ECO ORO MINERALS CORP.

Condensed Consolidated Interim Financial Statements

September 30, 2015

(unaudited)

Notice to Reader

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

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Eco Oro Minerals Corp.
Condensed Consolidated Interim Statements of Financial Position (unaudited)
(Expressed in thousands of US dollars)

As at		September 30, 2015		December 31, 2014
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**2,354**	$	2,346
Guaranteed investment certificate		**26**		30
Accounts receivable		**13**		3
Prepaid expenses		**21**		-
Other assets		**143**		116
		2,557		2,495
Non-current assets				
Property, plant and equipment (note 4)		**1,650**		1,884
Exploration and evaluation assets (note 5)		**18,436**		18,417
		20,086		20,301
TOTAL ASSETS	**$**	**22,643**	$	22,796
LIABILITIES				
Current liabilities				
Trade and other payables	**$**	**742**	$	1,220
Amounts payable on exploration and evaluation asset acquisition		**704**		915
Current portion of site restoration provision (note 6)		**353**		585
		1,799		2,720
Non-current liabilities				
Long-term employee benefits		**18**		21
Site restoration provision (note 6)		**3,310**		4,366
		3,328		4,387
TOTAL LIABILITIES		**5,127**		7,107
EQUITY				
Share capital (note 8)	**$**	**239,570**	$	234,975
Equity reserve		**23,363**		22,667
Deficit		**(245,417)**		(241,953)
TOTAL EQUITY		**17,516**		15,689
TOTAL EQUITY AND LIABILITIES	**$**	**22,643**	$	22,796

Commitments and contingencies (note 10)
Subsequent events (note 14)

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

Eco Oro Minerals Corp.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)
(Expressed in thousands of US dollars)

	For the three months ended		For the nine months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
Exploration and evaluation expenses:				
Administrative expenses	**$ 320**	$ 309	**$ 931**	$ 989
Depreciation	**72**	103	**254**	299
Drilling and field expenses	**3**	-	**26**	23
Environmental expenses	**(376)**	69	**(406)**	587
Other exploration and evaluation expenses	**27**	34	**97**	61
Salaries, benefits and share-based compensation	**643**	690	**1,542**	1,767
Surface rights	**130**	287	**383**	532
Technical studies	**5**	(2)	**221**	(323)
	824	1,490	**3,048**	3,935
General and administrative expenses:				
Audit, legal and other professional fees	**95**	115	**340**	275
Other administrative expenses	**53**	68	**124**	279
Regulatory and transfer agent fees	**4**	4	**51**	62
Rent	**6**	31	**18**	118
Salaries and benefits	**94**	131	**284**	742
Share-based compensation	**466**	19	**557**	209
Travel	**26**	45	**149**	75
	744	413	**1,523**	1,760
Total expenses before other items	**$ 1,568**	$ 1,903	**4,571**	5,695
Other items				
Equity tax	**-**	-	**123**	-
Finance cost	**88**	52	**275**	174
Foreign exchange gain	**(899)**	(340)	**(1,493)**	(165)
Other income	**(7)**	(16)	**(12)**	(66)
	(818)	(304)	**(1,107)**	(57)
TOTAL LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$ 750**	$ 1,599	**$ 3,464**	$ 5,638
Basic and diluted loss per share for the period attributable to common shareholders ($ per common share) (warrants and options not included as the impact would be anti-dilutive)	**$ 0.01**	$ 0.02	**$ 0.04**	$ 0.07
Weighted average number of common shares outstanding	**83,008,544**	84,288,421	**84,634,376**	84,288,421

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

Eco Oro Minerals Corp.
Condensed Consolidated Interim Statements of Cash Flows (unaudited)
(Expressed in thousands of US dollars)

