ECO ORO MINERALS CORP.

Management's Discussion and Analysis

September 30, 2013

(unaudited)

Contents

1. INTRODUCTION

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Eco Oro Minerals Corp. ("Eco Oro", "we", "our" or the "Company"), our operations, financial performance, and current and future business environment. This MD&A is intended to supplement and complement the unaudited condensed consolidated interim financial statements and notes thereto prepared in accordance with International Financial Reporting Standards ("IFRS") for the three and nine months ended September 30, 2013. This MD&A should be read in conjunction with our annual audited consolidated financial statements for the year ended December 31, 2012, prepared in accordance with IFRS, the related MD&A, and the most recent Annual Information Form, which are available on the SEDAR website at www.sedar.com.

This MD&A is prepared as of October 30, 2013. All dollar amounts in this MD&A are expressed in thousands of United States dollars, unless otherwise specified. Canadian dollars and Colombian pesos are referred to as "Cdn$" and "COP," respectively.

2. OUR BUSINESS AND STRATEGY

Eco Oro is a precious metals exploration and development company with a portfolio of projects in Colombia. The Company aims to maximize long-term value for its shareholders by developing its project pipeline through to construction and mining, whilst adding to its current portfolio of assets.

For over 15 years, the Company's focus has by and large been its wholly-owned, multi-million ounce Angostura gold-silver deposit, located in northeastern Colombia, during which time it has invested a significant amount in the project's development and in that of the surrounding communities.

There are a couple of outstanding matters to be resolved before the Company may advance the Angostura Project. These include:

- delineation of the Santurbán páramo ecosystem; and
- successful appeal of the Ninth Circuit Administrative Court of the City of Bucaramanga ruling.

Upon resolution of the above-noted matters and raising additional capital, we intend to complete a feasibility study and concurrently seek an environmental license necessary to move into construction and bring a mine into operation.

The Company announced cost reductions in July 2013 as a result of the continued delay in defining the Santurbán páramo boundaries. These measures were implemented with the view to protect the Company's treasury while we continue to comply with all legal requirements and relevant international standards as well as continue to allocate the resources necessary to work with the Colombian authorities to favorably resolve this issue. To this end, the Company engaged Ecodes Ingenieria Ltda., a well-renowned Colombian company, to conduct an ecosystem biodiversity study to a degree of detail not previous undertaken in Colombia. The study concluded that páramo does not exist in the area of the Angostura deposit, and both the study and its conclusions have been discussed with the relevant authorities. However, the Company is still awaiting a decision with respect to the páramo delineation.

We are committed to continue developing the Angostura Project in a socially and environmentally responsible manner that will be beneficial for all stakeholders. To that end, our corporate social responsibility program aims to provide employment opportunities and social support for local communities, sustainable infrastructures and leading environmental practices in the region.

Management will continue to prudently manage the Company's cash position while it seeks out other assets, within Colombia and in other countries, to diversify the Company's portfolio of assets, which includes the world-class Angostura deposit. Other objectives for Eco Oro include development of regional exploration targets.

3. PROJECT REVIEW

Angostura Project

The Company's current efforts are focused on the Angostura Project in the Department of Santander, approximately 400 km northeast of the capital city of Bogotá. The Angostura Project consists of the main Angostura deposit and five key satellite prospects: Armenia, La Plata, Agua Limpia, Violetal and Móngora.

Mining Title

The Angostura Project's principal mining title is concession 3452, which was created by the consolidation of ten previously existing titles, two concession contract requests and one exploration license request. This concession comprises an area of 5,254 hectares and contains the Angostura, Móngora and Violetal deposits. This concession expires in 2027 but may be renewed for an additional 30 years. The concession is divided into phases and is currently in exploration phase.

Preliminary Economic Assessment

In February 2012, the Company announced results of an updated preliminary economic assessment ("PEA") for the Angostura Project. The PEA includes underground development of the higher-grade mineral resources and a production plan with preliminary engineering design for process plant options to extract gold and silver. Four alternatives for processing are evaluated in the PEA: sale of concentrate, roasting, bio-oxidation, and pressure oxidation, as well as an agitated tank leach for oxides and transitional resources. The PEA evaluates both higher-grade and lower-grade scenarios to address variation in the ability to mine selectively.

Prefeasibility Study

Based upon the results of the PEA, the Company proceeded with engineering, metallurgy, geotechnical and other work in order to develop a prefeasibility study ("PFS") for an underground mining operation.

Further to the PEA, over 32,000 meters of additional drilling was carried out to enhance the reliability of some of the inferred resources. Results from the infill drilling program reinforce management's expectation that the deposit has the continuity of mineralized zones and high grades required for underground mining, as well as demonstrating further upside potential at depth. Results from the geotechnical and hydrogeological drilling will provide valuable information, which will ensure that Eco Oro effectively addresses any associated safety and environmental concerns of the surrounding community. Also, the PFS contemplates the main infrastructures at lower elevations than outlined in the PEA.

