



**ECO ORO MINERALS CORP.**

**Management's Discussion and Analysis**

**September 30, 2015**

**(unaudited)**

## Table of Contents

1.	INTRODUCTION .....	3
2.	OUR BUSINESS AND STRATEGY .....	3
3.	PROJECT REVIEW .....	3
4.	CHANGE IN MANAGEMENT .....	7
5.	RESULTS OF OPERATIONS .....	7
6.	SELECTED FINANCIAL INFORMATION .....	9
7.	SUMMARY OF QUARTERLY RESULTS .....	9
8.	LIQUIDITY AND CAPITAL RESOURCES .....	10
9.	FINANCIAL INSTRUMENTS .....	12
10.	TRANSACTIONS WITH RELATED PARTIES .....	12
11.	CRITICAL ACCOUNTING ESTIMATES .....	13
12.	CHANGES IN ACCOUNTING POLICIES .....	13
13.	INTERNAL CONTROL OVER FINANCIAL REPORTING .....	14
14.	RISKS AND UNCERTAINTIES .....	14
15.	FORWARD-LOOKING STATEMENTS .....	15

# ECO ORO MINERALS CORP.

## Management's Discussion and Analysis

For the three and nine months ended September 30, 2015

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### 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, 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](http://www.sedar.com).

This MD&A is prepared as of November 5, 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 5,244 hectares and contains the Angostura and Móngora deposits and Violetal prospect. This concession expires in 2027 but may be renewed for an additional 30 years. Concession Contract 3452 is currently in the exploration phase, which expires on August 8, 2016 and may be extended for an additional two years. After the exploration phase, Concession Contract 3452 may move into the construction phase and then the exploitation phase.

# ECO ORO MINERALS CORP.

## Management's Discussion and Analysis

For the three and nine months ended September 30, 2015

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### 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
<b>Meas + Ind</b>	<b>15.06</b>	<b>4.57</b>	<b>19.3</b>	<b>2,211</b>	<b>9,362</b>
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

# ECO ORO MINERALS CORP.

## Management's Discussion and Analysis

For the three and nine months ended September 30, 2015

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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, the Company's principal asset, covers a total area of 215 hectares of which 193 hectares, or 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. These terms of reference may need to be revised or replaced with terms of reference that take into account the Paramo of Santurban and Regional Park of Santurban. 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 Minería* 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 July 2013, the Company filed before the ANM a request for the suspension of exploration activities in all the area of concession 3452 until the ultimate boundaries of the Santurbán Páramo have been determined. In December 2013, the ANM issued Resolution 001024, allowing the requested suspension for a 6-month term, from July 1, 2013 until December 31, 2013, clarifying that the suspension would be lifted if the boundaries were determined before the expiration of the term. The Company filed two subsequent exploration activities suspension requests, which were granted by the

# ECO ORO MINERALS CORP.

## Management's Discussion and Analysis

For the three and nine months ended September 30, 2015

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ANM and finally lifted on December 19, 2014 with Resolution 2090 dated December 19, 2014.

### *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 (plus interest and indexation), 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 Minería* 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.

# ECO ORO MINERALS CORP.

## Management's Discussion and Analysis

For the three and nine months ended September 30, 2015

### 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. CHANGE IN MANAGEMENT

On October 7, 2015, the Company appointed Mark Moseley-Williams as the Company's President and Chief Operating Officer.

### 5. RESULTS OF OPERATIONS

#### Three months ended September 30, 2015

	For the three months ended		Change	
	September 30, 2015	September 30, 2014	in \$	Note
<b>Exploration and evaluation expenses:</b>				
Administrative expenses	\$ 320	\$ 309	\$ 11	
Depreciation	72	103	(31)	
Drilling and field expenses	3	-	3	
Environmental expenses	(376)	69	(445)	a
Other exploration and evaluation expenses	27	34	(7)	
Salaries, benefits and share-based compensation	643	690	(47)	b
Surface rights	130	287	(157)	c
Technical studies	5	(2)	7	
	824	1,490	(666)	
<b>General and administrative expenses:</b>				
Audit, legal and other professional fees	95	115	(20)	
Other administrative expenses	53	68	(15)	
Regulatory and transfer agent fees	4	4	-	
Rent	6	31	(25)	
Salaries and benefits	94	131	(37)	d
Share-based compensation	466	19	447	e
Travel	26	45	(19)	
	744	413	331	
<b>Total expenses before other items</b>	<b>\$ 1,568</b>	<b>\$ 1,903</b>	<b>\$ (335)</b>	
<b>Other items</b>				
Finance cost	88	52	36	
Foreign exchange gain	(899)	(340)	(559)	f
Other income	(7)	(16)	9	
	(818)	(304)	(514)	
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>\$ 750</b>	<b>\$ 1,599</b>	<b>\$ (849)</b>	

- a) Environmental expenses decreased primarily due 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) Surface rights decreased due mainly to the fluctuation of the exchange rate between COP and USD during the period. The Company paid the surface rights in COP and translated to USD by the average exchange rate during the period.