	For the nine months ended September 30, 2015	September 30, 2014
Cash flows provided from (used by):		
OPERATING ACTIVITIES		
Net loss for the period	**$ (3,464)**	$ (5,638)
Adjustments for:		
Change in site restoration provision	**(428)**	490
Equity tax expense	**123**	-
Change in non-cash working capital items (note 11)	**(291)**	(725)
Depreciation	**254**	333
Loss on disposal of property and equipment	**-**	2
Non-cash finance expenses	**265**	162
Other non-cash income and expenses	**(6)**	(26)
Remediation expenditures	**(13)**	(17)
Share-based compensation	**698**	324
Unrealized foreign exchange gain	**(1,361)**	(157)
Equity tax paid	**(123)**	(1,633)
Net cash flows used in operating activities	**(4,346)**	(6,885)
FINANCING ACTIVITIES		
Proceeds on issuance of common shares, net of cash share issue costs	**4,593**	-
Net cash flows from financing activities	**4,593**	-
INVESTING ACTIVITIES		
Exploration and evaluation asset acquisition	**(31)**	(10)
Interest received	**6**	26
Purchase of property, plant and equipment	**(20)**	(227)
Redemption of guaranteed investment certificate	**-**	52
Net cash flows used in investing activities	**(45)**	(159)
Effects of exchange rate changes on cash and cash equivalents	**(194)**	(4)
Net increase (decrease) in cash	**8**	(7,048)
Cash and cash equivalents, beginning of period	**2,346**	10,737
Cash and cash equivalents, end of period (note 11)	**$ 2,354**	$ 3,689

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

Eco Oro Minerals Corp.
Condensed Consolidated Interim Statements of Changes in Equity (unaudited)
(Expressed in thousands of US dollars)

		Share capital		Equity Reserves				
	Note	Number of shares	Amount	Contributed Surplus	Warrants	Total	Accumulated deficit	Total
Balance at December 31, 2014		**84,228,421**	**$ 234,975**	**$ 22,389**	**$ 278**	**$ 22,667**	**$ (241,953)**	**$ 15,689**
Shares issued for cash - private placement		11,275,661	4,693	-	-	-	-	**4,693**
Share issue costs		-	(100)	-	-	-	-	**(100)**
Shares issued for exchange the stock option		9,391	2	(2)	-	(2)	-	**-**
Reclassification of grant-date fair value on expired or cancelled warrants		-	-	74	(74)	-	-	**-**
Share-based payments		-	-	698	-	698	-	**698**
Net loss per the period		-	-	-	-	-	(3,464)	**(3,464)**
Balance at September 30, 2015		**95,513,473**	**$ 239,570**	**$ 23,159**	**$ 204**	**$ 23,363**	**$ (245,417)**	**$ 17,516**
Balance at December 31, 2013		**84,228,421**	**$ 234,975**	**$ 21,814**	**$ 496**	**$ 22,310**	**$ (232,708)**	**$ 24,577**
Reclassification of grant-date fair value on expired or cancelled warrants		-	-	108	(108)	-		**-**
Share-based payments		-	-	324	-	324	-	**324**
Net loss for the period		-	-	-	-	-	(5,638)	**(5,638)**
Balance at September 30, 2014		**84,228,421**	**$ 234,975**	**$ 22,246**	**$ 388**	**$ 22,634**	**$ (238,346)**	**$ 19,263**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of operations

Eco Oro Minerals Corp. (the "Company") is a publicly-listed company incorporated in Canada under the legislation of the Province of British Columbia. The Company's head office is located at Suite 300, 1055 W. Hastings Street, Vancouver, British Columbia, V6E 2E9. The consolidated financial statements of the Company as at and for the period ended September 30, 2015 comprise of the Company, its Colombian branch and subsidiary. The Company's principal business activities include the acquisition, exploration and development of mineral assets in Colombia. The Company's focus is on the development of the Angostura Project in northeastern Colombia, which consists of the main Angostura deposit and five satellite prospects: Armenia, La Plata, Agua Limpia, Violetal and Móngora.