The Company has recently completed a mine design optimization review. Further metallurgical testing is required to optimize process parameters, engineering-related design and project economics. However, this planned additional work as well as completion of the PFS have been halted in light of the current uncertainties.

Páramo

In June 2011, the Colombian Congress enacted the National Development Plan which, among other things, forbids mining activities in páramo ecosystems and requires the Colombian Government to determine the boundaries of the páramo ecosystems on a 1:25,000 scale and based on technical, social, environmental and economic criteria. The determination of the boundaries of the páramo ecosystem is the responsibility of the Ministry of Environment and Sustainable Development (*Ministerio de Ambiente y Desarrollo Sostenible* or "MADS").

Pursuant to the National Development Plan, Atlas of Páramos prepared by the Alexander von Humboldt Institute (*Instituto Alexander von Humboldt* or "IAvH") is the minimum reference for the páramo ecosystem while the Colombian Government determines the ultimate boundaries. According to the Atlas of Páramos, the region in which the Angostura Project is located is comprised of five ecosystems: superpáramo, páramo, subpáramo, high Andean forest and Andean forest. According to MADS, a páramo ecosystem is comprised of three ecosystems being the superpáramo, páramo and subpáramo ecosystems. Based on the Company's interpretation of the IAvH Atlas of Páramos, the Angostura deposit is located in the high Andean forest and Andean forest.

In accordance with the National Development Plan, MADS, IAvH and the Regional Autonomous Corporation for the Defense of the Bucaramanga Plateau (*Corporación Autónoma Regional para la Defensa de la Meseta de Bucaramanga* or "CDMB") have visited and performed technical assessments in Santurbán, where the Angostura Project is located, to determine the boundaries of the páramo ecosystem in that area. That process, however, has encountered delays and no decision has yet been made.

In early 2012, Eco Oro commissioned Ecodes Ingenieria Ltda. ("Ecodes") to carry out an ecosystem biodiversity study. The purpose of the report, which covers an area of 600 hectares surrounding the Angostura deposit, was to have a thorough understanding of the state of ecosystem conservation in the Company's area of influence. Ecodes is a Colombian company specializing in the formulation and execution of environmental projects. The Ecodes team is comprised of well-renowned professionals and highly qualified specialists recognized nationally and internationally in the areas of biology, ecology of ecosystems, ecological restoration, hydrology, climatology, GES informatics, edaphology, ecological modeling, and social and economic sciences.

In May 2013, the Company reported that results from the Ecodes study show that the Angostura deposit does not have any páramo coverage. The study was conducted to a degree of detail not previously undertaken in Colombia. Approximately 60 multidisciplinary professionals made several visits to the Angostura property and used cutting-edge models and technology to obtain a detailed appreciation for the conservation status of the biodiversity of ecosystems in the area under examination. Rigorous analysis was undertaken of soils, fauna and flora, hydrological systems, and socio-economic realities and perceptions relating to the local communities of Soto Norte. The Ecodes study reflects a scale of 1:2,000, more detailed than the National Development Plan's prescribed scale of 1:25,000. The study also contemplated alterations to vegetation in the area over the last five decades, which showed that only during the last decade has the study area seen an improvement in the vegetation cover.

The Ecodes study and its conclusions have been discussed with the relevant authorities, including MADS, who have been asked to take the Ecodes study into account when determining the paramo delineation.

Regional Park

In a process separate from determining the boundaries of páramo, the CDMB was considering the boundaries of a proposed regional park. In January 2013, the coordinates of the Regional Park of Santurbán (the "Park") were approved by the CDMB. The Company's assessment indicates that the officially declared boundaries do not impede development of the Angostura Project. The Angostura deposit lies below a total area of 215 hectares of which 90% falls outside of the surface boundaries of the Park.

A total of 6,394 hectares of the Company's 30,132 hectares of mineral rights are covered by the Park. Although the development of the Angostura Project may be only marginally affected, a significant portion of Eco Oro's total non-core mineral and surface rights are covered by the surface of the Park. To the extent the Company is unable to make use of these assets, it will seek compensation.

Permitting

The Company requested the National Authority for Environmental Licensing (*Autoridad Nacional de Licencias Ambientales* or "ANLA") to provide the specific terms of reference for the Study of Environmental and Social Impact for an underground operation. In March 2012, the Company received definitive terms of reference for an environmental impact assessment for the Angostura Project. The terms of reference contain guidelines for the preparation of the environmental and social assessment study that must be completed before the Company may apply for an environmental license for the Angostura Project.

Other Recent Developments

In May 2012, the Company applied to Colombia's national mining agency (*Agencia Nacional de Mineria* or "ANM") for a two-year extension to its exploration phase of concession 3452. In response to the application, the ANM indicated subsequent to the legally prescribed response period, that approximately 54% of the concession was located in what they regarded as Santurbán páramo and, on that basis, extended only the remaining 46% of the concession for two years. The Company filed a motion to reconsider in August 2012 and, in response, the ANM granted the extension sought for concession 3452 in its entirety but indicated that the Company must not conduct any exploration activities in the areas that constitute páramo according to the Atlas of Páramo issued by the IAvH until the ultimate boundaries of the páramo ecosystem have been determined. The Company's current activities are not impacted by this decision since, in our view, it is not operating in the paramo ecosystem, as noted earlier.

