ECO ORO MINERALS CORP.

Management's Discussion and Analysis

September 30, 2014

(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 nine months ended September 30, 2014. This MD&A should be read in conjunction with our annual audited consolidated financial statements for the year ended December 31, 2013, 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 November 12, 2014. 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.

For over 15 years, the Company's focus has primarily 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 number of outstanding matters to be resolved before the Company may advance the Angostura Project. These include:

- delineation of the Santurbán páramo ecosystem; and
- securing additional financing.

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 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 all relevant stakeholders to facilitate the Colombian authorities' delineation of the boundaries of the Santurbán páramo and, in particular, in the area of the Angostura Project. To this end, the Company engaged Ecodes Ingenieria Ltd., a well-known 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. Both the study and its conclusions have been discussed with the relevant authorities. However, the Company is still awaiting a formal declaration with respect to the páramo delineation.

The Company has also implemented cost reduction measures with a view to reduce its cash burn for the remainder of 2014.

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 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.

Further metallurgical testing is required to optimize process parameters, engineering-related design and project economics. However, this planned additional work and completion of the PFS have been suspended in light of the current uncertainties.

Páramo

In June 2011, the Colombian Congress enacted the National Development Plan (Law 1450, 2011), 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 IAvH definition of páramo elevations in its Atlas of Paramos, the Company believes that 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 study, 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 was 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 páramo delineation.

On April 1, 2014, the Colombian Minister of Environment and Sustainable Development announced that the boundaries of the páramo have been delineated; however, the Company has not as yet received such boundaries (refer to note 6 (c) of the unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2014).

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.

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 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, we are not operating in the paramo ecosystem, as noted earlier. In May 2014, the Company applied to the ANM for a further 2 year extension to its exploration phase of concession 3452. In August 2014 the Company received notice from the ANM that the extension was granted.

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. 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. The arbitration panel was constituted and arbitral proceedings commenced early in 2014. As in the initial court action, SMLDL and Gelvez allege 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. The Company has filed a counterclaim against SMLDL and Gelvez seeking compensation for the costs incurred by the Company in having the Court and Superior Tribunal confirm that SMLDL and Gelvez were required to adhere to the arbitration provision in the Sale Agreement and, therefore, not entitled to file legal proceedings before the Court.

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. No drilling has been conducted on the property since 2011.

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. The panel declared a relative nullity in respect of each of those agreements with respect to the amounts greater than 500,000 Colombian pesos and 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. In October 2013, the Company filed a motion with the Judicial District Tribunal Superior Court of Bucaramanga 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 Assignment Agreement. In February 2014, a decision was rendered by the Judicial District Tribunal Superior Court with respect to the motion for annulment and the Company was not successful. In August 2014, the Company filed a constitutional action (*Acción de Tutela*) with the Supreme Court seeking the revocation of the decisions of the arbitration panel and Judicial District

Tribunal Superior Court. In September 2014, the Supreme Court rendered a decision in the Tutela Action and the Company was not successful, which decision was appealed by the Company by filing a motion with the Supreme Court. The Company awaits a decision with respect to the appeal. While the Company believes the probability of a favorable decision in this action is more likely than not, the Company has determined that it is too early to predict the outcome of the action or the ultimate impact to the Company's rights with respect to the La Plata property. As Colombia's National Mining Agency has rejected the vendors' request to register the arbitration final ruling in order to obtain the cancellation of the partial assignment agreements of the 75% the property, the Company remains the registered owner of the entire La Plata property.

4. RESULTS OF OPERATIONS

Third Quarter

	Three months ended September 30, 2014	2013	Change	%	Notes
Exploration and evaluation expenses:					
Administrative expenses	$ 309	$ 907	$ (598)	(66%)	(a)
Depreciation	103	104	(1)	(1%)	
Drilling and field expenses	-	9	(9)	(100%)	
Environmental expenses	69	(537)	606	(113%)	(b)
Other exploration and evaluation expenses	34	39	(5)	(13%)	
Salaries, benefits and share-based compensation	690	971	(281)	(29%)	(c)
Surface rights	287	237	50	21%	
Technical studies	(2)	28	(30)	(107%)	
	1,490	1,758	(268)	(15%)	
General and administrative expenses:					
Other administrative expenses	263	218	45	21%	
Salaries and benefits	131	374	(243)	(65%)	(d)
Share-based compensation	19	371	(352)	(95%)	(e)
	413	963	(550)	(57%)	
Total expenses before other items	1,903	2,721	(818)	(30%)	
Other items:					
Fair value change on warrant liabilities	-	(177)	177	(100%)	(f)
Finance expenses	52	81	(29)	(36%)	
Foreign exchange (gain)/loss	(340)	70	(410)	(586%)	(g)
Other income	(16)	(37)	21	(57%)	
	(304)	(63)	(241)	383%	
Loss and comprehensive loss for the period	$ 1,599	$ 2,658	(1,059)	(40%)	

a) Administrative costs decreased in the current quarter compared to the prior-year quarter in all areas of the operations including security, legal, public relations, materials, and other administrative costs due to the cost reduction initiatives implemented by the Company since 2013.

