ECO ORO MINERALS CORP.

Management's Discussion and Analysis

June 30, 2015

(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 six months ended June 30, 2015. This MD&A should be read in conjunction with our annual audited consolidated financial statements for the year ended December 31, 2014, 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 August 12, 2015. 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 Canadian publicly-listed, precious metals exploration and development company with operations in Colombia. 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. The Company aims to maximize long-term value for its shareholders by developing its Angostura and its satellite prospects through to construction and mining.

On December 19, 2014, the Ministry of Environment and Sustainable Development ("MADS") approved Resolution 2090 dated December 19, 2014, wherein the boundaries of the Páramo of Santurbán (the "Santurbán Páramo") have been officially declared. The Resolution provides that within the Santurbán Páramo there are certain areas where mining can take place, subject to stricter environmental controls.

The Company is currently reviewing how the Angostura Project and the satellite deposits will be developed taking into consideration the Santurbán Páramo, which will include assessing various techno-economic parameters such as cut-off grade, production rates, mining and metallurgical approaches, access to adjacent and at depth resources and the overall infrastructure layout. The Company is investigating the best approach to add value to the Angostura project by proceeding with its on-going internal technical review.

3. PROJECT REVIEW

Angostura Project

The Company's current efforts are focused on the Angostura Project in the Department of Santander, Colombia, 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.

Mineral Resources

On June 8, 2015, the Company released an updated mineral resource estimate for its Angostura gold-silver deposit, located in the California mining district in Colombia. As set out in the National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") Technical Report filed on July 17, 2015, the resource estimate is based on information from 1,069 diamond drill holes totaling 362,575 meters of drilling, including 96 drill holes totaling 40,468 meters from the Company's infill drilling program conducted from June 2011 to September 2012.

The Measured, Indicated and Inferred Mineral Resources are summarized as follows:

Angostura Mineral Resource Summary at a Cut-off Grade of 2.5 g/t Au

Resource Class	Tonnes (Million)	Au (g/t)	Ag (g/t)	Contained Metal Au (koz)	Ag (koz)
Measured	3.56	4.55	28.7	520	3,279
Indicated	11.50	4.57	16.5	1,691	6,083
Meas + Ind	**15.06**	**4.57**	**19.3**	**2,211**	**9,362**
Inferred	6.85	4.70	19.0	1,034	4,192

As set out in the NI 43-101 Technical Report, the key assumptions of the mineral resource estimate for Angostura Gold-Silver Deposit are as follows:

1. *The mineral resource estimate for the Angostura Gold-Silver Deposit has been prepared and categorized for reporting purposes by Thomas C. Stubens, MASc., P,Eng., of Micon International Limited, following the guidelines of the Canadian Institute of Mining, Metallurgy and Petroleum. Mr. Stubens is Qualified Person as defined by NI 43-101 on the basis of training and experience in the exploration, mining and estimation of mineral resources of gold deposits and is independent of Eco Oro.*

2. *Resource estimate methodology:*

   - *The resource study is based on an updated 3D geological model of 104 Mineralized Structures and includes all of the technical data available as of March 2015. The database consists of 1,069 diamond drill holes representing 362,575 meters of drilling and contains 209,737 assays totaling 362,115 meters. 93,487 assays totaling 148,728 meters of core fall within the Mineralized Structures.*
   - *QA/QC of the assay data was progressively done under contract by a third party for Eco Oro and showed appropriate quality for the purpose of resource estimation. The QA/QC data and reports were examined by Micon and the assay database is considered appropriate for the purpose of resource estimation.*
   - *The database includes over 9,000 specific gravity measurements from drill core. The global bulk densities for oxide, transition and sulfide material were obtained by applying appropriate correction factors to the specific gravity mean values and then calculating the average.*
   - *The current model used structural trend surfaces that follow the interpreted Mineralized Structures throughout the deposit. The trend surfaces guide the direction of the three axes of the search ellipsoid used for grade interpolation on a local scale and ensure that geological influence on the grade interpolation is preserved.*
   - *The Angostura mineral resource was estimated using a parent block size of 5 meters (X) by 5 meters (Y) by 5 meters (Z) with sub-blocks down to 1 meter (X) by 1 meter (Y) by 1 meter (Z).*
   - *To reduce mixing of low grades and high grades where regions of these can be clearly defined within a Mineralized Structure, a probability model was generated using Indicator Kriging (IK) at a threshold grade of 1.0 g/t Au. A probability of 0.40 was then selected as providing an acceptable representation of high grade continuity and reasonable segregation of the high and low grade volumes.*
   - *The gold assay data within the mineralized zones were split into high grade and low grade populations using the 0.40 probability of being greater than 1.0 g/t Au. Capping thresholds for the high-grade and low grade populations were determined for each Mineralized Structure for both gold and silver. A total of 75 Gold assays in 30 high grade veins domains and 138 Gold assays in 51 low grade domains were capped. These data represent 0.52% and 0.17% of their respective populations. The assay data were composited to intervals of 2 meters by vein and grade class.*
   - *Ordinary Kriging was used to estimate Au grades in the high and low grade zones within each Mineralized Structure. Inverse Distance Squared (ID2) was used to estimate Ag grades. Three estimation passes were used with specific search radii and sample configuration schemes. The restrictions in terms of the minimum number of drill holes and search radii were selected in conjunction with Eco Oro's geologists through an iterative process designed to test a range of different search parameters. For the first search with a radius equal to the variogram range at 80% of the sill. A second grade interpolation pass followed for which the ellipsoid axis lengths were doubled and a third pass where they were doubled again. The search ellipsoids were oriented along the preferential orientation of each Mineralized Structure*