On July 20, 2012, the Company announced that it received a ruling (the "Ruling") from the Ninth Circuit Administrative Court of the City of Bucaramanga (the "Court") wherein the Court ordered the Ministry of Mines and Energy to initiate administrative and/or judicial actions to "leave without effect resolution 3452" (the "Order"), which the Court characterized as a permit to develop mining exploration activities in an open pit in the Santurbán páramo. The Ruling relates to an action filed by an individual in June 2010, which sought to "leave without effect" the Company's environmental license to proceed with developing concession 3452, the Company's principal mining title. In fact, no such license existed. Furthermore, in 2011, the MADS denied the Company's 2009 request for an environmental license for the development of an open pit mine at the Angostura Project, in the form it was presented. The Court was aware of these facts and the Company expected that the Court would dismiss all demands and the action would be concluded without consequence. Although the Court dismissed all demands, its Ruling contains the Order which goes beyond the requests and purports to affect the Company's rights under concession 3452. The Company's legal advisors have confirmed that the Order exceeds the Court's authority. The Company filed an appeal to the Ruling on July 25, 2012 before the Administrative Tribunal of the Department of Santander. As a result of the appeal, the Order may not be effected before the Administrative Tribunal of the Department of Santander renders a decision in the appeal. If the Ministry of Mines and Energy abides by the Order and initiates any administrative and/or judicial actions, the Company will take all legal steps necessary to protect its rights. Concession 3452 is currently in good standing and remains in force and the Order has no effect on the Company's current activities.

In February 2013, the Company received notice that Sociedad Mina Los Diamantes Ltda. and Crisanto Peña Gelvez ("SMLDL and Gelvez") filed legal proceedings in the Eighth Civil Circuit Court of the City of

Bucaramanga pursuant to which they sought the annulment of an assignment and sale agreement (the "Sale Agreement") pursuant to which the Company acquired mining permit 3452 (the "Permit") from SMLDL and Gelvez. The Permit, covering an area of 250 hectares, was converted into integrated concession 3452 (the "Concession"), covering an area of 5,254 hectares, with the Colombian Government and registered in the National Mining Register in 2007. A significant portion of the Angostura deposit is covered by the original area of the Permit. The Concession, which incorporated the Permit and several other mineral tenures, is fully registered in the name of the Company. The Company filed motions to have the proceedings in the Court dismissed as the Sale Agreement requires any dispute to be settled by way of arbitration and not the courts. The Court decided that it lacked jurisdiction, which decision was upheld on appeal by the Superior Tribunal in July 2013. In August 2013, the Company received notice that SMLDL and Gelvez had commenced arbitration proceedings seeking the annulment of the Sale Agreement. In the initial court action, SMLDL and Gelvez alleged that not all formalities were observed at the time the Sale Agreement was entered into and that it should be annulled on that basis. The Company is of the view that no deficiencies existed and had they existed would have been ratified by the conduct of the parties and the Colombian Government, and, in any event, the statute of limitations can be invoked to reject the claims. While the Company believes the probability of a favorable decision is more likely than not, the Company has determined that it is too early to predict the outcome of the arbitration proceedings or the ultimate impact to the Company's rights with respect to the Concession. An adverse decision would have a material adverse effect on the ability of the Company to carry out its planned business operations with respect to the Angostura Project.

Móngora

Móngora is located within the Angostura Project area 3 km south of the Angostura mineral deposit. It has oxide gold mineralization and deeper sulphide gold mineralization and was discovered in 2008. In March 2012, the Company announced the completion of its initial mineral resource estimate for the Móngora deposit.

The Móngora deposit occurs on the trajectory of a possible access tunnel to the Angostura deposit and, as such, makes the deposit attractive as it could provide an early source of mineralized feed in the development of the Angostura Project. Mine planning for the Angostura Project is still being evaluated but there is no certainty that the above-noted access tunnel to the Angostura deposit will form part of the mine plan.

La Plata

The La Plata property lies within a mineralized belt related to the northeast-southwest trending La Baja Fault, which has given rise to a number of mineralized occurrences where gold and silver mineralization is associated with flexures along the main fault. Drilling at La Plata carried out by the Company in 2010 and 2011 encountered good grade mineralization well suited for underground mining and highlighted very high-grade silver mineralization. There was no drilling conducted on the property in 2012 and to date in 2013.

