ECO ORO MINERALS CORP.

Suite 300-1055 W. Hastings St.
Vancouver, British Columbia
V6E 2E9

FORM 2A
LISTING STATEMENT

OCTOBER 23, 2017

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NOTE TO READER

This listing statement (the "**Listing Statement**") contains a copy of the annual information form of the Company dated March 27, 2017 (the "**AIF**") attached as Schedule "A" and the management information circular dated September 12, 2017 (the "**Circular**") as Schedule "B" along with a table of concordance reconciling the disclosure included in the AIF and the Circular, respectively, to the applicable disclosure requirements of the Canadian Securities Exchange (the "**Exchange**") Form 2A - *Listing Statement* ("**Form 2A**"). Certain disclosure has been included (in addition to the AIF and Circular disclosure) to comply with the Exchange disclosure requirements in Form 2A and to supplement certain information contained in the AIF and Circular, respectively. Capitalized terms used but not otherwise defined in this Listing Statement have the meanings ascribed thereto in the AIF and Circular.

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3. Additional Listing Statement Disclosure

(a) Item 4 – Narrative Description of the Business

Business Objectives of the Corporation for the Forthcoming 12-month Period

Eco Oro is a precious metals exploration and development company with operations in Colombia. For over two decades, the Corporation's focus has primarily been its wholly-owned Angostura gold-silver deposit (the "**Angostura Project**"). However, the recent measures of the Republic of Colombia (the "**Colombian State**") have deprived Eco Oro of its rights and have brought into question the viability of the Angostura Project. Because of the Colombian State's measures, the Corporation 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**").

While the Corporation's primary objective had always been the development of the Angostura Project, in light of the Colombian State's measures, the ICSID Arbitration has now become the core focus of the Corporation.

In the forthcoming 12-month period, the Corporation will focus on the ICSID Arbitration. In addition, the Corporation is planning an additional financing in late 2017 to raise approximately US$6.5 million and is considering the sale of existing assets as an additional source of funding.

The Corporation continues to have full time employees in Colombia who are based at offices in Bucaramanga and at the Angostura Project site and continues to engage with the Colombian State Mining Agency (the "**ANM**") to ensure that the Corporation complies with the relevant technical and legal requirements for administering and managing mine concessions in Colombia. The Corporation's staff at the site continue to be engaged in the administration of the property itself, including running and maintaining drill core storage facilities, ecological management and monitoring of the site, and the administration and supervision of security issues. The Corporation's employees, both those based in Bucaramanga and at the Angostura Project site, continue to accompany delegations of inspectors from the ANM when site visits are requested.

Business Objective related Events and Milestones

In the remainder of Fiscal Year 2017, the Corporation will attend a procedural hearing with the ICSID tribunal (the "**Tribunal**"), currently scheduled for November 21, 2017, following which the procedure and timetable for the ICSID Arbitration will be established. The Corporation will also focus on the preparation of its memorial on the merits – which will likely be the next procedural step in the arbitration – in which the Corporation will set out the factual and legal bases for its claim as well as the valuation of its compensation claim.

While the timetable of procedural steps in the ICSID Arbitration has yet to be established, the ICSID Arbitration is likely to consist of an exchange of at least two rounds of written submissions between the parties (usually at intervals of several months between submissions) followed by an oral hearing, the submission of post-hearing briefs and the issuance of the Tribunal's award. Assuming the parties' arguments are addressed together in a single phase of the ICSID Arbitration, it may take approximately 30 months (possibly longer) for the ICSID Arbitration to be completed and the Tribunal's award to be issued. If the Tribunal decides to address certain issues, such as jurisdiction or damages, in a separate phase of the proceeding, there will be additional exchanges of written submissions on that issue and possibly also a separate hearing, which could delay the issuance of the award for up to 12 to 18 months (or longer).

In Fiscal Year 2018, following the submission of the Corporation's memorial on the merits, Colombia will submit its defences to the Corporation's claim. The Corporation will then be will be required to respond to those defences. The date upon which Colombia will file its defences and the Corporation will submit its

response will only be determinable once the Tribunal has issued the procedural calendar and the nature of Colombia's defence is known.