b) Environmental costs include the impact of the current period's changes in the site restoration provision. During the third quarter of 2014, there were changes in the extent of the required rehabilitation activities, timing of these activities, changes in discount rates and foreign exchange rate. These changes resulted in an increase in environmental expenses.

c) Salaries and benefits in Colombia decreased as a result of the cost reductions implemented in July 2013. There were fewer employees during the current quarter of 2014 (73 employees) compared to the same period in 2013 (80 employees). Stock-based compensation expense was directly impacted by the fewer number of employees, however, the annual grant of options in 2013 was in the third quarter of 2013 whereas, in 2014 was in the second quarter. Finally, 300,000 options granted to a consultant vested in September 2014 for about $47k in expense.

d) Salaries and benefits in the head office decreased significantly due to fewer employees in the Company. Savings in this area were partially offset by an increase in consultant expenses related to outsourced accounting and CFO services and legal services.

e) Share-based compensation expense decreased in the current quarter compared to the prior-year period primarily due to fewer options vested. The annual grant in 2013 was in the third quarter, whereas in 2014 was in the second quarter.

f) Warrants expired in March 2014.

g) The foreign exchange gain in the current quarter is primarily due to the retranslation of the Company's net monetary liability position denominated in COP. During the current quarter, the US dollar appreciated by 8% against the COP whereas in the prior year period the US dollar depreciated by 1%.

Nine Months Ended September 30, 2014

	Nine months ended September 30, 2014	2013	Change	%	Notes
Exploration and evaluation expenses:					
Administrative expenses	$ 989	$ 2,918	$ (1,929)	(66%)	(h)
Depreciation	299	335	(36)	(11%)	
Drilling and field expenses	23	212	(189)	(89%)	
Environmental expenses	587	(744)	1,331	(179%)	(i)
Other exploration and evaluation expenses	61	294	(233)	(79%)	
Salaries, benefits and share-based compensation	1,767	2,532	(765)	(30%)	
Surface rights	532	805	(273)	(34%)	(j)
Technical studies	(323)	906	(1,229)	(136%)	(k)
	3,935	7,258	(3,323)	(46%)	
General and administrative expenses:					
Other administrative expenses	809	1,181	(372)	(31%)	(l)
Salaries and benefits	742	1,358	(616)	(45%)	(m)
Share-based compensation	209	914	(705)	(77%)	(n)
	1,760	3,453	(1,693)	(49%)	
Total expenses before other items	5,695	10,711	(5,016)	(47%)	
Other items:					
Fair value change on warrant liabilities	-	(264)	264	(100%)	(o)
Finance expenses	174	286	(112)	(39%)	
Foreign exchange (gain)/loss	(165)	(513)	348	(68%)	(p)
Other income	(66)	(118)	52	(44%)	
	(57)	(609)	552	(91%)	
Loss and comprehensive loss for the period	$ 5,638	$ 10,102	(4,464)	(44%)	

h) Administrative costs have decreased year to date compared to the same period in 2013 in all areas of the operations including security, legal, public relations, materials, and other administrative costs due to the cost reduction initiatives implemented by the Company since 2013.

i) Environmental costs include the impact of the current period's changes in the site restoration provision. During 2014, there were changes in the extent of the required rehabilitation activities, timing of these activities, changes in discount rates and foreign exchange rate. These changes resulted in a net increase of $587 in the site restoration provision due mainly to the recognition of a constructive obligation relating to certain environmental rehabilitation measures recommended by regulatory authorities that are preventative in nature and resulted from damages caused by severe weather conditions.

j) Surface rights decreased primarily due to a difference in the timing of when these costs are recognized.

k) Technical study costs include a recovery resulting from the positive settlement of a disputed account payable to a consultant.

l) Other administrative expenses in 2014 have declined in all areas including rent, office supplies, consultant costs related to research, political and public relations for Colombia and recruitment fees. These decreases are partially offset by an increase in consultants related to outsourced accounting and CFO services and legal services.

m) Salaries and benefits in Canada decreased due to fewer employees in the 2014 compared to 2013. This decrease is partially offset by an increase in outsourced accounting and CFO services and legal services.