In February 2012, the Company received notice that Sociedad Minera La Plata Ltda. ("SMLPL") filed an arbitral action against the Company pursuant to the arbitration clause contained in the mining title assignment agreement (the "Assignment Agreement") pursuant to which the Company acquired the La Plata property from SMLPL. There were also three subordinate partial assignment agreements between SMLPL and the Company which facilitated the transfer and registration of the property in the Company's name. SMLPL claimed that there was a lack of legal power of its legal representative to sign the Assignment Agreement and other agreements because no formal authorization from its board of directors existed, as required by SMLPL's bylaws for any agreement greater than 500,000 Colombian pesos. An arbitration panel was constituted, which rendered a final decision in September 2013. The panel found that the two-year statute of limitations applied in respect of the Assignment Agreement and the first of the three subordinate partial assignment agreements, relating to 25% of the property, and found in favour of the Company in that regard. However, the panel found that the statute of limitations did not apply in respect of the second and third subordinate partial assignment agreements, relating to 75% of the property, and declared a relative nullity in respect of those agreements with respect to the amounts greater than 500,000 Colombian pesos. The panel ordered SMLPL to pay 1,677,500,686 Colombian pesos to the Company, representing the amount paid by the Company to SMLPL under those two agreements less 1,000,000 Colombian pesos. On October 1, the Company filed a motion for annulment of the arbitration panels' decision on the grounds that, among other things, the arbitration panel lacked jurisdiction to rule on the subordinate partial assignment agreements as they did not contain arbitration clauses and, in any event, the statute of limitations should have been applied to all subordinate partial assignment agreements as they were subordinate to the principal Assignment Agreement. While the Company believes the probability of a favorable decision in the appeal is more likely than not, the Company has determined that it is too early to predict the outcome of the appeal or the ultimate impact to the Company's rights with respect to the La Plata property.

4. RESULTS OF OPERATIONS

Third Quarter

	Three months ended September 30, 2013	2012	Change	%	Notes
Exploration and evaluation expenses:					
Administrative expenses	907	1,807	(900)	(50%)	(a)
Salaries and benefits	971	1,577	(606)	(38%)	(b)
Feasibility studies	28	1,627	(1,599)	(98%)	(c)
Surface rights	237	43	194	451%	(d)
Drilling and field expenses	9	1,221	(1,212)	(99%)	(e)
Environmental expenses	(537)	94	(631)	(671%)	(f)
Depreciation	104	101	3	3%	
Other exploration and evaluation expenses	39	985	(946)	(96%)	(g)
	1,758	7,455	(5,697)	(76%)	
General and administrative expenses:					
Salaries and benefits	374	497	(123)	(25%)	(h)
Share-based compensation	371	419	(48)	(11%)	
Other administrative expenses	218	442	(224)	(51%)	(i)
	963	1,358	(395)	(29%)	
Total expenses before other items	2,721	8,813	(6,092)	(69%)	
Other items:					
Other income	(37)	(50)	13	(26%)	
Finance expenses	81	(15)	96	(640%)	
Fair value change on warrant liabilities	(177)	(681)	504	(74%)	(j)
Foreign exchange (gain)/loss	70	(131)	201	(153%)	(k)
	(63)	(877)	814	(93%)	
Loss and comprehensive loss for the period	$ 2,658	$ 7,936	$ (5,278)	(67%)	

(a) Administrative expenses declined by $900, or 50%, from the prior-year period due primarily to the following:

- approximately $507 related to consulting services;
- approximately $210 related to write-offs of the value tax recoverable due to lower exploration and evaluation activity;
- approximately $99 related to the transportation of employees to the camp site due to lower activity;
- approximately $83 related to public services and utilities;
- approximately $62 related to security due to the reduction of personnel;
- $56 in additional cost savings realized in materials, and
- other administrative expenses of approximately $75.

The above-noted reductions in expenses were partially offset by increases in the following areas:

- approximately $140 related to public affairs; and

- approximately $52 related software due to timing of when these costs were recognized.

(b) Salaries and benefits in Colombia decreased significantly as a consequence of the cost reduction strategy commenced in September 2012 which resulted in severance costs of approximately $693 being recognized in the third quarter of 2012. Total salaries and benefits during the third quarter 2013 were lower as a result of fewer employees compared to the prior-year quarter. While there were further cost reductions initiative implemented in July 2013, these severance costs were significantly lower at approximately $249. In addition, there was approximately a $133 increase in share-based compensation primarily due to a substantial number of forfeitures arising from employee departures due to the restructuring during the third quarter of 2012.

(c) Feasibility studies includes minimal technical and environmental costs in the third quarter of 2013, whereas in the same period in 2012 it included engineering costs and metallurgic trials associated with the ongoing work on the Angostura prefeasibility study.

(d) Surface rights expenses increased due mainly to a difference in the timing of when these costs are recognized. The main expense in the third quarter 2013 was the annual payment to maintain title 3452 (Angostura) in good standing.

(e) Drilling costs decreased significantly as no drilling activities were performed during the third quarter of 2013. The costs incurred in the quarter were related to materials. During the third quarter of 2012, drilling costs included contractor drilling, supplies and materials and consulting services related to geotechnical studies and construction of roads and platforms.