Total Funds Available

Estimated Consolidated Working Capital

The total funds currently available to the Corporation are $3,568,557. The estimated working capital (deficiency) as the most recent month end before the filing of this Listing Statement was $1,075,803.

Other Funds available to achieve Business Objectives

On September 11, 2017, the Corporation closed a US$4 million short-term bridge loan ("**Loan**") from Trexs Investments, LLC. ("**Trexs**"). The Loan is unsecured and for a term of 150 days and bears interest at a rate of 5% per annum. The Corporation is also planning an additional financing in late 2017 to raise approximately US$6.5 million and it is expected that the proceeds of the Loan will be paid down upon, or used towards, the closing of the additional financing. The Corporation is currently negotiating with Trexs for an extension of the Loan.

Principle Purposes of Funds

Net proceeds received on financing: (CA$7.8 million (US$ 6.5 million) minus CA$1.3 million legal fees)	**CA$6,500,000**
Use of funds (Up to December 31, 2018):	
Legal fees and associated costs of ICSID Arbitration	CA$4,500,000
Unallocated general working capital	CA$2,000,000
	CA$6,500,000

(b) Item 5 - Selected Consolidated Financial Information:

The Corporation's Annual Information

The following table sets forth selected financial information for the Corporation for the years ended December 31, 2016, 2015 and 2014. Such information is derived from the financial statements of Eco Oro and should be read in conjunction with such financial statements. See Appendix "E" - *Interim Financial Statements for the six month period ended June 30, 2017* and Appendix "F" - *Audited Annual Financial Statements for the year period ended December 31, 2016.*

	For the Years Ended December 31		
Operating Data:	**2016**	**2015**	**2014**
Total revenues	Nil	Nil	Nil
Total expenses	9,789	7,439	11,437
Net loss for the year	36,749	5,652	10,209
Basic and diluted loss per share	0.37	0.06	0.12

Balance Sheet Data:			
Total assets	18,751	28,805	26,510
Total liabilities	11,149	6,262	8,264

The Corporation's Quarterly Information

The results for each of the eight most recently completed quarters of the Corporation ending at the end of the most recently competed interim period, being June 30, 2017, are summarized below:

Quarter Ended	Revenue	Income (Loss)	Income (Loss) per Share
June 30, 2017	Nil	(8,654)	(0.07)
March 31, 2017	Nil	(4,282)	(0.04)
December 31, 2016	Nil	(32,015)	(0.30)
September 30, 2016	Nil	(1,632)	(0.02)
June 30, 2016	Nil	(1,600)	(0.02)
March 31, 2016	Nil	(1,502)	(0.02)
December 31, 2015	Nil	(1,264)	(0.01)
September 30, 2015	Nil	(1,042)	(0.01)

Dividends

Any payments of dividends will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the Company's board of directors may consider appropriate in the circumstances. It is unlikely that the Company will pay dividends in the immediate or foreseeable future.

Foreign GAAP

This item does not apply to the Corporation.

(c) Item 6 - Management Discussion and Analysis:

The Corporation's MD&A for the six months ended June 30, 2017 and the year ended December 31, 2016 are attached to this Listing Statement as Appendix "C" and "D", respectively.

(d) Item 8 - Consolidated Capitalization:

Since December 31, 2016, the Corporation has effected the following material changes with respect to its share capital:

On January 4, 2017, the Corporation issued 30,902 common shares through a cashless exercise provision in exchange for 50,000 options.

On January 20, 2017, the Corporation issued 31,785 common shares through a cashless exercise provision in exchange for 50,000 options.

On January 24, 2017, the Corporation issued 187,500 common shares through a cashless exercise provision in exchange for 300,000 options.

On March 16, 2017, the Company converted US$4,721,258 of its outstanding convertible notes through the issuance of 10,600,000 common shares.

On March 17, 2017, the Corporation issued 11,220 common shares through a cashless exercise provision in exchange for 32,000 options.

