



ECO ORO MINERALS CORP.

Management's Discussion and Analysis

Year Ended December 31, 2016

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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 consolidated financial statements and notes thereto prepared in accordance with International Financial Reporting Standards ("IFRS") for the year ended December 31, 2016. This MD&A should be read in conjunction with our financial statements 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 March 27, 2017. All dollar amounts in this MD&A are expressed in thousands of Canadian dollars, unless otherwise specified. United States dollars and Colombian pesos are referred to as "US\$" and "COP," respectively.

2. OVERVIEW

Eco Oro is a Canadian publicly-listed, precious metals exploration and development company with operations in Colombia. For over two decades, 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. Historically, the Company has aimed to maximize long-term value for its shareholders by developing its Angostura gold and silver project (the "Angostura Project") and its satellite prospects through to construction and mining. Despite the Company having diligently complied with Colombian regulations and its obligations under its mining titles, recent measures of the Colombian State have deprived Eco Oro of its rights and have brought into question the viability of the Angostura Project. As explained below, these measures are now the subject of a dispute between Eco Oro and the Colombian Government under the Free Trade Agreement between Canada and Colombia signed on November 21, 2008 and which entered into force on August 15, 2011 (the "Free Trade Agreement").

Because of the Colombian State's measures, the Company filed a request for arbitration (the "Request for Arbitration") with the World Bank's International Centre for Settlement of Investment Disputes ("ICSID") against Colombia on December 8, 2016 ("ICSID Arbitration").

Whilst the Company's primary objective has always been the development of the Angostura Project, in the continued absence of any engagement by the Government, the ICSID Arbitration has now become the core focus of the Company.

3. ICSID ARBITRATION

Status of the ICSID Arbitration

In the ICSID Arbitration Eco Oro seeks compensation for all of the loss and damage resulting from the Colombian State's wrongful conduct and its breaches of the protections set forth in the Free Trade Agreement against expropriation, unfair and inequitable treatment and discrimination in respect of the Angostura Project and the related licenses, as discussed further below.

On December 8, 2016, Eco Oro filed the Request for Arbitration with ICSID against Colombia. The claim relates to the Colombian State's measures which have deprived Eco Oro of its rights under its main mining title, Concession 3452, comprising the Angostura gold and silver deposit, depriving Eco Oro from the returns that would have resulted from its investment in the development of the deposit, thereby

destroying the value of those investments, in violation of Colombia's obligations under the Free Trade Agreement.

On December 29, 2016, ICSID registered the Request for Arbitration. The three-member tribunal for the ICSID Arbitration ("Tribunal") has yet to be fully constituted. Once the Tribunal is constituted, a procedural hearing will take place which will establish, among other things, the procedural calendar for the ICSID Arbitration. According to the ICSID Rules, the arbitration begins with a written phase, during which parties submit one or more pleadings and accompanying evidence, followed by an oral phase that will consist of one or more hearings during which the parties will present their case and examine any witnesses and experts. The schedule of pleadings and hearings will be established in a procedural order to be issued by the Tribunal. Following the closure of proceedings, the Tribunal will deliberate and issue a written award, which will be final and binding, and subject only to the limited post-award remedies set out in the ICSID Convention.

Background to the Dispute

Eco Oro was one of the first foreign mining companies to invest in Colombia's gold mining sector. Since the mid-1990s, Eco Oro has invested hundreds of millions of dollars to develop the Angostura Project by completing more than 360,000 meters of drilling and 3,000 meters of underground development. As a result of these investments, Eco Oro declared resources for the Angostura deposit where none existed before, and doubled those resources between 1999 and 2015. The deposit is now one of the largest in Colombia. Eco Oro made these investments in reliance on Colombia's commitments in its mining titles, including Concession 3452, which was stabilized pursuant to Colombia's 2001 Mining Code. The Colombian Government made repeated assurances of support for Eco Oro's Angostura Project, even declaring it to be a "project of national interest" in 2011 and again in 2013.

Despite these commitments and assurances, the Colombian State, through the Colombian National Mining Agency (Agencia Nacional de Minería or "ANM") issued a decision in August 2016 depriving Eco Oro of its mining rights in respect of 50.73% of the Concession area that falls within the preservation zone of the Santurbán Páramo, established in Ministry of Environment Resolution 2090 of December 2014 ("Resolution 2090"), on the basis of a decision rendered by the Colombian Constitutional Court in February 2016. The ANM's decision came five months after Eco Oro formally notified Colombia, on 7 March 7, 2016, of its intent to submit to arbitration a dispute arising under the Free Trade Agreement. The ANM has since indicated that Eco Oro may also be prohibited from carrying out mining activities within the "restoration" zone of the Santurbán Páramo. Eco Oro has sought clarification from the ANM on this matter and is awaiting a response. Eco Oro's rights are therefore under threat of further encroachments, given the risk that the Colombian Constitutional Court and National Mining Agency will issue future decisions further reducing the area accessible to Eco Oro.