(f) Included in environmental costs are the impact of the current period's changes in the site restoration provision (SRP), which represents management's best estimate of the present value of the future site restoration costs required. During the third quarter 2013, there was a decrease in the extent of the required rehabilitation activities as some of the roads initially included in the SRP were designated as the municipally of California's own responsibility for recovering or repaving. In addition, there were revisions as to the anticipated timing for performing these activities and changes in the discount rates. All these changes in estimate resulted in a decrease in the provision of approximately $471. In addition, there was a credit of $103 to environmental costs during third quarter 2013 as the Company won its appeal on an environmental penalty imposed in early 2012 for a purported breach of an environmental regulation.

(g) Included in other exploration and evaluation costs are costs related to civil works, geology, and assay and metallurgy. In the third quarter of 2013 activities were minimal, whereas in the prior-year period there was increased spending on sample testing for the infill drilling program and increased spending on metallurgic trials to support the prefeasibility studies.

(h) Salaries and benefits in Canada also decreased due to the reduction of director's fees which commenced in July 2013 as well as reductions in the number of employees in the head office.

(i) Other administrative costs decreased due to the following:

- approximately $66 related to consultant costs associated with research, political and public relations for Colombia;
- approximately $42 in recruitment costs;
- approximately $40 in costs related to research performed to support the Angostura project;
- approximately $41 in office and administrative costs;
- approximately $19 in costs relating to accounting fees because of the timing of when these costs were recognized; and

- approximately $16 in costs related to legal advice.

(j) The number and expiry date of the outstanding warrants issued in connection of equity financings has remained constant period over period. The Company's share price declined in both the third quarter of 2013 and 2012 by 19% and 47% respectively, as compared to the second quarter of 2013 and 2012, resulting in a gain on the change in the fair value of warrant liabilities for both periods. The amount of gains is also impacted by the time decay in the valuation model as the warrants approach their expiry in March 2014.

(k) The foreign exchange loss in 2013 was primarily due to the retranslation of the Company's net monetary liability position denominated in COP. During the third quarter of 2013, the US dollar depreciated by 1% against the COP and the net monetary liability position was 44% smaller than in the third quarter of 2012. The foreign exchange gain in 2012 was primarily due to the retranslation of the Company's net monetary asset position denominated in Cdn$ and the appreciation of the Canadian dollar against the US dollar by 4%.

Year to Date

	Nine months ended, September 30, 2013	2012	Change	%	Notes
Exploration and evaluation expenses:					
Administrative expenses	2,918	5,453	(2,535)	(46%)	(l)
Salaries and benefits	2,532	5,146	(2,614)	(51%)	(m)
Feasibility studies	906	6,973	(6,067)	(87%)	(n)
Surface rights	805	164	641	391%	(o)
Drilling and field expenses	212	4,657	(4,445)	(95%)	(p)
Environmental expenses	(744)	234	(978)	(418%)	(q)
Depreciation	335	283	52	18%	
Other exploration and evaluation expenses	294	2,314	(2,020)	(87%)	(r)
	7,258	25,224	(17,966)	(71%)	
General and administrative expenses:					
Salaries and benefits	1,358	1,419	(61)	(4%)	
Share-based compensation	914	1,428	(514)	(36%)	(s)
Other administrative expenses	1,181	1,426	(245)	(17%)	
	3,453	4,273	(820)	(19%)	
Total expenses before other items	10,711	29,497	(18,786)	(64%)	
Other items:					
Other income	(118)	(196)	78	(40%)	
Finance expenses	286	237	49	21%	
Fair value change on warrant liabilities	(264)	(656)	392	(60%)	(t)
Foreign exchange (gain)/loss	(513)	341	(854)	(250%)	(u)
	(609)	(274)	(335)	122%	
Loss and comprehensive loss for the period	$ 10,102	$ 29,223	$(19,121)	(65%)	

(l) The administrative costs declined by $2,535, or 46%, due primarily to the following:

- The write-off of the value added tax recoverable due to uncertainty about the future collectability of the amount was approximately $761 lower than in the prior-year period due to lower total exploration and evaluation expenditures;
- approximately $660 in consulting expenses;
- approximately $252 for materials;
- approximately $177 for security; and
- approximately $538 for transportation, rent, utilities and other as a result of the cost reduction strategy.

(m) Salaries and benefits in Colombia decreased significantly as a consequence of the cost reduction strategy commenced in September 2012 which resulted in severance costs of approximately $693 being recognized in the third quarter of 2012. For the nine months ended September 30, 2013 salaries and benefits were lower as a result of fewer employees compared to the prior-year period. While there were further cost reductions implemented in July 2013, these severance costs were significantly lower at about $249. In addition, there was a decrease in share-based compensation expense related to the Colombia branch in the amount of $138 primarily due to the forfeiture of management options in the second quarter of 2013. This decrease was partially offset by the forfeiture of management options in the third quarter of 2012 due to the restructuring.

(n) The most significant costs included in feasibility studies for the nine months ended September 30, 2013 were approximately $400 related to páramo studies, approximately $138 related to a SAG mill optimization review, about $163 associated with a mine design optimization review, and approximately $170 in other consulting services. In 2012, feasibility costs were significantly higher due to the finalization of the PEA and work on the PFS for the underground project at Angostura.

(o) Surface rights costs increased due mainly to a difference in the timing of when these costs are recognized.