On March 20, 2017, the Corporation issued 5,610 common shares through a cashless exercise provision in exchange for 16,000 options.

On March 23, 2017, the Corporation issued 2,835 common shares through a cashless exercise provision in exchange for 9,000 options.

The following table sets forth the capitalization of the Corporation as at the date specified below. This table should be read in conjunction with the Financial Statements and the management's discussion and analysis attached to the Listing Statement at Schedule "B" - *Management Discussion and Analysis for the six month period ended June 30, 2017* and Schedule "C" - *Management Discussion and Analysis for the year ended December 31, 2016.*

Description	**Authorized Capital**	**Outstanding as at December 31, 2016**	**Outstanding as at the date of this Listing Agreement**
Common Shares	Unlimited	106,188,435	106,524,953

(e) Item 9 – Options to Purchase Securities:

As at the date of this Listing Statement, a total of 5,267,000 Stock Options were held by the Company's directors, officers, employees and consultants.

(f) Item 11 - Escrowed Securities

To the knowledge of the issuer, there are not securities of the Issuer held in escrow.

(g) Item 13 – Directors and Officers

The following table provides the names, municipalities of residence, position, principal occupations and the number of voting securities of the Company that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name, Position, Province/State and Country of Residence	Principal Occupation and Biography	No. of Shares
David Kay Co-Executive Chair, Director **Residence**: New York, United States **Period as a Director**: July 26, 2016 to date	Partner of Tenor and the portfolio manager of TICAF since 2009; previously an investment banker at Jefferies & Company and an attorney at Akin Gump Strauss Hauer & Feld LLP. **Current Committee Membership:** • Compensation Committee • Arbitration and Budget Committee	Nil[(1)(2)]
Courtenay Wolfe Co-Executive Chair, Director **Residence**: Ontario, Canada **Period as a Director**: July 31, 2017 to date	Principal of Canopy Capital Inc. since 2011; Chair of the board of directors of Vital Alert Communication Inc. since 2009; Director of FB Sciences, Inc. since September 2016; Executive Chair of the board of directors of Founders Advantage Capital Corp. (formerly FCF Capital Inc. and Brilliant Resources Inc.) from October 2013 to February 2016; President and Chief Executive Officer of Salida Capital LP from 2008 to 2013. **Current Committee Membership:** • Audit Committee • Compensation Committee • Arbitration and Budget Committee	1,000,000
Lawrence Haber Director **Residence**: Ontario, Canada **Period as a Director**: July 31, 2017 to date	Private adviser, consultant and Chair of the board of directors of Diversified Royalty Corp. (formerly Benev Capital Inc.) since August 2013; President and Chief Executive Officer of Diversified Royalty Corp. from June 2011 to August 2013; formerly a securities lawyer and a senior partner in the Toronto law firm of Fogler, Rubinoff LLP from 1985 to 2000; subsequently worked for 10 years as a senior executive with National Bank Financial and DundeeWealth Inc.; in 2014 and 2015, acted as a Special Advisor to the OSC staff regarding a number of policy projects and in 2015 and 2016 acted as a member of an Expert Committee tasked by the Ontario Minister of Finance to provide advice regarding the regulation of financial advice and financial planning advice. **Current Committee Membership:** • Nominating and Corporate Governance Committee • Compensation Committee • Audit Committee	Nil