3. *A nominal 15 to 50 metre protective surface pillar has been allowed for below the Paramo of Santurban and Regional Park of Santurban as a reasonable environmental precaution at this stage pending further technical investigations. Access below the Santurban Paramo and Santurban Regional Park for development and extraction has been assumed with these pillar allowances. Additional work and ongoing consultation with government authorities is expected to establish a framework to access the resources proximal to the Santurban Paramo and Santurban Regional Park abiding by all international mining standards and best practices.*

4. *It is the Company's opinion that a combination of revised geological modelling, an indicator probability approach to grade domaining, and generally tighter constraints adopted for this resource update have produced an improved and sound base on which to advance the Angostura Project with reasonable allowances assumed for environmental protection pillars within typical industry standards.*

5. *Effective date of the resource estimate is June 1, 2015.*

Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

Regional Park

In a process separate from the determination of the boundaries of páramo, *Corporación Autónoma Regional para la Defensa de la Meseta de Bucaramanga* or "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 Park 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 Von Humboldt Institute until the ultimate boundaries of the páramo ecosystem have been determined. 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 August 2013, the Company was served with notice of arbitration proceedings in the Chamber of Commerce of the City of Bogota initiated by Sociedad Mina Los Diamantes Ltda. and Crisanto Peña Gelvez ("SMLDL and Peña"). These proceedings follow the decision of the Eighth Civil Circuit Court of the City of Bucaramanga, which decision was upheld on appeal by the Superior Tribunal in July 2013, that the ordinary courts lacked jurisdiction. Pursuant to these proceedings, SMLDL and Peña are seeking the annulment of the 1994 assignment and sale agreement (the "Permit 3452 Assignment Agreement") pursuant to which the Company acquired mining permit 3452 (the "Permit") from SMLDL and Peña, who retained net profits royalties. The Permit, covering an area of 250 hectares, was converted into integrated Concession Contract 3452, 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. In the initial court action, SMLDL and Peña alleged that not all formalities were observed at the time the Permit 3452 Assignment Agreement was entered into and that the agreement 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, including by the Colombian Ministry of Mines by perfecting the assignment of the Permit in 1996 by administrative act, and that, in any event, the statute of limitations can be invoked to reject the claims.

In January 2014, the Chamber of Commerce of the City of Bogota referred the file to the Arbitration Center for the Chamber of Commerce of the City of Bucaramanga, which formally constituted an arbitration panel in March 2014. In April 2014, the Company presented its defence to the claim and commenced a counterclaim against SMLDL and Peña seeking compensation for the costs incurred by the Company in the Eighth Civil Circuit Court of the City of Bucaramanga and the Superior Tribunal. The Company and SMLDL and Peña were unable to reach a negotiated settlement at a conciliation hearing held in October 2014.

In December 2014, the proceedings advanced to the evidence gathering phase and, in February 2015, the arbitration panel of experts with relevant accounting, legal and technical experience to assist with evaluating the evidence were appointed. On July 27, 2015, the arbitration panel rendered their binding decision finding in favour of the Company, dismissing all claims of SMLDL and Peña.

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.

