, and gold price. Table 6 presents a detailed sensitivity to gold price, followed by Table 7, which summarizes the Project's sensitivity to head grade, recovery, operating cost, capital cost, gold price, and silver price.

Table 6 - Batero-Quinchia Project Sensitivity to Gold Price

Au Price (US$/oz)	Percent Change From Base Case	Pre-tax NPV (US$ millions)	Pre-tax IRR	After-tax NPV (US$ millions)	After-tax IRR
$1,120	-20%	-10.7	0%	-14.7	0%
$1,260	-10%	29.2	16%	20.2	12%
$1,400	0%	69.1	27%	47.3	21%
$1,540	10%	108.9	37%	74.2	28%
$1,680	20%	148.8	45%	101.0	34%

Table 7 - Batero-Quinchia Project Sensitivity Analysis

Parameter Pre-tax NPV Analysis (US$ M)	-20%	-10%	Base	+10%	+20%
Head Grade	-13.1	28.0	69.1	110.1	151.2
Recovery	8.0	38.5	69.1	99.6	130.1
Operating Cost	117.8	93.4	69.1	44.7	20.3
Capital Cost	88.7	78.9	69.1	59.2	49.4
Gold Price	-10.7	29.2	69.1	108.9	148.8
Silver Price	66.3	67.7	69.1	70.4	71.8

Notes:

1. Base case uses US$1,400/oz gold.
2. Pre-tax NPV presented at a 5% discount rate.
3. Gold recovery sensitivity is at 57%, 62%, 67%, 72%, and 77% gold recovery corresponding to -20%, -10%, Base, +10%, and +20% columns respectively.

Project Opportunities

Trade-off studies that include additional exploration of the Antenna and Cumbre Sur oxide targets are being

considered. These areas were defined through 1H 2013 exploration results and are located within 200 meters of the proposed La Cumbre open pit. The Antenna and Cumbre Sur exploration targets are outside the current mineral resource area.

Continue with a more extensive metallurgical testing program using a variety of samples. Relevant to the PEA, the test program should investigate the impact of heap leaching and vat leaching mineralization at various crush sizes as well as the effect of leach time, solution application rate, stacking height, cyanide concentration, and rest cycles on the overall metallurgical behavior of the mineralization.

Core loss through triple tube drilling in 2012 was observed as reduced in comparison to 2011 drilling. Grade improvement was observed with reduced core loss. Further review of core loss from 2011 drilling for grade differential to 2012 drilling is recommended.

Authors and Qualified Persons Statement

The Mineral Resource estimate and PEA results contained in this news release were prepared by or under the supervision of Mr. Luke Evans, M. Sc., P.Eng., of RPA, Mr. Glen Ehasoo, P.Eng., of RPA, and Dr. Kathleen Ann Altman, Ph.D., P.E., of RPA, who are independent "Qualified Persons" under NI 43-101 Standards of Disclosure for Mineral Projects.

Darryl Lindsay, Ph.D., P.Geo., Interim Chief Executive Officer at Batero Gold is the qualified person as defined by NI 43-101 and is responsible for the technical information provided in this release and all future news releases.

Batero Gold will be presenting at the Precious Metals Summit in Zurich on November 5th. To view the presentation, please visit http://www.gowebcasting.com/conferences/2013/11/04/precious-metals-summit.

ON BEHALF OF THE BOARD OF

BATERO GOLD CORP.

Darryl Lindsay, Interim CEO

Batero Gold Corp.

ABOUT BATERO GOLD

Batero Gold Corp. is a precious and base metals exploration and development Company. The Company is focused on two primary objectives. The first of these objectives is the advancement of the La Cumbre oxide deposit. La Cumbre is located within the Company's 100% owned Batero-Quinchia Gold Project, which sits within Colombia's emerging and prolific Mid Cauca gold and copper belt. Batero is moving the La Cumbre oxide deposit towards the goal of making a production decision, once the appropriate level of study has been completed, and intends to first target the near and at surface higher grade oxidized gold mineralization at the deposit. Batero's second objective is to pursue opportunities to acquire prospective high-grade, production focused mineral properties in Colombia and Latin America. In pursuing both these objectives, Batero plans to leverage its secure treasury position, strong regional relationships, experienced management team, and long-term financial partners. Shares of the Vancouver-based company trade on the Toronto Venture Exchange under the symbol BAT.

FORWARD-LOOKING STATEMENTS: Certain of the statements and information in this press release constitute "forward-looking statements" or "forward-looking information". Any statements or information that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "anticipates", "believes", "plans", "estimates", "intends", "targets", "goals", "forecasts", "objectives", "potential" or variations thereof or stating that certain actions, events or results "may", "could",

"would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements or information.

Forward-looking statements or information relate to the Company's anticipated content and cost of exploration programs, anticipated timing and results of exploration programs, planned exploration and development programs, the potential for a production decision to be made, the potential commencement of any development of a mine at the Batero-Quinchia project following a production decision, and the potential for any mining or production at the Batero-Qunichia project. These statements relate to analysis and other information that are based on expectations of future performance as set out in the PEA, including gold and silver production and planned work programs. In addition, forward looking statements relate to, among other things: developing the most efficient and cost-effective leach processing circuit for the Cumbre gold deposit, the timing and scope of expected diamond drilling; resource estimate grades on the Batero-Quinchia project; scope of mineralization within the Batero-Quinchia project; timing of receipt of permits and regulatory approvals; the sufficiency of the Company's capital to finance the Company's operations; geological interpretations and potential mineral recovery processes.

Forward-looking statements or information are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements or information, including, without limitation, risks relating to: uncertainty as to actual capital costs, operating costs, production and economic returns, and uncertainty that development activities will result in a profitable mining operation at the Batero-Quinchia project, fluctuations in the spot and forward price of gold or certain other commodities; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, Colombia or other countries in which the Company may carry on business in the future; the uncertainties involved in interpreting geological data; business opportunities that may be presented to, or pursued by, the Company; operating or technical difficulties in connection with mining activities; the speculative nature of gold exploration and development, including the risks of obtaining necessary licenses and permits; risks related to mineral resource estimates being based on interpretations and assumptions which may result in less mineral production under actual conditions than is currently estimated and to diminishing quantities or grades of mineral resources as the Batero-Quinchia project is mined; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks).

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements or information. The Company's forward-looking statements and information are based on beliefs, expectations, and opinions of management on the date the statements are made. For the reasons set forth above, investors should not place undue reliance on forward looking statements or information.

The information in this news release addressed the PEA, and is not intended to be an exhaustive review of all matters or deveopments that may affect the Company. It should be read in conjunction with all other disclosure documents of the Company. No securities commission or other regulatory authority has reviewed the accuracy or adequacy of the information presented in this news release.

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