(p) Drilling and field costs decreased significantly as no drilling was performed during the period. During the nine months ended September 30, 2012, the Company increased consulting services related to geotechnical studies and construction of roads and platforms and a total of 15,213 meters were drilled as the Company continued with its infill and geotechnical drilling program for the underground project.

(q) Included in environmental costs are the impact of the current period's changes in the site restoration provision which represents management's best estimate of the present value of the future site restoration costs required. Changes in estimates resulted in a decrease in the provision and a credit to environmental costs of approximately $750 for the nine months ended September 30, 2013. In addition, there was a credit of $103 to environmental costs during third quarter 2013 as the Company won its appeal on an environmental penalty imposed in early 2012 for a purported breach of an environmental regulation.

(r) Included in other exploration and evaluation costs are costs related to civil works, geology, and assay and metallurgy. In the nine months ended September 30, 2013, activities were minimal whereas in the prior-year period there were repairs and maintenance to roads that were damaged by rainy conditions in the winter months and there was increased spending on sample testing for the infill drilling program and increased spending on metallurgic trials to support the prefeasibility studies.

(s) Share-based compensation expenses for the period includes both share option expenses as well as share appreciation rights (SARs) expenses. Share-based compensation expenses are significantly lower in the nine months ended September 30, 2013 compared to the prior-year period primarily due to lower share option expenses. The fair value of the options granted in 2013 was lower than the fair value of options granted in 2012, primarily due to a lower share price, and this contributes to lower expenses in 2013. Furthermore, a significant portion of the options granted to the CEO when he joined the Company in 2012 vested immediately and are expensed immediately

(t) The number and expiry date of the outstanding warrants issued in connection with equity financings have remained constant period over period. The Company's share price declined by 24% in the period ended September 30, 2013 and by 38% for the prior-year period resulting in a gain on the change in the fair value of warrant liabilities in both periods.

(u) The foreign exchange gain in 2013 was primarily due to the retranslation of the Company's net monetary liability position denominated in COP. During the nine months ended in September 30, 2013, the US dollar appreciated by 8% against the COP. The foreign exchange loss in 2012 is also primarily due to the retranslation of the Company's net monetary liability position denominated in COP. During the nine months ended September 30 2012, the US dollar depreciated by 7% against the COP, and the net monetary liability position was 44% larger than at the end of the third quarter 2013.

5. SUMMARY OF QUARTERLY RESULTS

	2013			2012				2011
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Exploration and evaluation expenditures	1,758	1,858	3,641	4,082	7,455	7,807	9,967	8,925
General and administrative expenses	963	1,254	1,236	1,372	1,358	1,483	1,424	1,576
Other items	(63)	(731)	185	494	(877)	(1,757)	2,361	(1,437)
Net loss	2,658	2,381	5,062	5,948	7,936	7,533	13,752	9,064
Basic and diluted loss per share	0.03	$0.03	$0.06	$0.07	$0.09	$0.09	$0.16	$0.12

Commencing in the second half of 2011, consultants were engaged to prepare studies for the new Angostura underground project and this comprises a significant portion of the exploration and evaluation costs during the fourth quarter of 2011. In the first three quarters of 2012, exploration and evaluation costs remained at elevated levels primarily due to ongoing work associated with completing the PEA and preparing the PFS as well as an infill and geotechnical drilling program for the underground project. Exploration and evaluation costs declined in the fourth quarter of 2012 and continued this trend in the first three quarters of 2013 mainly due to reduced activity associated with the PFS, winding down of the drilling program, and the cost reduction initiatives implemented by the Company. In the third quarter of 2013, further cost reduction initiatives were implemented, including the deferral of all discretionary spending on the Angostura Project and cessation of technical activities, including the completion of the PFS.

General and administrative costs have remained at relatively constant levels from the fourth quarter of 2011 through to the end of 2012. In the first and second quarters of 2013, general and administrative costs are slightly lower than the previous quarters due to lower share-based compensation expenses. General and administrative costs decreased significantly in the third quarter of 2013 as a result of the cost reduction initiatives implemented.

There is a quarterly fluctuation in Other items principally due to changes in the fair market value of warrants issued in connection of equity financings; and fluctuation in exchange rates for the COP and Cdn$.

6. LIQUIDITY AND CAPITAL RESOURCES

Statement of Cash Flow

At September 30, 2013, cash and cash equivalents including guaranteed investment certificates (GICs) were $13,263 down from $26,787 at December 31, 2012 and $17,559 at the end of the second quarter of 2013. The decrease in cash and cash equivalents and GICs is primarily attributed to the use of cash in operations with no significant cash inflow.

The Company's cash resources are invested in short-term financial instruments issued by major Canadian chartered banks. These instruments mature at various dates over the current operating period. The Company does not invest in asset-backed commercial paper.

Cash used in operations, including changes in non-cash working capital, was $12,537 for the nine months ended September 30, 2013, compared to $27,108 in 2012. For the nine months ended September 30, 2013, exploration and evaluation expenditures were $7,258, which, along with equity tax installment payments of $1,695, represent the major uses of funds for the period.