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") was seeking an arbitration pursuant to the arbitration clause contained in the mining title assignment agreement (the "La Plata Assignment Agreement") pursuant to which the Company acquired its La Plata property from SMLPL. An arbitration panel was constituted and there were ten hearings between December 2012 and July 2013. The arbitration panel rendered their decision in September 2013 finding that the two year statute of limitations applied to the La Plata Assignment Agreement and the first of three subordinate partial assignment agreements, in respect of 25% of the property, and found in favour of the Company in that regard. However, the arbitration panel found that the statute of limitations did not apply to the second and third subordinate partial assignment agreements (the "Annulled Agreements"), in respect of 75% of the property, and declared a relative nullity in respect of these agreements with respect to the amounts greater than 500,000 Colombian pesos. The panel ordered SMLPL to pay the Company 1,677,500,686 Colombian pesos, which relates to the amount paid to SMLPL by the Company under each of the Annulled Agreements (less 500,000 Colombian pesos X 2), within thirty days of the decision becoming firm. The arbitration panel recognized in its decision that it lacked the power to order the relevant Colombian authorities to annul the administrative acts relating to the property and related environmental management plan registered in the name of the Company. The La Plata property and related environmental management plan remain in the name of the Company. In October 2013, the Company filed with the Judicial District Tribunal Superior Court of Bucaramanga a motion for annulment of the arbitration panels' decision on the basis, among other things, that: the arbitration tribunal lacked jurisdiction to rule on the subordinate partial assignment agreements as they did not contain arbitration clauses; and the statute of limitations should have been applied to the Annulled Agreements as they were subordinate to the La Plata Assignment Agreement. In February 2014, the Company was notified of the decision 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 with the Supreme Court an action (Acción de Tutela or "Tutela Action") seeking the revocation of the decisions of the arbitration panel and Judicial District Tribunal Superior Court. In September 2014, the Company was notified of the decision rendered by the Supreme Court in the Tutela Action and the Company was not successful. This decision was appealed to the Supreme Court and, in November 2014, the Company was notified of the decision rendered by the Supreme Court in the appeal and the Company was not successful. To date, Colombia's National Mining Agency (*Agencia Nacional de Mineria* or "ANM") has rejected SMLPL's request to register the decision of the arbitration panel and cancel registration of the Annulled Agreements and, as such, the Company remains the registered owner of the entire La Plata property. On July 21, 2015, the Company received notice that SMLPL had filed a Tutela Action with the Tenth Criminal Circuit Court of Bucaramanga seeking an order that the ANM register the arbitration decision and its 75% interest in the La Plata property. On August 4, 2015, the Company was notified of the decision rendered by the Court that SMLPL was not successful and the Tutela Action was dismissed. As the La Plata Assignment Agreement (and the first of three subordinate partial assignment agreements) remains valid, if necessary, the Company may commence a legal action against SMLPL to require SMLPL to comply with its obligations thereunder, including the obligation to legally assign the remaining portion of the La Plata property, which was the subject of the Annulled Agreements, to the Company.

Qualified Person

Callum Grant, P. Eng., a consultant to Eco Oro and a qualified person as that term is defined in NI 43-101, has reviewed and verified the technical information contained in this MD&A.

4. RESULTS OF OPERATIONS

Three months ended June 30, 2015

	For the three months ended		Change		
	June 30, 2015	June 30, 2014	**in $**	**in %**	**Note**
Exploration and evaluation expenses:					
Administrative expenses	**$ 347**	$ 392	**$ (45)**	**(11%)**	
Depreciation	**85**	97	**(12)**	**(12%)**	
Drilling and field expenses	**7**	-	**7**	**-**	
Environmental expenses	**33**	588	**(555)**	**(94%)**	**a**
Other exploration and evaluation expenses	**16**	10	**6**	**60%**	
Salaries, benefits and share-based compensation	**430**	512	**(82)**	**(16%)**	**b**
Surface rights	**158**	202	**(44)**	**(22%)**	
Technical studies	**135**	(321)	**456**	**(142%)**	**c**
	1,211	1,480	**(269)**	**(18%)**	
General and administrative expenses:					
Audit, legal and other professional fees	**168**	51	**117**	**229%**	**d**
Other administrative expenses	**53**	149	**(96)**	**(64%)**	
Regulatory and transfer agent fees	**10**	12	**(2)**	**(17%)**	
Rent	**6**	43	**(37)**	**(86%)**	
Salaries and benefits	**91**	235	**(144)**	**(61%)**	**d**
Share-based compensation	**76**	38	**38**	**100%**	
Travel	**72**	(3)	**75**	**(2,500%)**	**e**
	476	525	**(49)**	**(9%)**	
Total expenses before other items	**$ 1,687**	$ 2,005	**$ (318)**	**(16%)**	
Other items					
Equity tax	**(15)**	-	**(15)**	**-**	
Finance cost	**94**	59	**35**	**59%**	
Foreign exchange loss (gain)	**(130)**	189	**(319)**	**(169%)**	**f**
Other income	**(1)**	(13)	**12**	**92%**	
	(52)	235	**(287)**	**(122%)**	
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**$ 1,635**	$ 2,240	**$ (605)**	**(27%)**	