The exploration phase of Concession 3452 will expire in August 2018, by which date Eco Oro must have completed the licensing for the project. However, as a consequence of the uncertainties described above, the Angostura Project cannot currently be licensed.

The result of the Colombian State's measures is that the Angostura Project has been rendered unviable. The Colombian State's measures have not only deprived Eco Oro of its investment but also the returns that would have resulted from Eco Oro's investment of hundreds of millions of dollars over the past two decades in reliance upon commitments from the Colombian State. Eco Oro is therefore asserting its entitlement to recover the losses to its investment resulting from Colombia's breaches. The amount of those losses will be determined at a later stage in the ICSID Arbitration.

Impairment and Financing Arrangements

Impairment of Project Assets

As at December 31, 2016, the Company assessed the Angostura Project for asset impairment based on the guidance in IAS 36 *Impairment of Assets*. Eco Oro has been deprived of its rights in relation to the majority of the area of Concession 3452 and the regional environmental authority has informed the Company that, in light of the legal uncertainties regarding the regulatory framework applicable to the Angostura Project, it is unable to process a request for or grant the environmental license that Eco Oro would require in order to exploit the remaining portion of the Concession. Less than two years remain on Concession 3452's exploration phase. In light of these facts, as well as the Company's failure to reach an amicable settlement of the dispute that would enable it to exercise the rights that were granted to it under Concession 3452 and develop the Angostura Project, as at December 31, 2016, the Company recorded a non-cash write-down of \$ 24,574 relating to all mineral property and \$1,620 of its plant and equipment located in Colombia (the "Impairment"). The Impairment is based on international accounting standards, and is thus without prejudice to the legal qualification that the Colombian assets may be given under Colombian or international law (including the Free Trade Agreement). Given the nature of the assessed impairment indicators that have given rise to the Impairment, there is significant uncertainty over whether it will be appropriate to capitalize future expenditures that the Company may incur in preserving its assets in Colombia.

Financing Arrangements

In order for the Company to be able to meet its obligations and continue its operations for the foreseeable future, including funding to pursue the ICSID Arbitration, as well as for general working capital purposes, the Company entered into various investment agreements with respect to an aggregate investment in the Company of US\$18.2 million (the "Investment"). Pursuant to the agreements, the proceeds of the Investment will be used by the Company to fund the ICSID Arbitration and general working capital.

The Investment occurred in two tranches. The first tranche was for US\$3 million and the second tranche was for US\$15.2 million. On July 22, 2016, the Company closed Tranche 1 by issuing 10,608,225 common shares with a fair value of \$3,917 (US\$3 million), which represents 9.99% of the Company's issued and outstanding shares. The second tranche was completed on November 9, 2016 by issuing \$7,410 (US\$5.5 million) Contingent Value Rights, entitling the investors to approximately 71% of the gross proceeds of the ICSID Arbitration, and \$12,969 (US\$9.7 million) convertible notes to Trexs Investments, LLC. and other existing shareholders.

4. PROJECT PERMITTING STATUS AND LEGAL CHALLENGES

In the context of the above disclosures concerning the ICSID Arbitration, the information set out below and elsewhere in this MD&A relating to the Angostura Project, the mining title, the Company's mineral resources, permitting, the pending arbitration proceedings, and other developments, is for background purposes only and should not be interpreted as being indicative of the Company's expectations as at the date of this MD&A regarding the future development of the Angostura Project.

Background

The Company's Angostura Project in the Department of Santander, Colombia, is located 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 contract 3452 (the "Concession"), which was created by the consolidation of ten previously existing titles, two concession contract requests and one exploration license request. The Concession was granted in 2007 over an area of 5,244 hectares that contains the Angostura and Móngora deposits and Violetal prospect, for a period of twenty years (expiring in 2027), renewable for an additional 30 years.

On May 6, 2016, the Company applied to the ANM for a further two-year extension of the exploration phase of its Concession. At the time, Eco Oro's mining rights with respect to the area of the Concession had not been modified by the Colombian Government and were fully in force. On July 26, 2016, however, prior to its decision on the Company's extension request, the ANM wrote to the Company requesting payment of the annual canon on the Concession. The ANM indicated that payment should be made only in relation to 49.27% of the total area of the Concession because the remainder fell within the preservation area of the Santurbán Páramo. On August 5, 2016, the Company responded to the ANM's letter noting that it did not understand the basis for the ANM's position since its rights under the Concession had not been terminated or modified in any way. The Company indicated that it had paid the amounts requested by the ANM on the understanding that its rights would be fully respected, and that it remained willing and ready to pay the canon corresponding to the total area of the Concession. The Company fully reserved its rights under international law and the Free Trade Agreement.