Going concern

At September 30, 2015, the Company had working capital of $758 and had not yet achieved profitable operations and expects to incur further losses in the development of its business. For the nine months ended September 30, 2015, the Company reported a comprehensive loss of $3,464 and as at September 30, 2015, had an accumulated deficit of $245,417. Cash used in operating activities for the nine months ended September 30, 2015 was $4,346. The ability of the Company to continue as a going concern is dependent upon its ability to: arrange additional financing; favorably resolve the uncertainties surrounding the Angostura Project (note 10(c)); complete the development of its property, including obtaining the necessary permits and other regulatory approvals; and achieve future profitable operations. There are no assurances that the Company will be successful in its efforts to secure additional financing. These matters result in material uncertainties which may cast significant doubt on whether the Company will continue as a going concern. The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used.

2. BASIS OF PREPARATION

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and follow the same accounting policies and methods of application as the Company's most recent annual financial statements. These condensed consolidated interim financial statements do not include all of the information required for full consolidated annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended December 31, 2014 prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed consolidated interim financial statements were approved by the Board of Directors and authorized for issue on November 5, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New accounting standards not yet adopted

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:

- The IASB issued amendments to IAS 16 Property, Plant and Equipment, and IAS 38 Intangible Assets to address depreciation and amortization methods which are based on revenue. The amendment to IAS 16 prohibits the use of a revenue-based depreciation method as this reflects a pattern other than the consumption of economic benefits consumed through the use of the asset. The amendment to IAS 18 introduces a rebuttable presumption that a revenue based amortization method for intangible assets is inappropriate. This presumption can be overcome only if the intangible asset is expressed as a measure of revenue or it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated. The new standard is required to be applied for annual reporting periods beginning on or after January 1, 2016. Early application of this standard is permitted.

- Amendments to IFRS 11 Joint arrangements provide guidance on the accounting for acquisitions of interests in joint operations constituting a business. The amendments require all such transactions to be accounted for using the principles on business combinations accounting in IFRS 3 Business Combinations and other IFRSs except where those principles conflict with IFRS 11. Acquisitions of interests in joint ventures are not impacted by this new guidance. The amendment is effective for annual reporting periods beginning on or after January 1, 2016.

- IFRS 15 Revenue from Contracts with Customers will replace IAS 18 Revenue and IAS 11 Construction Contracts. The new standard provides guidance on whether revenue is to be recognized over time or at a point in time, and expands and improves disclosures about revenue. The standard does not apply to certain contracts such as lease, insurance, financing arrangements, and guarantees other than product warranties. The new standard is required to be applied for annual reporting periods beginning on or after January 1, 2017. Early application of this standard is permitted.

- IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments: Recognition and Measurement. The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. IFRS 9 has also been amended not to require the restatement of comparative period financial statements for the initial application of the classification and measuring requirements of IFRS 9, but instead requires modified disclosures on transition to IFRS 9. The new standard is required to be applied for annual reporting periods beginning on or after January 1, 2018. Early application of this standard is permitted.

(Expressed in thousands of US dollars)

4. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Field Equipment	Office Equipment	Transport	CIP	Total
Cost						
As at December 31, 2014	$ 1,663	$ 2,024	$ 581	$ 270	$ 8	**$ 4,546**
Additions	-	-	-	-	20	**20**
Transfer between categories	-	28	-	-	(28)	**-**
Balance as at September 30, 2015	**$ 1,663**	**$ 2,052**	**$ 581**	**$ 270**	**$ -**	**$ 4,566**
Depreciation						
As at December 31, 2014	$ (270)	$ (1,558)	$ (564)	$ (270)	$ -	**$ (2,662)**
Charged for the period	(65)	(167)	(18)	(4)	-	**(254)**
Balance as at September 30, 2015	**$ (335)**	**$ (1,725)**	**$ (582)**	**$ (274)**	**$ -**	**$ (2,916)**
Net book value						
As at December 31, 2014	$ 1,393	$ 466	$ 17	$ -	$ 8	$ 1,884
As at September 30, 2015	**$ 1,328**	**$ 327**	**$ (1)**	**$ (4)**	**$ -**	**$ 1,650**

5. EXPLORATION AND EVALUATION ASSETS

The Company's focus is on the development of the Angostura Project in northeastern Colombia which consists of the main Angostura deposit (note 10(b)) and five satellite prospects: Armenia, La Plata, Agua Limpia, Violetal and Móngora.