a) Environmental expenses decreased is primary related to the change in estimation of the expected cash flow of the site restoration expenditures.

b) Salaries and benefits in Colombia decreased due to fewer employees in the current quarter compared to the prior year's quarter.

c) Technical studies increased due to the NI 43-101 resource estimate and related technical report, an external assessment of the mine capacity and sustainable production rate for the Angostura gold-silver project, and the ongoing internal technical review. In addition, in the prior year's quarter, a recovery was recognized resulting from the positive settlement of a disputed account payable with a consultant.

d) Salaries and benefits in the head office decreased significantly due to fewer full-time employees in the Company. Savings in this area were partially offset by an increase in audit, legal and other professional fees related to outsourced accounting and CFO services and legal services.

e) Travel increased due various investor relation activities within North America and Europe including costs associated with the participation in various investor conferences within North America as well as several visits to Colombia by senior management and consultants.

f) The foreign exchange gain was primarily due to the retranslation of the Company's net monetary liability position denominated in COP.

Six months ended June 30, 2015

	For the six months ended June 30, 2015	For the six months ended June 30, 2014	Change in $	Note
Exploration and evaluation expenses:				
Administrative expenses	$ 611	$ 680	$ (69)	
Depreciation	182	196	(14)	
Drilling and field expenses	23	23	-	
Environmental expenses	(30)	518	(548)	a
Other exploration and evaluation expenses	70	27	43	
Salaries, benefits and share-based compensation	899	1,077	(178)	b
Surface rights	253	245	8	
Technical studies	216	(321)	537	c
	2,224	2,445	(221)	
General and administrative expenses:				
Audit, legal and other professional fees	245	160	85	d
Other administrative expenses	71	211	(140)	e
Regulatory and transfer agent fees	47	58	(11)	
Rent	12	87	(75)	
Salaries and benefits	190	611	(421)	d
Share-based compensation	91	190	(99)	
Travel	123	30	93	f
	779	1,347	(568)	
Total expenses before other items	$ 3,003	$ 3,792	$ (789)	
Other items				
Equity tax	123	-	123	g
Finance cost	187	122	65	
Foreign exchange loss (gain)	(594)	175	769	h
Other income	(5)	(50)	(45)	
	(289)	247	912	
TOTAL LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$ 2,714	$ 4,039	$ 123	

a) Environmental expenses decreased is primary related to the change in estimation of the expected cash flow of the site restoration expenditures.

b) Salaries and benefits in Colombia decreased due to fewer employees in the current year compared to the prior year.

c) Technical studies increased due to the NI 43-101 resource estimate and related technical report, an external assessment of the mine capacity and sustainable production rate for the Angostura gold-silver project, and the ongoing internal technical review. In addition, in the prior year's quarter, a recovery was recognized resulting from the positive settlement of a disputed account payable with a consultant.

d) Salaries and benefits in the head office decreased significantly due to fewer full-time employees in the Company. Savings in this area were partially offset by an increase in audit, legal, and other professional fees related to outsourced accounting and CFO services and legal services.

e) Other administrative expenses decreased in the current year-to-date period compared to prior year's comparative period due to the continuation of cost reduction initiatives implemented by the Company previously.

f) Travel increased due various investor relation activities within North America and Europe including costs associated with the participation in various investor conferences within North America as well as several visits to Colombia by senior management and consultants.

g) The equity tax of $123 is related to the new wealth tax imposed on all Colombian entities by the Colombian government for 2015 through to 2018. During the current year, the Company recognized equity tax liability of $123 (COP 302,560,000).

h) The foreign exchange gain was primarily due to the retranslation of the Company's net monetary liability position denominated in COP.