The Company was subsequently notified on August 8, 2016 of a decision from the ANM by way of Resolution VSC 829 dated August 2, 2016 (the "ANM Resolution"). The ANM Resolution deprived the Company of its mining rights in respect of 50.73% of the Concession that falls within the preservation zone of the Santurbán Páramo which was established pursuant to Ministry of Environment Resolution 2090. In support of this position, the ANM Resolution cited a decision of the Colombian Constitutional Court rendered on February 8, 2016 (the "Constitutional Court Decision"), which struck down exceptions to the restrictions on mining in the Santurbán Páramo that were applicable to Eco Oro.

The ANM's Resolution came five months after the Company announced on March 7, 2016 that it had formally notified Colombia of its intent to submit to arbitration a dispute arising under the Free Trade Agreement between Canada and Colombia (the "Dispute") in connection with Colombia's failure to comply with its obligations under the Free Trade Agreement and international law. Thus, using the Constitutional Court Decision of February 8, 2016 as a pretext, the ANM has now deprived the Company of vital rights under the Concession as well as the returns that would have resulted from the hundreds of millions of dollars of investments that the Company has made for over two decades in reliance upon those rights.

The ANM has since indicated that Eco Oro may also be prohibited from carrying out mining activities within the "restoration" zone of the Santurbán Páramo. Eco Oro has sought clarification from the ANM on this matter and is awaiting a response. Eco Oro's rights are therefore under threat of further encroachments, given the risk that the Colombian Constitutional Court and National Mining Agency will issue future decisions further reducing the area accessible to Eco Oro.

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. However, given the ANM's actions affecting the area available for mining within Concession 3452 described above, the extent of the area of Concession 3452 that remains available for mining is uncertain, and therefore the Company is unable to accurately estimate the resources that remain available at this time.

Regional Park

In a process separate from the determination of the boundaries of Santurbán Páramo, the Autonomous Regional Corporation for the Defense of the Plateau of Bucaramanga (Corporación Autónoma Regional para la Defensa de la Meseta de Bucaramanga or "CDMB") was considering the boundaries of a proposed regional park to protect the Santurbán Páramo, among other ecosystems. In January 2013, the coordinates of the Regional Park of Santurbán (the "Park") were approved by the CDMB. The Company's assessment at the time indicated that the officially-declared Park boundaries did not impede development of the Angostura Project. Indeed, the ANM did not alter Eco Oro's mining titles and concessions as a result of the creation of that Park. The Angostura deposit, the Company's principal asset, covered a total area of 215 hectares of which 193 hectares, or 90%, falls outside of the surface boundaries of the Park.

However, as noted above, the August 2016 ANM Resolution has deprived the Company of its mining rights in respect of 50.73% of the Concession area that falls within the preservation zone of the Santurbán Páramo as established by Ministry of Environment Resolution 2090 of December 2014, and there is a risk that Eco Oro's rights may suffer further encroachments, as discussed above.

Permitting

The Company requested the National Authority for Environmental Licensing (*Autoridad Nacional de Licencias Ambientales* or "ANLA") to provide terms of reference for an Environmental and Social Impact Assessment ("EIA") for an underground operation. In March 2012, the Company received terms of reference for an EIA for the underground Angostura Project that, according to the ANLA, had to consider the delimitation of the Santurbán Páramo. That delimitation was subsequently accomplished through Resolution 2090 of December 2014. That Resolution and the subsequent Law 1753 of 2015 contained exceptions to the restrictions on mining activities in the Santurbán Páramo that applied to Eco Oro.

In January 2016, the Company requested that ANLA provide updated terms of reference for an EIA. These terms of reference were not issued, however, as a consequence of the Constitutional Court Decision of February 8, 2016 that transferred the responsibility for issuing such terms of reference to the regional environmental agency (the CDMB).

In light of current legal uncertainties, the relevant environmental authorities have informed the Company that the Angostura Project cannot currently be licensed.