As at September 30, 2015, the carrying value of the exploration and evaluation assets are $18,436 (December 31, 2014 – $18,417).

6. SITE RESTORATION PROVISION

During the nine months ended September 30, 2015, there were changes in the extent of the required rehabilitation activities, timing of these activities, changes in discount rates and foreign exchange rate as follows:

Balance as at December 31, 2014	**$**	**4,951**
Decrease in liability due to changes in estimate		(428)
Remediation work performed		(13)
Unwinding of discount		265
Changes in foreign exchange rates		(1,112)
Balance as at June 30, 2015	**$**	**3,663**
Current portion	$	353
Long-term portion		3,310
	$	**3,663**

6. SITE RESTORATION PROVISION (CONTINUED)

The site restoration provision at the date of the statement of financial position represents management's best estimate of the present value of the future site restoration costs required. Changes to estimated future costs are recognized in the statement of financial position by adjusting the site restoration provision and associated asset. To the extent that the site restoration provision was created due to exploration activities which do not yet qualify for capitalization, the amount of the associated asset is reduced immediately by a charge to exploration expenses for the same amount.

Significant estimates and assumptions are made in determining the site restoration provision as there are numerous factors that will affect the ultimate liability payable. Those uncertainties may result in future actual expenditure differing from the amount currently provided.

7. EQUITY TAX LIABILITY

Effective January 1, 2015, the Colombian government imposed a new wealth tax on all Colombian entities for 2015 to 2018 at a maximum rate of 1.15% for 2015; 1% for 2016; 0.4% for 2017 and 0% for 2018. The wealth tax is based on the Colombian entity's net equity position at the beginning of each year with 25% minimum and maximum change in the net equity from the prior year. Amounts are payable and will be accounted for as an expense for the year (refer to Note 10(a)).

The equity tax liability for fiscal 2015 is $123 (COP 302,560,000). This amount was fully paid during the nine months ended September 30, 2015.

8. EQUITY

Share capital

The Company's authorized share capital consists of an unlimited number of common shares issued without par value.

In February 2015, the Company completed a private placement and issued 3,597,987 common shares at $0.615 (Cdn$0.77) per share for gross aggregate proceeds of $2,213 (Cdn$2,770,450). In connection with private placement, the Company incurred $42 share issuance cost.

In August 2015, the Company completed another private placement and issued 7,677,674 common shares at $0.323 (Cdn$0.43) per share for gross aggregate proceeds of $2,480 (Cdn$3,301,400). In connection with private placement, the Company incurred $58 share issuance cost.

On September 24, 2015, the Company issued 9,391 common shares in exchange of 16,667 options; as a result of the cashless exercise of options, the Company reclassified the fair value of $2 (Cdn$3,149) of the 16,667 options from contributed surplus to share capital.

Contributed surplus

Contributed surplus represents entitlements to share-based awards that have been charged to profit and loss in the periods during which the entitlements were accrued and have not yet been exercised. In addition, upon expiry of warrants, the amount originally recorded in equity is transferred to contributed surplus.

(Expressed in thousands of US dollars)

9. SHARE-BASED PAYEMENT ARRANGEMENTS

Stock option plan

The Company has a share option plan that allows it to grant options to its employees, officers, directors and consultants. A fixed maximum of 10% of the common shares issued may be granted. The exercise price of each option shall not be less than the closing market price for the common shares on the trading day prior to the date of the grant. Options may have a maximum term of ten years. Vesting conditions of options is at the discretion of the Board of Directors at the time the options are granted.

The Plan also provides for a cashless exercise option provision which is, in substance, a stock appreciation right and for which the stock options can only be equity-settled. When share capital recognized as equity is repurchased as a result of the cashless option, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from deficit.