n) Share-based compensation expense decreased in 2014 compared to 2013 primarily because the market value of the Company's common shares on which the fair value of the options is based has declined. In addition, there was approximately $200 reversal of expense due to unvested options related to the former CEO and former CFO who left the Company in the second quarter of 2014.

o) Warrants expired in March 2014.

p) The year to date foreign exchange gain in 2014 and 2013 were primarily due to the retranslation of the Company's net monetary liability position denominated in COP. During the nine months ended September 30, 2014, the US dollar appreciated by 5% against the COP and the net liability position was reduced by 42%, compared to 2013. In the prior year period the US dollar appreciated by 8%.

5. SUMMARY OF QUARTERLY RESULTS

	2014			2013				2012
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Exploration and evaluation expenditures	$1,490	$1,480	$965	$1,292	$1,758	$1,858	$3,641	$4,082
General and administrative expenses	413	525	822	637	963	1,254	1,236	1,372
Other items	(304)	235	12	34	(63)	(731)	185	494
Net loss	1,599	$2,240	$1,799	$1,963	$2,658	$2,381	$5,062	$5,948
Basic and diluted loss per share	$0.02	$0.03	$0.02	$0.02	$0.03	$0.03	$0.06	$0.07

Exploration and evaluation costs started to decline in the fourth quarter of 2012 and continued this trend during 2013 and 2014 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. Exploration and evaluation costs increased in the second quarter of 2014 due mainly to the recognition of a constructive obligation relating to certain environmental rehabilitation measures recommended by regulatory authorities that are preventative in nature and resulted from damages caused by severe weather conditions. This increase was partially offset by a net decrease in salaries as a result of a reduction in the standard working week during the quarter and additional severance payments made. In the third quarter of 2014, the reduced working week was terminated and additional severance payments were made.

General and administrative costs remained at relatively constant levels during the last quarter of 2012 and in 2013. 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 and fourth quarters of 2013 as a result of the cost reduction initiatives implemented and increased in the first quarter of 2014 mainly due to 300,000 options granted and vested in March 2014 as well as severance payments due to the reduction of personnel in the quarter. In the second quarter of 2014, general and administrative costs decreased due to lower share-based expense associated with the reversal of expense of unvested options related to the former CEO and former CFO who left the Company in the quarter as well as a result of having fewer employees.

There is a quarterly fluctuation in Other items primarily due to the fluctuation in exchange rates for the COP and Cdn$.

6. LIQUIDITY AND CAPITAL RESOURCES

Liquidity and Cash Burn Rate

	2014			2013				2012
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Cash used in operating activities	$(2,642)	$(2,488)	$(1,754)	$(2,375)	$(3,521)	$(4,799)	$(4,217)	$(7,531)
Cash (used in)/generated from investing activities	(6)	(151)	(3)	(73)	1,086	(2,008)	(27)	57
Effect of FX fluctuations on cash balances	(10)	18	(12)	12	(44)	55	(93)	(192)
Cash burn	(2,658)	$(2,621)	$(1,769)	$(2,436)	$(2,479)	$(6,752)	$(4,337)	$(7,667)
Cash and cash equivalents	$3,689	$6,347	$8,968	$10,737	$13,173	$15,652	$22,404	$26,787
GICs > 90 days	31	32	31	87	90	1,907	91	46
Working capital	$617	$2,752	$4,308	$6,000	$7,968	$11,941	$15,724	$20,362

The second and third quarter of 2014 cash burn increased compared to the prior quarter due to the payment of equity tax, however, the quarterly cash burn for the first quarter 2014 and second half of 2013 represent significant decreases from the quarterly cash burn incurred during the first half of 2013 and the last two quarters of 2012. The trend of lower quarterly cash burn is primarily due to the implementation of cost reduction initiatives commencing in the second quarter of 2013:

- 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 has not yet achieved profitable operations and expects to incur further losses in the development of its business. Management expects the Company's quarterly cash burn to continue its trend consistent with the last four quarters. Based on the Company's current cash flow forecasts, which includes future equity financing(s), the Company expects to maintain a positive cash position throughout the course of the year. There is no guarantee that the Company will be able to secure additional financings in the future at terms that are favorable.

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; 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 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 equity markets. For a more detailed list of risk factors, see the Company's most recent Annual Information Form.