Other Developments

In May 2012, the Company applied to the ANM for a two-year extension to its exploration phase of concession 3452. The ANM granted the extension sought but required the Company to temporarily suspend mining activities in the areas deemed to constitute páramo according to the Atlas of Páramo issued by Von Humboldt Institute until the boundaries of the Santurbán Páramo ecosystem had been determined. 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 boundaries of the Santurbán Páramo

had 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. 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. The Company filed two subsequent exploration activities suspension requests, which were granted by the ANM. The suspensions of activities were finally lifted upon the issuance of Resolution 2090 of December 2014 that provided the coordinates of the Santurbán Páramo. Resolution 2090 provides that no new mining concession contracts may be executed and no environmental licenses may be issued for mining activities in the Santurbán Páramo. However, mining activities carried out under concession contracts and mining titles with environmental licenses or equivalent environmental management and control instruments granted prior to February 9, 2010 that are within the Santurbán Páramo may continue to be carried out until their termination, without extension, subject to strict supervision by mining and environmental authorities. Resolution 2090 also provides that mining may take place within the “restoration zones” of the Santurbán Páramo located in the traditional mining municipalities of Vetás, California and Suratá, subject to stricter environmental controls. Pursuant to Law 1753, 2015, known as the “National Development Plan” mining activities are restricted páramo ecosystems, although as under Resolution 2090 certain exceptions apply.

On February 9, 2016, the Company announced that the Colombian Constitutional Court had issued Communication No. 4 of 2016 dated February 8, 2016, which indicated that certain provisions of the National Development Plan are unconstitutional. The Court subsequently formally issued ruling C-035 of 2016 (also dated February 8, 2016). Pursuant to this ruling, among other things, the provisions of the National Development Plan that set out certain exceptions to the restrictions on mining in páramo ecosystems were declared unconstitutional. In addition, although the Court endorsed the concept of projects of national interest and the creation of a national system to handle them due to their importance, it declared the provisions of the National Development Plan that provided that the ANLA would have exclusive authority for licensing such projects, regardless of the size of the project, unconstitutional.

As discussed above, in May 2016, the Company applied to the ANM for a further two-year extension to the exploration phase of concession 3452. On August 8, 2016, Eco Oro received a decision from the ANM rendered on August 2, 2016 through ANM Resolution VSC 829 which granted an extension of the exploration phase for Concession 3452, only for the areas that fall outside the “preservation zone” of the Santurbán Páramo established in Resolution 2090, which corresponds to 50.73% of the concession area, citing the February 8, 2016 decision of the Colombian Constitutional. Consequently, the resources located in the preservation zone of the Santurbán Páramo are no longer accessible for development and extraction.

More recently, the ANM has indicated that Eco Oro may also be prohibited from carrying out mining activities within the “restoration” zone of the Santurbán Páramo. Eco Oro has sought clarification from the ANM on this matter and is awaiting a response.

In addition, the Company was notified that a lawsuit (*Acción de Tutela*) was filed before the Constitutional Court against the Ministry of Environment and Sustainable Development (*Ministerio de Ambiente y Desarrollo Sostenible*) that seeks to strike down Resolution 2090. The court’s decision on this matter is still pending.

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 initiating 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 its 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, the 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. The Company has approached SMLPL with a view to reaching an amicable resolution to the dispute.

Qualified Person

Mark Moseley-Williams, President and CEO of 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.

5. OUTLOOK

Notwithstanding the commencement of the ICSID Arbitration, the Company continues to seek engagement with the Colombian authorities in order to achieve an amicable resolution of the dispute. In the meantime, the Company's immediate plans for the ensuing year are as follows:

- the advancement of the ICSID Arbitration, including the constitution of the Tribunal, the establishment of a procedural calendar, and filing of its memorial in support of its claim;
- the continued assessment of the Company's activities and reduction of costs to those that support the preservation of its core assets and rights;
- to carefully manage its cash resources (including the potential disposition of assets, plant and equipment acquired for the Project); and,
- the protection of its rights and interests in Colombia (including, so far as reasonably practical and desirable, ensuring that existing licenses and permits remain in good standing).

6. CHANGES IN MANAGEMENT & BOARD

On October 7, 2015, the Company appointed Mark Moseley-Williams as the Company's President and Chief Operating Officer. On January 5, 2016, Mr. Moseley-Williams was promoted to President and Chief Executive Officer of the Company.

On April 2, 2016, Eduardo Jaramillo resigned as a member of the Company's Board of Directors.

At the last annual general meeting of shareholders held on June 2, 2016, Derrick Weyrauch and Mark Moseley-William were elected to the Company's Board of Directors. Juan Esteban Orduz did not stand for re-election.

On July 26, 2016, David Kay was appointed to the board of directors of the Company. Mr. Kay has been appointed to the Board pursuant to the Company's investment agreement with Trexs Investments, LLC, an entity managed by Tenor Capital Management Company, L.P. ("Tenor"), which was announced on July 22, 2016.

On August 29, 2016, Kevin O'Halloran has been appointed to the Company's Board of Directors to fill the vacancy left as a result of the resignation of John Hayes.