# ECO ORO MINERALS CORP.

## Management's Discussion and Analysis

For the three and nine months ended September 30, 2015

- 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) Share-based payments increase is primarily due to the options granted during the three months ended September 30, 2015.
- f) The foreign exchange gain was primarily due to the retranslation of the Company's net monetary liability position denominated in COP.

### Nine months ended September 30, 2015

	For the nine months ended		Change	
	September 30, 2015	September 30, 2014	in \$	Note
<b>Exploration and evaluation expenses:</b>				
Administrative expenses	\$ 931	\$ 989	\$ (58)	
Depreciation	254	299	(45)	
Drilling and field expenses	26	23	3	
Environmental expenses	(406)	587	(993)	a
Other exploration and evaluation expenses	97	61	36	
Salaries, benefits and share-based compensation	1,542	1,767	(225)	b
Surface rights	383	532	(149)	c
Technical studies	221	(323)	544	d
	<b>3,048</b>	<b>3,935</b>	<b>(887)</b>	
<b>General and administrative expenses:</b>				
Audit, legal and other professional fees	340	275	65	f
Other administrative expenses	124	279	(155)	e
Regulatory and transfer agent fees	51	62	(11)	
Rent	18	118	(100)	e
Salaries and benefits	284	742	(458)	f
Share-based compensation	557	209	348	g
Travel	149	75	74	h
	<b>1,523</b>	<b>1,760</b>	<b>(237)</b>	
<b>Total expenses before other items</b>	<b>\$ 4,571</b>	<b>\$ 5,695</b>	<b>\$ (1,124)</b>	
<b>Other items</b>				
Equity tax	123	-	123	i
Finance cost	275	174	101	j
Foreign exchange gain	(1,493)	(165)	(1,328)	k
Other income	(12)	(66)	54	
	<b>(1,107)</b>	<b>(57)</b>	<b>(1,050)</b>	
<b>TOTAL LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>\$ 3,464</b>	<b>\$ 5,638</b>	<b>\$ (2,174)</b>	

- a) Environmental expenses decreased primarily due 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) Surface rights decreased due mainly to the fluctuation of the exchange rate between COP and USD during the period. The Company paid the surface rights in COP and translated to USD by the average exchange rate during the period.
- d) 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.



# ECO ORO MINERALS CORP.

## Management's Discussion and Analysis

For the three and nine months ended September 30, 2015

- e) Other administrative and rent 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) 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.
- g) Share-based payments increase is primarily due to the options granted during the nine months ended September 30, 2015.
- h) 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.
- i) 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).
- j) Finance costs increased is primarily due to the accretion of interest related to the site restoration provision.
- k) The foreign exchange gain was primarily due to the retranslation of the Company's net monetary liability position denominated in COP.

## 6. SELECTED FINANCIAL INFORMATION

<i>As at:</i>	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Total assets	\$ 22,643	\$ 22,796	\$ 31,389
Total long-term liabilities	3,328	4,387	1,922

  

<i>For the nine months ended:</i>	<b>September 30, 2015</b>	<b>September 30, 2014</b>	<b>September 30, 2013</b>
Loss and comprehensive loss	\$ 3,464	\$ 5,638	\$ 5,062
Basic and diluted loss per share	0.04	0.07	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.