5. SELECTED FINANCIAL INFORMATION

As at:	June 30, 2015	December 31, 2014	December 31, 2013
Total assets	$ 21,747	$ 22,796	$ 31,389
Total long-term liabilities	4,010	4,387	1,922

For the six months ended:	June 30, 2015	June 30, 2014	June 30, 2013
Loss and comprehensive loss	$ 2,714	$ 4,039	$ 5,062
Basic and diluted loss per share	0.03	0.05	0.06

The decline in total assets in the 2015, 2014 and 2013 is mainly due to cash spent on exploration and evaluation expenses and general working capital items. The decline in total assets in the 2015 was partially offset by the cash received from financing activities during 2015. The Company has no operating revenue and relies primarily on equity financing to fund its activities. There have been no distributions or cash dividends declared for the periods presented.

6. SUMMARY OF QUARTERLY RESULTS

	Three months ended			
	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Exploration and evaluation expenditures	$ 1,211	$ 1,013	$ 4,226	$ 1,490
General and administrative expenses	476	303	435	413
Other items	(52)	(237)	(1,054)	(304)
Loss and comprehensive loss	1,635	1,079	3,607	1,599
Basic and diluted loss per share	0.02	0.01	0.04	0.02

	Three months ended			
	June 30, 2014	March 31, 2014	December 31, 2013	September 30, 2013
Exploration and evaluation expenditures	$ 1,480	$ 965	$ 1,292	$ 1,758
General and administrative expenses	525	822	637	963
Other items	235	12	34	(63)
Loss and comprehensive loss	2,240	1,799	1,963	2,658
Basic and diluted loss per share	0.03	0.02	0.02	0.03

Exploration and evaluation costs started to decline in the fourth quarter of 2012 and continued this trend during 2013, 2014 and 2015 mainly due to reduced activity associated with various technical studies, winding down of drilling programs, 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 prefeasibility study. Exploration and evaluation costs increased in the fourth quarter of 2014 due to the recognition of a rehabilitation provision of $4,063 as a result of certain environmental rehabilitation measures recommended by regulatory authorities. This increase was partially offset by a net decrease in salaries as a result of a reduction in the standard work week during the quarter and additional severance payments made.

General and administrative costs remained at relatively constant levels starting from the fourth quarter of 2013 which is mainly due to the continuation of cost reduction initiatives implemented by the Company in the third quarter of 2013. General and administrative costs are higher 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 during 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$.

7. LIQUIDITY AND CAPITAL RESOURCES

Liquidity and Cash Flows

	Three months ended			
	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Cash used in operating activities	$ (1,724)	$ (1,314)	$ (1,253)	$ (2,642)
Cash flows from (used in) financing activities	-	2,171	-	-
Cash flows from (used in) investing activities	(18)	(17)	(14)	(6)
Effects of exchange rate changes on cash and cash equivalents	44	(72)	(76)	(10)
Total cash flow	(1,698)	768	(1,343)	(2,658)
Cash and cash equivalents	1,416	3,114	2,346	3,689
Guaranteed investment certificate	28	27	30	31
Working capital (deficiency)	(912)	677	(225)	617

	Three months ended			
	June 30, 2014	March 31, 2014	December 31, 2013	September 30, 2013
Cash used in operating activities	$ (2,488)	$ (1,754)	$ (2,375)	$ (3,521)
Cash flows from (used in) investing activities	(151)	(3)	(73)	1,086
Effects of exchange rate changes on cash and cash equivalents	18	(12)	12	(44)
Total cash flow	(2,621)	(1,769)	(2,436)	(2,479)
Cash and cash equivalents	6,347	8,968	10,737	13,173
Guaranteed investment certificate	32	31	87	90
Working capital	2,099	4,308	6,000	7,968

During the first quarter of 2015, the Company completed a private placement for gross aggregate proceeds of $2,171. Cash flows used in operating activities for the second and third quarters of 2014 and 2013 are generally higher compared to other quarters due to the payment of equity tax installments; however, the quarterly cash outflows for the second quarter of 2015, the fourth and first quarter of 2014 and second half of 2013 represent significant decreases when compared to the second quarter of 2013. The trend of lower quarterly cash burn is primarily due to the implementation of cost reduction initiatives commencing in the second quarter of 2013 that deferred of all discretionary spending on the Angostura Project and decreased general and administrative expenses in both Canada and Colombia through reductions in employee and consultant costs travel and marketing costs, and other discretionary expenditures.