7. RESULTS OF OPERATIONS

Three months ended December 31, 2016

	For the three months ended		Change	
	December 31, 2016	December 31, 2015	in \$	Note
Exploration and evaluation expenses:				
Administrative expenses	\$ 352	\$ 66	\$ 286	a
Depreciation	62	77	(15)	
Environmental expenses	614	595	19	
Legal fees	185	76	109	b
Other exploration and evaluation expenses	20	(256)	276	c
Salaries and benefits	289	635	(346)	c
Surface rights	731	83	648	d
	2,253	1,276	977	
General and administrative expenses:				
Legal fees	2,404	35	2,369	e
Administrative expenses	66	196	(130)	f
Other professional fees	642	20	622	e
Salaries and benefits	39	110	(71)	f
Share-based compensation	18	22	(4)	
	3,169	383	2,786	
	\$ 5,422	\$ 1,659	\$ 3,763	
Other items				
Equity tax	4	-	4	
Finance cost	403	94	309	g
Foreign exchange loss (gain)	13	(486)	499	h
Gain on disposal of plant and equipment	(4)	-	(4)	
Impairment loss on plant and equipment	1,620	-	1,620	i
Impairment loss on exploration and evaluation assets	24,574	-	24,574	i
Other income	(17)	(3)	(14)	
	26,593	(395)	26,988	
LOSS FOR THE YEAR	\$ 32,015	\$ 1,264	\$ 30,751	
OTHER COMPREHENSIVE EXPENSES (INCOME)				
Foreign currency translation differences for foreign operations	\$ 692	\$ (240)	\$ 932	
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	\$ 32,707	\$ 1,024	\$ 31,683	

- a) The increase over the prior period is due to the reversal of certain accruals in the fourth quarter of 2015. No such reversal was made in the fourth quarter of 2016.
- b) The increase in legal fees in the current period was primarily due to the legal dispute with the Colombian Government.
- c) The overall net decrease in other exploration and evaluation expenses and salaries and benefits was primarily due to the reduction in exploration and evaluation activities during the three months ended December 31, 2016. The Company reduced the number of employees in Colombia from 66 in 2015 to 46 in 2016. The negative amounts in the prior periods are due to reversals of certain accruals in the fourth quarter of 2015. No such reversal was made in the fourth quarter of 2016.
- d) The increase in surface rights was primarily due to the timing of mining taxes paid.

- e) The increase in legal fees and other professional fees in the current period was primarily due to the legal dispute with the Colombian Government. The Company incurred \$2,404 in legal fees and \$642 in other professional fees, which are mainly related to research on various economic issues in connection with ICSID Arbitration.
- f) The decrease in administrative expenses in the current period was due to the continuation of cost reduction initiatives implemented by the Company. In addition, salaries and benefits in the head office decreased significantly due to fewer personnel.
- g) The increase in finance costs was primarily a result of the unpaid canon payments and interest charges (COP\$631,474,949) by the Colombian Government related to EJ1-163 (4 payments) and 22346 (2 payments). These payments were made in the fourth quarter of 2016 in order to be able to return these titles back to the ANM. In addition, the increase in finance costs related to the accretion of interest of the convertible notes.
- h) The foreign exchange gain was primarily a result of the retranslation of the Company's net monetary liability position denominated in COP into Canadian dollars.
- i) The Company recognized an impairment loss on its plant and equipment and exploration and evaluation assets as discussed above.

Year ended December 31, 2016

	For the year ended		Change	
	December 31, 2016	December 31, 2015	in \$	Note
Exploration and evaluation expenses:				
Administrative expenses	\$ 1,003	\$ 1,078	\$ (75)	
Depreciation	299	396	(97)	
Environmental expenses	769	84	685	a
Legal fees	336	236	100	b
Other exploration and evaluation expenses	164	177	(13)	
Salaries and benefits	2,019	2,578	(559)	c
Surface rights	838	565	273	d
	5,428	5,114	314	
General and administrative expenses:				
Legal fees	2,994	178	2,816	e
Administrative expenses	270	626	(356)	f
Other professional fees	818	305	513	e
Salaries and benefits	165	467	(302)	f
Share-based compensation	114	749	(635)	g
	4,361	2,325	2,036	
	\$ 9,789	\$ 7,439	\$ 2,350	
Other items				
Equity tax	117	147	(30)	
Finance cost	741	440	301	h
Foreign exchange loss (gain)	108	(2,363)	2,471	i
Gain on disposal of plant and equipment	(175)	-	(175)	
Other income	(25)	(11)	(14)	
Impairment loss on plant and equipment	1,620	-	1,620	j
Impairment loss on exploration and evaluation assets	24,574	-	24,574	j
	26,960	(1,787)	28,747	
LOSS FOR THE YEAR	\$ 36,749	\$ 5,652	\$ 31,097	
OTHER COMPREHENSIVE EXPENSES (INCOME)				
Foreign currency translation differences for foreign operations	\$ 398	\$ (3,031)	\$ 3,429	
TOTAL LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	\$ 37,147	\$ 2,621	\$ 34,526	