The changes in options during the nine months ended September 30, 2015 are as follows:

	Number outstanding	Weighted average exercise price (Cdn $)
Balance, December 31, 2014	**5,143,000**	**$ 1.35**
Granted	2,167,000	0.50
Expired	(538,000)	2.20
Exercised	(16,667)	0.28
Balance, September 30, 2015	**6,755,333**	**$ 1.01**

During the nine months ended September 30, 2015, the Company granted 2,167,000 options to directors, officers, employees and consultants with an estimated fair value of Cdn$900,230.

During the nine months ended September 30, 2015, stock options for 16,667 shares were exercised on a cashless basis and the Company issued 9,391 common shares. As a result of the cashless exercise of options, the Company reclassified the fair value of $2 (Cdn$3,149) of the 16,667 options from contributed surplus to share capital.

(Expressed in thousands of US dollars)

9. SHARE-BASED PAYEMENT ARRANGEMENTS (CONTINUED)

Stock option plan (continued)

The following summarizes information about stock options outstanding and exercisable at September 30, 2015:

Expiry date	Options outstanding	Options exercisable	Exercise price (Cdn$)	Weighted average remaining contractual life (in years)
2016/06/03	600,000	600,000	3.270	0.68
2016/09/06	180,000	180,000	3.270	0.94
2016/09/15	100,000	100,000	3.270	0.96
2016/11/16	50,000	50,000	3.270	1.13
2017/04/27	440,000	440,000	2.410	1.58
2017/07/01	50,000	50,000	1.740	1.75
2017/10/09	225,000	225,000	0.870	2.03
2018/05/10	723,333	653,332	0.820	2.61
2018/07/12	375,000	375,000	0.520	2.78
2019/06/01	1,495,000	1,296,668	0.275	3.67
2019/07/09	50,000	50,000	0.255	3.78
2019/09/08	300,000	300,000	0.255	3.94
2020/09/02	2,167,000	1,589,019	0.570	4.93
	6,755,333	**5,909,019**		**3.32**

Share appreciation rights ("SARs")

During the nine months ended September 30, 2015, 400,000 SARs expired.

As at September 30, 2015, nil SARs were outstanding (December 31, 2014 – 400,000 SARs outstanding).

Share purchase warrants

The changes in share purchase warrants during the nine months ended September 30, 2015 are as follows:

	Number outstanding	Weighted average exercise price (Cdn $)
Balance, December 31, 2014	**98,500**	**$ 5.59**
Expired	(35,000)	3.69
Balance, September 30, 2015	**63,500**	**$ 6.63**

(Expressed in thousands of US dollars)

9. SHARE-BASED PAYEMENT ARRANGEMENTS (CONTINUED)

Share purchase warrants (continued)

The following summarizes information about shares purchase warrants outstanding and exercisable at September 30, 2015:

Expiry date	Warrants outstanding	Exercise price ($ per warrant)		Weighted average remaining contractual life (in years)
January 11, 2016	40,000	Cdn$	7.10	0.28
January 14, 2016	3,700	Cdn$	6.75	0.29
February 18, 2016	19,800	Cdn$	5.65	0.39
	63,500			**0.32**

10. COMMITMENTS AND CONTINGENCIES

a) Commitments

The following is a schedule of the Company's commitments as at September 30, 2015:

	Total	2015	2016	2017	2018	2019 and thereafter
Operating leases	$ 3	$ 3	$ -	$ -	$ -	$ -
Site restoration provision (1)	5,830	380	320	518	1,281	3,331
Wealth tax (2)	180	-	120	60	-	-
	$ 6,013	**$ 383**	**$ 440**	**$ 578**	**$ 1,281**	**$ 3,331**

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.

b) Contingencies

La Plata Mining Title Assignment

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.

10. COMMITMENTS AND CONTINGENCIES (CONTINUED)

b) Contingencies (continued)

La Plata Mining Title Assignment (continued)

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.

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.

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. 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.