Name, Position, Province/State and Country of Residence	Principal Occupation and Biography	No. of Shares
Peter McRae Director **Residence**: Ontario, Canada **Period as a Director**: July 31, 2017 to date	Director of Founders Advantage Capital Corp. since April 2015; Chairman of Freedom International Brokerage Company since December 2015; previously President and Chief Executive Officer of Freedom International Brokerage Company from February 1994 to December 2015. **Current Committee Membership:** • Nominating and Corporate Governance Committee • Audit Committee	Nil
Anna Stylianides Director **Residence**: British Columbia, Canada **Period as a Director**: June 3, 2011 to date	Executive Chairman of the Board of Directors from January 2016 to July 2017 and President and Chief Executive Officer of the Company from May 2014 to January 2016 and from September 2011 to June 2012; Chief Executive Officer of Fintec Holdings Corp., a corporate financial services company, from 2011 to present; previously Chief Executive Officer of Callinex Mines Inc., a mineral exploration company, from March 2012 to December 2012; previously Chief Executive Officer and a director of Surgical Spaces, Inc., a private health care consolidator. **Current Committee Membership:** • Nominating and Corporate Governance Committee	279,495[(2)]
Paul Robertson Interim Chief Executive Officer **Age**: 45 **Residence**: Vancouver, British Columbia **Period as an Officer**: April 11, 2014 to date	Partner, Quantum Advisory Partners, LLP (a professional services firm providing outsourced CFO, financial advisory, accounting, tax, and internal audit services). Mr. Robertson is a Chartered Professional Accountant (CA) with over 20 years of professional and corporate experience including 10 years of experience in the mining industry. He has been a member of various executive teams serving as Chief Financial Officer with a focus primarily on corporate transactions (including mergers and acquisitions), financings in the public markets, public company and regulatory reporting requirements. Currently, he is the managing partner of Quantum Advisory Partners LLP, a professional services firm dedicated to assisting publicly listed companies with their financial reporting, and regulatory requirements, as well as Chief Financial Officer for Orla Mining Ltd. (TSX.V: OLA) and GoldQuest Mining Corporation (TSX.V: GQC). He was previously the CFO of Grayd Resource Corporation that was acquired by Agnico Eagle in 2011 for $275 million. Mr. Robertson holds a BA from the University of Western Ontario (1993) and obtained his Chartered Accountant designation from the British Columbia Institute of Chartered Accountants in 1997.	Nil

Name, Position, Province/State and Country of Residence	Principal Occupation and Biography	No. of Shares
Eric Tsung Interim Chief Financial Officer **Age**: 40 **Residence**: Vancouver, British Columbia **Period as an Officer**: Aug 3, 2017 to date	Senior Manager, Quantum Advisory Partners, LLP (a professional services firm providing outsourced CFO, financial advisory, accounting, tax, and internal audit services). Mr. Tsung is a Chartered Professional Accountant (CA) with over ten years of experience in accounting, financial reporting and management consulting. He has developed extensive experience in the mining and junior resource sectors, having provided financial reporting support and management consulting to a number of junior resource companies listed in TSX. Currently, he is the VP, Finance of a public company listed in CSE and is a senior manager of Quantum Advisory Partners LLP, a professional services firm dedicated to assisting publicly listed companies with their financial reporting and regulatory requirements. He was controller at a multinational high-tech company listed in NASDAQ where he was primarily responsible for preparing quarterly financial reports, managing the finance team, and providing support to the CEO and CFO in financing and M&A issues.	Nil

Notes:
(1) Trexs, an affiliate of Tenor International & Commercial Arbitration Fund ("**TICAF**"), owns 18,355,733 Shares (or 15.7% of the currently issued and outstanding Shares). Pursuant to an investment agreement between the Company and Trexs dated July 21, 2016, Trexs has nominated Mr. Kay as its nominee on the Board of Directors. Mr. Kay is a partner at Tenor and the portfolio manager of TICAF and accordingly has direction over the securities of the Company held by Trexs.
(3) In accordance with an order issued by the Ontario Securities Commission (the "**OSC**") on April 23, 2017 as varied by an OSC order on August 28, 2017, certain shares issued pursuant to a partial conversion of the Corporation's conversion notes on March 16, 2017, will be rescinded. Accordingly, 35,216 and 7,747,508 Shares of Ms. Stylianides and Trexs, respectively, will, as a result of the rescission, be reduced from the total number of Shares owned by each of Ms. Stylianides and Trexs.

Orders & Bankruptcies

Other than as mentioned below, none of the executive officers the Company:

(a) is, as at the date of this Circular, or has been, within ten (10) years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

i. was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, which order was in effect for a period of more than 30 consecutive days (an "**Order**") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

ii. was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

(b) is, as at the date of this Circular, or has been, within ten (10) years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity,

became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the ten (10) years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Management

Profiles of the officers of the Corporation are set forth above.