- Site restoration and maintenance expenses include the impact of the current year's changes in the site restoration provision. The cost estimates are updated annually to reflect known developments and are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations. The increase during the year ended December 31, 2016 was due mainly to an acceleration on the timing of the restoration work required to be done.
- The increase in legal fees in the current period was due to the ongoing legal dispute with the Colombian Government.
- The decrease in salaries and benefits was primarily due to the significant reduction in exploration and evaluation activities during the year ended December 31, 2016. The decrease in salaries and benefits in the current period was also due to the continuation of cost reduction initiatives implemented by the Company. The Company reduced the number of employees in Colombia from 66 in 2015 to 46 in 2016.
- The increase in surface rights was primarily due to the payment of the mining tax paid during the year ended December 31, 2016.
- The increase in legal fees and other professional fees in the current period was primarily due to the legal dispute with the Colombian Government. The Company incurred \$2,994 in legal fees and \$818 in other professional fees, which are mainly related to research on various economic issues in connection with ICSID Arbitration.
- The significant decrease in administrative expenses in the current period was due to the continuation of cost reduction initiatives implemented by the Company. In addition, salaries and benefits in the head office decreased significantly due to fewer personnel.

- g) Share-based payments decreased primarily due to the fact that no options granted during the year ended December 31, 2016.
- h) The increase in finance costs was primarily a result of unpaid canon payments and interest charges (COP\$631,474,949) by the Colombian Government related to EJ1-163 (4 payments) and 22346 (2 payments). These payments were made in 2016 in order to be able to return these titles back to the ANM. In addition, the increase in finance costs related to the accretion of interest of the convertible notes.
- i) The foreign exchange gain was primarily a result of the retranslation of the Company's net monetary liability position denominated in COP into Canadian dollars.
- j) The Company recognized an impairment loss on its plant and equipment and exploration and evaluation assets as discussed above.

8. SELECTED FINANCIAL INFORMATION

	As at:	December 31, 2016	December 31, 2015	December 31, 2014
Total assets	\$	18,751	\$ 28,805	\$ 26,510
Total long-term liabilities		6,601	3,886	5,101

	For the years ended:	December 31, 2016	December 31, 2015	December 31, 2014
Loss and comprehensive loss	\$	37,147	\$ 2,621	\$ 8,296
Basic and diluted loss per share		0.37	0.06	0.12

The decline in total assets in 2016 when compared to 2015 is mainly due to the impairment of exploration and evaluation assets and property and equipment during the year ended December 31, 2016. In addition, the increase in total liabilities in 2016 when compared to 2015 is mainly due to the issuance of convertible debentures and contingent value rights for gross proceeds of \$20,380 (US\$15,200,000) during the year ended December 31, 2016. In addition, during the year ended December 31, 2016, the Company issued 10,608,225 common shares with a fair value of \$3,917. 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.

9. SUMMARY OF QUARTERLY RESULTS

	Three months ended			
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Exploration and evaluation expenditures	\$ 2,253	\$ 1,325	\$ 908	\$ 942
General and administrative expenses	3,169	135	750	307
Other items	26,593	172	(58)	253
Net loss for the period	32,015	1,632	1,600	1,502
Basic and diluted loss per share	0.30	0.02	0.02	0.02

	Three months ended			
	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Exploration and evaluation expenditures	\$ 1,276	\$ 1,092	\$ 1,491	\$ 1,255
General and administrative expenses	383	979	588	375
Other items	(395)	(1,029)	(44)	(319)
Net loss for the period	1,264	1,042	2,035	1,311
Basic and diluted loss per share	0.01	0.01	0.02	0.02

Exploration and evaluation costs remained at relatively constant levels in each quarter of 2015 as the Company focused on various external and internal technical studies as well as continued with certain cost reduction initiatives.

In 2016, except for the increase in legal fees and other associated expenses which were related to the legal dispute with the Colombian Government during the third and fourth quarter of 2016, the exploration and evaluation costs remained at relatively constant levels due to the cost reduction initiatives. In the fourth quarter of 2016, the Company recognized \$614 environmental expenses due to the change in estimates of the site restoration provision.