10. COMMITMENTS AND CONTINGENCIES (CONTINUED)

b) Contingencies (continued)

Other

The Company is from time to time involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which it may be required to pay by reason thereof, will have a material effect on the financial condition or future results of operations of the Company.

c) Uncertainties

Páramo ecosystem boundaries

In June 2011, the Colombian Congress enacted the National Development Plan which, among other things, forbids mining activities in páramo ecosystems and requires the Colombian Government to determine the boundaries of the páramo ecosystems based on a 1:25,000 scale and technical, social, environmental and economic criteria. The minimum reference for the páramo ecosystem is the Atlas of Páramos prepared by the Alexander von Humboldt Institute. During 2012, in conjunction with granting an extension to the exploration phase of Concession 3452, Colombia's national mining agency, the ANM, noted that the Company must not conduct any exploration activities in the areas constituting páramo according to the Atlas of Páramos until the ultimate boundaries of the páramo ecosystem have been determined.

On December 19, 2014, Ministry of Environment and Sustainable Development (Ministerio de Ambiente y Desarrollo Sostenible or "MADS") approved Resolution 2090 dated December 19, 2014, wherein the boundaries of the Páramo of Santurbán have been officially declared. The Resolution provides that within the páramo there are certain areas where mining can take place, subject to stricter environmental controls. The Company is currently assessing how the Angostura Project will be developed taking into consideration the páramo. This 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.

Environmental license

In 2011, MADS denied the Company's 2009 request for an environmental license for the development of an open pit mine at the Angostura Project. The previous MADS's resolutions and comments in respect of the extent of the páramo ecosystem to be protected may be considered in relation to any future applications by the Company for approvals. The MADS's resolutions denying the Company's previous requests may have an adverse effect on any such future application.

(Expressed in thousands of US dollars)

10. SUPPLEMENTARY CASH FLOW INFORMATION

Cash and cash equivalents

		September 30, 2015		December 31, 2014
Cash	**$**	**2,354**	$	2,306
Short-term deposit		**-**		40
	$	**2,354**	$	2,346

Other items

		For the nine months ended		
		September 30, 2015		September 30, 2014
Change in non-working capital				
Accounts receivable	**$**	**(12)**	$	-
Prepaid expenses		**(24)**		-
Other assets		**(29)**		(12)
Trade and other payables		**(251)**		(713)
Long-term employee benefits		**2**		-
	$	**(314)**	$	(725)

11. FINANCIAL RISK MANAGEMENT

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.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk; interest rate risk; and commodity price risk. Financial instruments affected by market risk include: cash and cash equivalents, guaranteed investment certificates, accounts receivable, trade and other payables, amounts payable on exploration and evaluation asset acquisition and warrant liabilities. The Company currently does not have any financial instruments that are significantly impacted by commodity price risk.

Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and Colombia and a portion of its expenses are incurred in Canadian dollars and Colombian pesos. A significant change in the currency exchange rates between the US dollar relative to foreign currencies could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

The Company's exposure to the Colombian peso, expressed in US dollars and denominated in Colombian pesos, as at September 30, 2015 on financial instruments is as follows:

	US$	Colombian peso (in million)
Cash and cash equivalents	**65**	**199**
Accounts receivable	**10**	**32**
Trade and other payables	**(617)**	**(1,883)**
Amounts payable on exploration and evaluation asset acquisition	**(704)**	**(2,150)**
	(1,246)	**(3,802)**

As at September 30, 2015, with other variables unchanged, a 10% depreciation or appreciation of the US dollar against the Colombian peso would change the values of the Colombian peso denominated financial instruments and would affect the consolidated statement of operations and comprehensive loss by approximately $125.

The Company's exposure to the Canadian dollar, expressed in US dollars and denominated in Canadian dollars, as at September 30, 2015 on financial instruments is as follows:

	US$	Cdn$ (in thousands)
Cash and cash equivalents	**2,277**	**3,054**
Guaranteed investment certificate	**26**	**35**
Trade and other payables	**(123)**	**(165)**
	2,180	**2,924**

As at September 30, 2015, with other variables unchanged, a 10% depreciation or appreciation of the US dollar against the Canadian dollar would change the values of the Canadian dollar denominated financial instruments and would affect the consolidated statement of operations and comprehensive loss by approximately $218.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and cash equivalents and guaranteed investment certificates earn interest at various short-term rates. The Company's future interest income is exposed to changes in these short-term rates. Based on the total of the Company's cash and cash equivalents and guaranteed investment certificates of $2,380 as at September 30, 2015, an increase or decrease in the annual interest rate of 1% would result in a corresponding increase or decrease of annual interest income by $24.