Cash used in investing activities was $949 for the nine months ended September 30, 2013, compared to $4,890 in 2012. The purchase of property, plant and equipment for the nine months ended September 30, 2013 was $947, which represents the major use of funds for the period and is primarily related to the construction of a water treatment plant and associated infrastructure which began during the third quarter 2013 and is targeted for completion early in the fourth quarter of 2013.

The average monthly cash burn for the third quarter of 2013 was $1,471, excluding the redemption of GIC, compared to $1,606 for the second quarter of 2013, $1,446 for the first quarter of 2013 and $2,567 for the fourth quarter of 2012. The decrease in the cash burn for the third quarter compared to the second quarter is primarily due to the implementation of cost reduction initiatives (notwithstanding one-time severance payments made in the third quarter). These cost reduction initiatives include:

- Deferral of all discretionary spending on the Angostura Project until the boundaries of the páramo as relates to Angostura's Project are formally declared. Technical activities, including the completion of the PFS, have been suspended. The Company plans to maintain its environmental and security programs at Angostura and to keep all permits in good standing.
- Decrease of general and administrative expenses in both Canada and Colombia through reductions in employee and consultant costs, in travel and marketing costs, and discretionary expenditures. Reduction in fees of non-executive members of the Board of Directors.

The Company continues to seek and implement additional cost reduction measures with a view to further reducing its monthly cash burn in the fourth quarter 2013 and beyond.

The Company has not yet achieved profitable operations and expects to incur further losses in the development of its business. The Company has $7,968 in working capital at September 30, 2013 which, based on the Company's current cash flow forecasts, is not sufficient to fund planned operations over the next operating cycle, defined as the next twelve months. Management intends to monitor spending on an ongoing basis and will make appropriate changes as required in order to prolong the Company's ability to continue as a going concern. Management continues to explore financing sources in the form of equity, debt or a combination thereof; however, the current economic uncertainty and financial market volatility make it difficult to predict success. The ability of the Company to continue as a going concern is dependent upon the Company's ability to: arrange additional financing; favorably resolve the uncertainties surrounding the Angostura Project; complete the development of its property, including obtaining the necessary permits and other regulatory approvals; and achieve future profitable operations. These matters result in material uncertainties that may cast significant doubt on whether the Company will continue on as a going concern. Risk factors potentially influencing the Company's ability to raise equity or debt financing include: metal prices, the political risk of operating in a foreign country including, without limitation, risks relating to permitting, and the buoyancy of the credit and equity markets. For a more detailed list of risk factors, see the Company's most recent Annual Information Form.

Commitments

	2013	2014	2015	2016	2017	2018 and thereafter
Consulting & contract services	280	-	-	-	-	-
Operating leases	99	77	-	-	-	-
Site restoration provision (undiscounted)	55	119	140	92	87	2,526
Total	434	197	140	92	87	2,526

The Company has entered into various consulting engineering agreements for feasibility studies relating to the underground project as well as agreements for drilling services. The terms of the consulting engineering agreements specify that the Company can suspend or cancel the agreements partially or totally. In the case that the Company suspends the contract for more than three months or due to a voluntary decision, the Company would have to pay to the consultant a maximum of 10% of the contract value as an estimate for damages. The amounts presented in the table above represent these penalties.

The amounts for site restoration presented in the table above represent the expenditures the Company expects to incur as a result of exploration activities to date.

The Company is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. We have disclosed certain of these uncertainties in notes 1, 10 and 13 of the Company's unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2013, as well as in notes 1, 12, and 17 of our annual audited consolidated financial statements for the year ended December 31, 2012. The Company does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which it may be required to pay damages in any form by reason thereof, will have a material effect on the financial condition or future results of operations of the Company.

Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares issued without par value. The Company has issued warrants for the purchase of common shares and also has a stock option plan.

The following are outstanding as at October 30, 2013:

Common share	84,228,421
Shares issuable on the exercise of warrants	2,835,686
Shares issuable on the exercise of outstanding stock options	5,261,590

7. FINANCIAL INSTRUMENTS

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations. These financial risks and the Company's exposure to these risks are provided in various tables in note 8 of our annual audited consolidated financial statements for the year ended December 31, 2012. For a discussion on the significant assumptions made in determining the fair value of financial instruments, refer also to note 9 of the Company's unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2013 and note 2(d) of the annual audited consolidated financial statements for the year ended December 31, 2012.

8. TRANSACTIONS WITH RELATED PARTIES

Key management personnel

Key management personnel include the members of the Board of Directors and executive officers of the Company.

Certain executive officers are entitled to termination and change in control benefits. In the event of termination without sufficient advance written notice, these executive officers are entitled to an amount ranging from 3 to 24 months of their base compensation by way of lump sum payment and an amount ranging from zero to double the amount of the bonus payments, if any. In the event of a change in control, these executive officers are entitled to receive a lump sum payment ranging from 12 to 24 months of the their base compensation payment and an amount ranging from zero to double the amount of the bonus payments, if any, and all stock options held by these individuals will fully vest. Furthermore, in the event of a sale of the Company transaction, an officer is entitled to a one-time bonus amount equal to 1.00% of the incremental value realized on the transaction.