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 outflows to continue its trend consistent with the last four quarters. Based on the Company's current forecasts, which includes anticipated future equity financing(s), the Company expects to maintain a positive cash position throughout the course of the year, but still remain in a working capital deficiency position given the magnitude of certain non-trade, current liabilities. There is no guarantee that the Company will be able to secure additional financings in the future and 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 and commodities 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; commence the development of its property, which would include completing various technical and environmental studies, 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, Contractual Obligations & Contingencies

Commitments & Contractual Obligations

	2015	2016	2017	2018	2019 and thereafter	Total
Operating leases	$ 6	$ -	$ -	$ -	$ -	$ 6
Site restoration provision [(1)]	485	352	552	1,323	2,989	5,701
Wealth tax [(2)]	59	120	60	-	-	239
	$ 550	**$ 472**	**$ 612**	**$ 1,323**	**$ 2,989**	**$ 5,946**

1) Represents the undiscounted cash flow.

2) Represents the estimated wealth tax payments based on the Company's net equity position as at December 31, 2014.

Contingencies

The Company entered into two 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 that agreement immediately and without further liability.

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 10 of our financial statements. The Company does not believe that adverse decisions in any other ongoing, 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 adverse 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.

During the six months ended June 30, 2015, the Company completed a private placement which consisted of the sale of 3,597,987 common shares of the Company at Cdn$0.77 per share for gross aggregate proceeds of Cdn$ 2,770,450. In connection with private placement, the Company incurred $42 share issuance cost.

The following are outstanding as at August 12, 2015:

Common shares	87,826,408
Shares issuable on the exercise of warrants	63,500
Shares issuable on the exercise of outstanding stock options	4,635,000

8. 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 12 of our condensed consolidated interim financial statements for the six months ended June 30, 2015. For a discussion on the significant assumptions made in determining the fair value of financial instruments, refer also to note 3(d) of the consolidated financial statements for the year ended December 31, 2014.

9. TRANSACTIONS WITH RELATED PARTIES

Key management personnel

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

	For the six months ended			
		June 30, 2015		June 30, 2014
Short-term benefits	**$**	**296**	$	601
Share-based payments		**51**		30
	$	**347**	$	631

Certain executive officers are entitled to termination benefits. In the event of termination without sufficient advance written notice, these executive officers (namely the CFO and Corporate Secretary) 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.

Other related parties

The aggregate value of transactions with other related parties, including entities over which key management personnel have control or significant influence, is as follows:

	For the six months ended			
		June 30, 2015		June 30, 2014
Fintec Holdings Corp. ("Fintec")				
Director's fees	**$**	**-**	$	52
Management fees		**98**		-
	$	**98**	$	52
Quantum Advisory Partners LLP ("Quantum")				
Management and accounting services	**$**	**77**	$	32
James H. Atherton Law Corporation ("Law Corp")				
Legal services	**$**	**51**	$	35

Fintec is a company owned 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 services provided to the Company.

At June 30, 2015, $14 is due to an officer of the Company which was included in trade and other payables (December 31, 2014 - $12).

10. 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 of our annual audited consolidated financial statements for the year ended December 31, 2014 for a more detailed discussion of the critical accounting estimates and judgments.

11. CHANGES IN ACCOUNTING POLICIES

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 2016. Updates which are not applicable or are not consequential to the Company have been excluded thereof. The following have not yet been adopted by the Company and are being evaluated to determine their impact:

- IAS 16 Property, Plant and Equipment (amendments)
- IAS 38 Intangible Assets (amendments)
- IFRS 11 Joint arrangements (amendments)
- IFRS 15 Revenue from Contracts with Customers
- IFRS 9 Financial Instruments

For a more detailed discussion of changes in accounting policies, refer to note 3 of our condensed consolidated interim financial statements.

12. 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 Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), to allow timely decisions regarding required disclosure.

Management, with the participation of the Chief Executive Officer and the Chief Financial Officer, evaluated the design and effectiveness of the Company's disclosure controls and procedures as of December 31, 2014, 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, were effective for the purposes set out above.

Since the December 31, 2014 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 ("ICFR") 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. 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 Chief Executive Officer and the Chief Financial Officer, conducted an evaluation of the design and the effectiveness of the Company's internal control over financial reporting as of December 31, 2014 based on Internal Control – Integrated Framework that was updated in 2013 (originally 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, was effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

Since December 31, 2014, there has been no change in our internal controls over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

13. 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.

14. FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Annual Information Form 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.