(Expressed in thousands of US dollars)

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company manages its credit risk through its counterparty ratings and credit limits.

The Company's cash and cash equivalents and guaranteed investment certificates are held through large Canadian financial institutions. Guaranteed investment certificates are composed of financial instruments issued by Canadian banks and companies with high investment-grade ratings. These instruments mature at various dates over the current operating period and are cashable on the maturity date.

The total cash and cash equivalents, guaranteed investment certificates and accounts receivable (included in other assets) represent the maximum credit exposure. The Company limits its credit risk exposure by holding cash and cash equivalents and guaranteed investment certificates with reputable financial institutions with high credit ratings. The Company's accounts receivable balance is not significant and does not represent significant credit exposure.

Liquidity risk

The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances to meet short and long term business requirements. The Company's cash is invested in liquid investments with quality financial institutions and is available on demand for the Company's programs.

As at September 30, 2015, all of the Company's other financial liabilities have maturities less than one year.

Fair value measurements

The fair values of financial assets and liabilities, together with their carrying amounts, are presented by class in the following table.

	September 30, 2015		December 31, 2014	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets:				
Loans and receivables				
Cash and cash equivalents	**$ 2,354**	**$ 2,354**	$ 2,346	$ 2,346
Guaranteed investment certificate	**26**	**26**	30	30
Accounts receivable	**13**	**13**	3	3
	$ 2,393	**$ 2,393**	$ 2,379	$ 2,379
Financial liabilities:				
Other financial liabilities				
Trade and other payables	**$ 742**	**$ 742**	$ 1,220	$ 1,220
Amounts payable on exploration and evaluation asset acquisition	**704**	**704**	915	915
	$ 1,446	**$ 1,446**	$ 2,135	$ 2,135

There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority.

(Expressed in thousands of US dollars)

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value measurements (continued)

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Unobservable (supported by little or no market activity) prices.

At September 30, 2015 and December 31, 2014, there were no financial assets or liabilities measured and recognized in the statement of financial position at fair value that would be categorized as Level 2 and 3 in the fair value hierarchy above.

Capital management

The Company's objective when managing capital is to maintain adequate levels of funding in order to support exploration and development of its projects and to maintain corporate and administrative functions. As at September 30, 2015, the Company considers its cash and cash equivalents, guaranteed investment certificates and shareholders' equity in total of $19,896 (December 31, 2014 – $18,065) as capital. In order to maintain or adjust the capital structure, the Company may issue equity or debt, or sell assets.

In order to facilitate the management of its capital requirements, the Company prepares operating budgets that are approved by the Board of Directors.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the prior year.

13. RELATED PARTIES

Key management personnel compensation

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

	For the nine months ended	
	September 30, 2015	September 30, 2014
Short-term benefits	**$ 455**	$ 745
Share-based payments	**513**	205
	$ 968	$ 950

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.

(Expressed in thousands of US dollars)

13. RELATED PARTIES (CONTINUED)

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 nine months ended	
	September 30, 2015	September 30, 2014
Fintec Holdings Corp. ("Fintec")		
Director's fees	**$ -**	$ 110
Management fees	**145**	-
	$ 145	$ 110
Quantum Advisory Partners LLP ("Quantum")		
Management and accounting services	**$ 108**	$ 68
James H. Atherton Law Corporation ("Law Corp")		
Legal services	**$ 77**	$ 63

Fintec is a company owned by the Company's President and 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 related to day-to-day legal services provided to the Company.

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

14. SUBSEQUENT EVENTS

Subsequent to September 30, 2015, the Company:

- granted 200,000 stock options with an exercise price of Cdn$0.63 to an officer of the Company;
- issued 19,230 common shares in exchange of 33,333 options exercised on a cashless basis; and
- had 170,832 options expire unexercised.