Commitments

	Rest of 2014	2015	2016	2017	2018	2019 and thereafter
Consulting & contract services	$362	-	-	-	-	-
Operating leases	3	11	-	-	-	-
Site restoration provision (undiscounted)	20	679	71	70	277	2,069
Total	$385	$690	$71	$70	$277	$2,069

The Company has entered into various consulting engineering agreements for feasibility studies relating to the Angostura 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. In addition, the Company entered into some consulting agreements related to accounting, and legal services that contain a six month termination clause and an agreement related to CEO services where the CEO is eligible to receive CDN$100 in the case the Company decides to terminate those agreements immediately and without further liability. 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 note 6 of the Company's unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2014, as well as in note 13 and 17 of our annual audited consolidated financial statements for the year ended December 31, 2013.

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 November 12, 2014:

Common share	84,228,421
Shares issuable on the exercise of warrants	143,500
Shares issuable on the exercise of outstanding stock options	5,145,750

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 15 of our annual audited consolidated financial statements for the year ended December 31, 2013. For a discussion on the significant assumptions made in determining the fair value of financial instruments, refer to note 3(d) and 9 of the annual audited consolidated financial statements for the year ended December 31, 2013.

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 benefits. In the event of termination without sufficient advance written notice, these executive officers are entitled to an amount of 6 months of their base compensation by way of lump sum payment. CEO is eligible to receive CDN$100 in the case the Company decides to terminate the agreement immediately and without further liability.

Executive officers and directors also participate in the Company's stock option plan. Total compensation expense for key management personnel for the three and nine months ended September 30, 2014 was $153 (2013 - $643) and $950 (2013 -$1,907) respectively.

Other related parties

One member of the Board of Directors of the Company is employed by a shareholder who owns 20.8% of the outstanding shares of the Company as at September 30, 2014.

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,	
	2014	2013	2014	2013
Fintec Holdings Corp. ("Fintec")	$58	$5	$110	$35
Quantum Advisory Partners LLP ("Quantum")	36	-	68	16
James H. Atherton Law Corp. ("Law Corp.")	29	-	63	-

Fintec is a company controlled by the Company's President & Chief Executive Officer (CEO). The services provided by Fintec were in the normal course of operations related to director and CEO matters.

Quantum is a partnership whose incorporated partner is the Company's Chief Financial Officer (CFO). The services provided by Quantum were in the normal course of operations related to accounting and CFO services.

Law Corp. is a professional corporation owned by the Company's Corporate Secretary. The services provided were related to day- to- day legal advice to the Company.

There was $14 owed to Quantum as of September 30, 2014.

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 of 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, 2013 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 after January 1, 2014.

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.

- Offsetting Financial Assets and Liabilities (Amendments to IAS 32)

  The standard amends the presentation to provide clarifications on the application of the offsetting rules which focused on four main areas: 1) the meaning of "currently has a legally enforceable right of set-off", 2) the application of simultaneous realisation and settlement, 3) the offsetting of collateral amounts, and 4) the unit of account for applying the offsetting requirements.

11. INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company under Canadian Securities laws is recorded, processed, summarized and reported within the time periods specified under those laws and include controls and procedures designed to ensure such information is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure.

Management, with the participation of the CEO and the CFO, has evaluated the design and effectiveness of the Company's disclosure controls and procedures as of December 31, 2013, and based upon this evaluation, the CEO and the CFO have concluded that these disclosure controls and procedures, as defined by National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, are effective for the purposes set out above.

Since December 31, 2013 evaluation, there have been no adverse changes to the Company's disclosure controls and procedures and they continue to remain effective.

Internal Controls 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.

Management, with the participation of the CEO and the CFO, has conducted an evaluation of the design and the effectiveness of the Company's internal control over financial reporting as of December 31, 2013 based on Internal Control – Integrated Framework that was published in 1992 by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, management concluded that the Company's internal control over financial reporting, as defined by National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, is effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

There has been no change in our internal controls over financial reporting during the nine months ended September 30, 2014 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 constitute forward-looking statements. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold and silver, the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of estimated future production, anticipated costs of production, estimated capital expenditures, estimated internal rates of return, success of exploration activities, currency fluctuations, requirements for additional capital, government regulation of mining operations and environmental risks or claims. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks relating to the Company's ability to commence production and generate material revenues or obtain adequate financing for its planned exploration and development activities; actual results of current exploration activities; 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; failure of plant, equipment or processes to operate as anticipated; 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 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, as well as those factors discussed in the section entitled "Risk Factors" below. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management as of the date the statements are made, including, without limitation, the assumed long-term price of gold, that the Company can access financing, that all required permits and approvals for development of its mineral properties will be received and that the political environment in Colombia will continue to support the development and operation of mining projects, and the Company does not assume any obligation to update any forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, readers should not place undue reliance on forward-looking statements.