Except for the fourth quarter of 2016, general and administrative costs remained at relatively constant levels in the past quarters as the Company continued with certain cost reduction initiatives. In third quarter of 2015, the Company granted 2,167,000 options to its officers, directors and employees; as result, the additional share-based payments increased the general and administrative costs. The increase of general and administrative costs in the fourth quarter of 2016 was primarily due to the increase of legal fees and other professional fees regarding the legal dispute with the Colombian Government.

Except for the fourth quarter of 2016, there is a quarterly fluctuation in "Other items" primarily due to the fluctuation in exchange rates for the USD and COP. In the fourth quarter of 2016, the increase in "Other items" was primarily the result of the recognition of the impairment loss on plant and equipment (\$1,620) and exploration and evaluation assets (\$24,574). The increase in finance costs was primarily a result of unpaid canon payments and interest charges (COP\$631,474,949) by the Colombian Government related to EJ1-163 (4 payments) and 22346 (2 payments). These payments were made in 2016 in order to be able to return these titles back to the ANM. In addition, the increase in finance costs related to the accretion of interest of the convertible notes.

10. LIQUIDITY AND CAPITAL RESOURCES

Liquidity and Cash Flows

	Three months ended			
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Cash used in operating activities	\$ (3,106)	\$ (2,093)	\$ (662)	\$ (1,188)
Cash flows from financing activities	20,171	3,461	-	-
Cash flows from (used in) investing activities	4	130	179	35
Effects of exchange rate changes on cash and cash equivalents	16	52	5	(57)
Total cash flow	17,085	1,550	(478)	(1,210)
Cash and cash equivalents	18,616	1,531	31	459
Guaranteed investment certificate	-	-	-	-
Working capital (deficiency)	14,202	(728)	(3,067)	(1,758)

	Three months ended			
	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Cash used in operating activities	\$ (1,643)	\$ (717)	\$ (1,943)	\$ (1,098)
Cash flows from financing activities	159	3,103	(11)	2,691
Cash flows from (used in) investing activities	3	(13)	(22)	(21)
Effects of exchange rate changes on cash and cash equivalents	412	(1,215)	(123)	(620)
Total cash flow	(1,069)	1,158	(2,100)	952
Cash and cash equivalents	1,669	2,989	1,798	3,954
Guaranteed investment certificate	35	33	36	34
Working capital (deficiency)	(565)	963	(1,158)	860

Cash flows used in operating activities increase in the fourth quarter of 2016 was primarily due to the increase of legal fees and other professional fees regarding the legal dispute with the Colombian Government. In the third quarter of 2016 and the second quarter of 2015, the Company paid the annual equity tax payments imposed by the Colombian government. Except for the fourth quarter of 2016, 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 salaries and benefits, rent and other administrative expenses.

The Company has not yet achieved profitable operations and expects to incur further losses in the development of its business. Until there is a satisfactory resolution of the investment dispute, management's current forecasts includes cash outflows to continue its trend consistent with the last four quarters and cash inflows from anticipated future equity financing(s).

During the first and third quarter of 2015, the Company completed a private placement for net aggregate proceeds of \$2,722 and \$3,301, respectively.

In order for the Company to be able to meet its obligations and continue its operations for the foreseeable future, as well as for general working capital purposes, the Company entered into an investment agreement (the "Agreement") with Trexs Investments, LLC, an entity managed by Tenor Capital Management Company, L.P., with respect to an aggregate investment in the Company of US\$14 million (the "Investment"). Pursuant to the Agreement, the proceeds of the Investment will be used by the Company to fund the Company's arbitration with the Government of Colombia under the Free Trade Agreement between Canada and Colombia. The Investment occurred in two tranches. The first tranche ("Tranche 1") was for US\$3 million and the second tranche was for US\$11 million. On July 22, 2016, the Company closed Tranche 1 by issuing 10,608,225 common shares with a fair value of \$3,917 (US\$3 million), which represents 9.99% of the Company's issued and outstanding shares. The second tranche was completed on November 9, 2016 by issuing \$5,363 (US\$4,000,000) contingent value rights and \$9,386 (US\$7,000,000) convertible notes to Trexs Investments, LLC.

In addition, during the fourth quarter of 2016, the Company issued convertible notes in the amount of \$3,583 (US\$2,672,727) and four contingent value rights certificate in the amount of \$2,047 (US\$1,527,273) to existing shareholders of the Company.

As at the date of this MD&A, on the basis of the Company's balance of cash as at December 31, 2016, the Company has sufficient funding to satisfy all of the costs of its budgeted activities for 2017 and the foreseeable future. However, the Company will require additional funding to finance the expected long-term ICSID Arbitration matter through to a successful conclusion. Management continues to review the Company's activities in order to identify areas to further reduce expenditures. There are no guarantees that the Company will be able to secure additional financings in the future and at terms that are favorable.