Executive officers and directors also participate in the Company's share option program and one officer has share appreciation rights. Total compensation expense for key management personnel for the three months ended September 30, 2013 was $570 (2012 - $796) and for the nine months ended September 30, 2013 was $1,691 (2012 - $2,413).

Other related parties

Two members of the Board of Directors of the Company are employed by a shareholder who owns 20.8% of the outstanding shares of the Company as at September 30, 2013.

The aggregate value of transactions related to key management personnel and entities over which they have control or significant influence follows:

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Fintec Holdings Corp.				
Directors fees	4	15	34	45
Salaries				188
	4	15	34	233
Quantum Advisory Partners LLP				
Salaries	-	47	-	152

There were no balances owing to related parties at each period end.

9. CRITICAL ACCOUNTING ESTIMATES

The preparation of our consolidated financial statements requires management to use judgment and make estimates and assumptions that affect the reported amounts assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results could materially differ from these estimates. Refer to note 2(d) of our annual audited consolidated financial statements for the year ended December 31, 2012 for a more detailed discussion of the critical accounting estimates and judgments.

10. CHANGES IN ACCOUNTING POLICIES

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning before or on January 1, 2013.

The adoption of the following new IFRS pronouncement will result in enhanced financial statement disclosures in the Company's annual consolidated financial statements. This pronouncement does not affect the Company's financial results nor does it result in adjustments to previously-reported figures.

- IFRS 13, "Fair Value Measurements"

  IFRS 13 defines fair value and sets out a single framework for measuring fair value which is applicable to all IFRSs that require or permit fair value measurements. It also enhances disclosures about fair value measurements.

  The adoption of IFRS 13 did not have an effect on the consolidated financial statements for the current period. The disclosure requirements of IFRS 13 will be incorporated in the annual consolidated financial statements for the year ended December 31, 2013. This will include disclosures about fair values of financial assets and liabilities measured on a recurring basis and non-financial assets and liabilities measured on a non-recurring basis.

The adoption of the following new or amended IFRS pronouncements did not affect the Company's financial results or disclosures as the Company's analysis determined that no changes were required to its existing accounting treatment.

- IFRS 10, "Consolidated Financial Statements"
- IFRS 12, "Disclosure of Interests in Other Entities"
- IFRS 11, "Joint Arrangements"
- IAS 1, "Presentation of Financial Statements"
- IAS 19, "Employee Benefits"

11. INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the establishment, maintenance and testing of adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's management and the board of directors do not expect that its disclosure controls and procedures or internal controls over financial reporting will prevent all errors or all instances of fraud. A control system, no matter how well designed and operated, can provide only reasonable (not absolute) assurance that the control system's objectives will be met.

Further, the design, maintenance and testing of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs.

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control gaps and instances of fraud have been detected. These inherent limitations include the reality that judgment in decision-making can be faulty, and that simple errors or mistakes can occur. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design, maintenance and testing of any system of controls is based in part upon certain assumptions about the likelihood of future events, and any control system may not succeed in achieving its stated goals under all potential future conditions.

There has been no change in our internal controls over financial reporting during the nine months ended September 30, 2013 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

12. RISKS AND UNCERTAINTIES

The business of the Company is subject to a variety of risks and uncertainties. For a discussion of the risks faced by the Company, please refer to the most recent Annual Information Form. These risks could materially adversely affect the Company's future business, operations and financial condition and could cause such future business, operations and financial condition to differ materially from the forward-looking statements and information contained in this MD&A and as described in under "Forward-Looking Statements" found herein.

13. FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this MD&A, including information as to the future financial or operating performance of the Company and its projects, constitute forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. Forward-looking statements include, among other things, statements regarding the outcome of legal proceedings and development of the Company's projects. Forward-looking statements are based upon a number of estimates and assumptions made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that Eco Oro believes are appropriate in the circumstances. While these estimates and assumptions are considered reasonable by the Company, they are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Such factors include, among other things, risks relating to permitting, unexpected delays in the work required for completion of prefeasibility and feasibility studies, risks relating to the Company's ability to obtain adequate financing for the development of the Angostura Project, conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and silver, possible variations in ore reserves, grade or recovery rates; risks related to fluctuations in the currency market, risks related to the business being subject to environmental laws and regulations which may increase costs of doing business and restrict the Company's operations; risks relating to title disputes; risks relating to all the Company's properties being located in Colombia, including political, economic and regulatory instability, accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. These factors and others that could affect Eco Oro's forward-looking statements are discussed in greater detail in the Company's most recent Annual Information Form which is available on SEDAR. Investors are cautioned that forward-looking statements are not guarantees of future performance and, accordingly, investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. Forward-looking statements are made as of the date of this MD&A, or in the case of documents incorporated by reference herein, as of the date of such document, and the Company disclaims any intent or obligation to update publicly such forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.