## 7. SUMMARY OF QUARTERLY RESULTS

	<b>Three months ended</b>			
	<b>September 30, 2015</b>	<b>June 30, 2015</b>	<b>March 31, 2015</b>	<b>December 31, 2014</b>
Exploration and evaluation expenditures	\$ 824	\$ 1,211	\$ 1,013	\$ 4,226
General and administrative expenses	744	476	303	435
Other items	(818)	(52)	(237)	(1,054)
Loss and comprehensive loss	750	1,635	1,079	3,607
Basic and diluted loss per share	0.01	0.02	0.01	0.04

  

	<b>Three months ended</b>			
	<b>September 30, 2014</b>	<b>June 30, 2014</b>	<b>March 31, 2014</b>	<b>December 31, 2013</b>
Exploration and evaluation expenditures	\$ 1,490	\$ 1,480	\$ 965	\$ 1,292
General and administrative expenses	413	525	822	637
Other items	(304)	235	12	34
Loss and comprehensive loss	1,599	2,240	1,799	1,963
Basic and diluted loss per share	0.02	0.03	0.02	0.02

Exploration and evaluation costs started to decline in the fourth quarter of 2014 and continued this trend during 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. 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

# ECO ORO MINERALS CORP.

## Management's Discussion and Analysis

For the three and nine months ended September 30, 2015

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 and third quarter of 2015 mainly due to 300,000 options and 2,167,000 options granted in March 2014 and September 2015, respectively. The increase in general and administrative costs in the first quarter of 2014 is also the result of the 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\$.

### 8. LIQUIDITY AND CAPITAL RESOURCES

#### Liquidity and Cash Flows

	Three months ended			
	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014
Cash used in operating activities	\$ (1,308)	\$ (1,724)	\$ (1,314)	\$ (1,253)
Cash flows from (used in) financing activities	2,422	-	2,171	-
Cash flows from (used in) investing activities	(10)	(18)	(17)	(14)
Effects of exchange rate changes on cash and cash equivalents	(166)	44	(72)	(76)
Total cash flow	938	(1,698)	768	(1,343)
Cash and cash equivalents	2,354	1,416	3,114	2,346
Guaranteed investment certificate	26	28	27	30
Working capital (deficiency)	758	(912)	677	(225)

	Three months ended			
	September 30, 2014	June 30, 2014	March 31, 2014	December 31, 2013
Cash used in operating activities	\$ (2,642)	\$ (2,488)	\$ (1,754)	\$ (2,375)
Cash flows from (used in) investing activities	(6)	(151)	(3)	(73)
Effects of exchange rate changes on cash and cash equivalents	(10)	18	(12)	12
Total cash flow	(2,658)	(2,621)	(1,769)	(2,436)
Cash and cash equivalents	3,689	6,347	8,968	10,737
Guaranteed investment certificate	31	32	31	87
Working capital	617	2,099	4,308	6,000

During the first and third quarter of 2015, the Company completed a private placement for net aggregate proceeds of \$2,171 and \$2,422, respectively. 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 third and 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

# ECO ORO MINERALS CORP.

## Management's Discussion and Analysis

For the three and nine months ended September 30, 2015

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	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ 3
Site restoration provision <sup>(1)</sup>	380	320	518	1,281	3,331	5,830
Wealth tax <sup>(2)</sup>	-	120	60	-	-	180
	<b>\$ 383</b>	<b>\$ 440</b>	<b>\$ 578</b>	<b>\$ 1,281</b>	<b>\$ 3,331</b>	<b>\$ 6,013</b>

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\$100,000 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 nine months ended September 30, 2015

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

# ECO ORO MINERALS CORP.

## Management's Discussion and Analysis

For the three and nine months ended September 30, 2015

(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.

### Subsequent to September 30, 2015:

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.

The following are outstanding as at November 5, 2015:

Common shares	95,532,703
Shares issuable on the exercise of warrants	87,436,408,500
Shares issuable on the exercise of outstanding stock options	6,751,168

## 9. 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 nine months ended September 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.

## 10. 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 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 (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\$100,000 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:

# ECO ORO MINERALS CORP.

## Management's Discussion and Analysis

For the three and nine months ended September 30, 2015

	For the nine months ended	
	September 30, 2015	September 30, 2014
<b>Fintec Holdings Corp. ("Fintec")</b>		
Director's fees	\$ -	\$ 110
Management fees	145	-
	<b>\$ 145</b>	<b>\$ 110</b>
<b>Quantum Advisory Partners LLP ("Quantum")</b>		
Management and accounting services	\$ 108	\$ 68
<b>James H. Atherton Law Corporation ("Law Corp")</b>		
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).

### 11. 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.

### 12. 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.

# **ECO ORO MINERALS CORP.**

## **Management's Discussion and Analysis**

For the three and nine months ended September 30, 2015

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### **13. 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.

### **14. 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

# **ECO ORO MINERALS CORP.**

## **Management's Discussion and Analysis**

For the three and nine months ended September 30, 2015

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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.

### **15. 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.