The ability of the Company to continue as a going concern is dependent upon the Company's ability to: arrange additional financing as required to finance the ICSID Arbitration; 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 financing include: the outcome and timing of the investment dispute, metal prices, the political risk of operating in a foreign country including, without limitation, risks relating to permitting given the recent Constitutional Court ruling on the National Development Plan, 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

	2017	2018	2019	2020	2021 and thereafter	Total
Site restoration provision ⁽¹⁾	\$ 411	\$ 1,721	\$ 1,552	\$ 840	\$ 1,774	\$ 6,298
Wealth tax ⁽²⁾	100	-	-	-	-	100
	\$ 511	\$ 1,721	\$ 1,552	\$ 840	\$ 1,774	\$ 6,398

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, 2016.

Contingencies

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 14 of our audited condensed consolidated 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. In addition, any adverse decision in resolving the Dispute under the Free Trade Agreement through an arbitration process would have a material adverse effect on 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 has a stock option plan.

During the year ended December 31, 2016

- 10,608,225 common shares were issued for cash proceeds \$3,917 (US\$3 million);
- 46,666 common shares were issued in exchange of 120,000 options;
- 66,666 common shares were issued for proceeds of \$18 due to the exercise of stock options;
- 63,500 warrants expired unexercised; and
- 3,999,003 options expired unexercised.

Subsequent to December 31, 2016:

- The Company issued 269,852 common shares through a cashless exercise provision in exchange for 457,001 options.
- The Company converted US\$4,721,258 of its outstanding convertible notes through the issuance of 10,600,000 common shares.

The following are outstanding as at March 27, 2017:

Common shares	117,124,953
Shares issuable on the exercise of outstanding stock options	2,199,499
Fully diluted shares outstanding	119,324,452

11. 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 16 of our consolidated financial statements for the year ended December 31, 2016. 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, 2016.

12. 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 years ended	
	December 31, 2016	December 31, 2015
Short-term benefits	\$ 584	\$ 810
Share-based payments	93	737
	\$ 677	\$ 1,547

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 years ended	
	December 31, 2016	December 31, 2015
Fintec Holdings Corp. ("Fintec")		
Management fees	\$ 120	\$ 243
Quantum Advisory Partners LLP ("Quantum")		
Management and accounting services	\$ 162	\$ 176
James H. Atherton Law Corporation ("Law Corp")		
Legal services	\$ 39	\$ 131
Terrastrat Consulting Inc. ("Terrastrat")		
Consulting fees	\$ -	\$ 38

Fintec is a company owned by the Company's Executive Co-chairman. The services provided by Fintec were in the normal course of operations related to director and management fees.

During the year ended December 31, 2016, the Company issued convertible notes in the amount of \$43 (US\$31,818) (Note 9) and one contingent value rights certificate in the amount of \$24 (US\$18,182) (Note 10) to the Company's Executive Co-chairman.

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 former Corporate Secretary. The services provided by Law Corp. related to day-to-day legal services provided to the Company.

At December 31, 2016, \$12 is due to the officers of the Company which was included in trade and other payables (December 31, 2015 – \$43).

13. 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, 2016 for a more detailed discussion of the critical accounting estimates and judgments.

14. CHANGES IN ACCOUNTING POLICIES

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning before or on January 1, 2016.

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

- 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.
- 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.

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, 2017. 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:

- IFRS 9 – New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.
- IFRS 14 – New standard to specify the financial reporting requirements for regulatory deferral account balances that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation, effective for annual periods beginning on or after January 1, 2016.
- IFRS 15 - New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers, effective for annual periods beginning on or after January 1, 2017.
- IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

15. 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, has evaluated the design and effectiveness of the Company’s disclosure controls and procedures as of December 31, 2016, and based upon this evaluation, the CEO and the CFO have concluded that these disclosure controls and procedures, as defined by National Instrument 52-109, Certification of Disclosure in Issuers’ Annual and Interim Filings, are effective for the purposes set out above.

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, 2016 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, is effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

There has been no change in our internal controls over financial reporting during the year ended December 31, 2016 that has materially affected, or is reasonably likely to materially affect, the Company’s internal controls over financial reporting, nor were there any material weaknesses in the Company’s internal controls identified requiring corrective actions.

16. 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" section below.

17. 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 timing of the settlement or potential outcome of the ICSID Arbitration under the Free-trade Agreement and , the Company's ability and plans for advancing the Angostura Project and future announcements relating thereto, 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 outcome and timing of the investment dispute, 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 and Uncertainties" above. 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.