(h) Item 14 – Capitalization:

Issued Capital

The following table sets out the Corporation's capitalization.

	Number of Securities (non-diluted)	**Number of Securities (fully-diluted)**	**% of Issued (non-diluted)**	**% of Issued (fully diluted)**
Public Float				
Total outstanding (A)	106,524,953	111,791,953	100.0%	100.0%

Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	45,025,593	48,317,593	42.3%	43.2%
Total Public Float (A-B)	61,499,360	63,474,360	57.7%	56.8%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	0	0	0%	0%
Total Tradeable Float (A-C)	106,524,953	111,791,953	100%	100%

Public Securityholders (Registered)

For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. The table below is as current as of the date hereof, and only registered holders are listed.

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	13	307
100 – 499 securities	26	5,455
500 – 999 securities	5	3,441
1,000 – 1,999 securities	7	7,500
2,000 – 2,999 securities	1	2,835
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	11	4,665,731
Total	63	4,685,269

Public Securityholders (Beneficial)

For the purposes of this report, "public securityholders (beneficial)" includes (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary. The table below does not include “non-public securityholders” being those persons enumerated in section (B) of the issued capital chart and is current as of the date hereof.

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	110	3,982
100 – 499 securities	343	85,885
500 – 999 securities	216	138,369
1,000 – 1,999 securities	349	425,390
2,000 – 2,999 securities	224	488,066
3,000 – 3,999 securities	104	336,734
4,000 – 4,999 securities	61	258,035
5,000 or more securities	736	44,984,788
Total	2,143	46,721,249

Non-Public Securityholders (Registered)

For the purposes of this table, “non-public securityholders” are persons enumerated in Section (B) of the Issued Capital table above.

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	7	70,650,554.00
Total	7	70,650,554.00

14.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Options to purchase Common Shares[(1)]	5,267,000	5,267,000
Convertible Notes[(2)]	5 Convertible Notes (with a carrying value of $895,000)[(3)]	Unknown[(4)]

Notes:

(1) The Options have a weighted average exercise price $0.51. For more information, see "Share-Based Payment Arrangement – Stock Option Plan on p. 14 of the AIF.

(2) The Convertible Notes refers to the convertible unsecured notes dated, as the case may be, July 21, 2016 or November 9, 2016 and issued by the Company to certain shareholders. For more information, see Appendix E – Form of Custodian CVR Certificate to the Circular.

(3) The Convertible Notes may be converted, in whole or in part, at the option of the Company.

(4) The conversion price of the Convertible Notes is equal to the volume weighted average closing price during the five (5) trading days immediately preceding the date of conversion.

14.3 Provide details of any listed securities reserved for issuance that are not included in section 14.2.

None.

(i) Item 18 - Promoters

There are no promoters.

(j) Item 19 – Legal Proceedings:

In April 2017, the OSC released an order (the "OSC Order") that, among other things, overturned the March 10, 2017 decision of the TSX to grant conditional approval for the issuance of the Converted Shares. The Company commenced an appeal of the OSC Order.

Shortly after the release of the OSC Order, the Court dismissed the Conversion Petition (the "Court Ruling"). The Court found in favour of Eco Oro on all matters, and dismissed the Conversion Petition, with costs, in favour of Eco Oro ruling that the issuance of the Converted Shares was not oppressive and that it does not deny Eco Oro shareholders their right to a fair election.

In a supplementary ruling issued concurrently with the Court Ruling (the "Adjournment Ruling"), the Court exercised its jurisdiction under the *Business Corporations Act* (British Columbia) and ordered that the Meeting "be adjourned to a date to be set by the board of directors prior to September 30, 2017, to allow the parties an opportunity to take whatever steps they deem appropriate to resolve the conflict between the OSC order and the Court Ruling".

On April 28, 2017, the Requisitioners filed a notice of appeal with the British Columbia Court of Appeal (the "Appeal Court") to set aside the both the Court Ruling and the Adjournment Ruling. The appeal of the Adjournment Ruling was heard on an expedited basis and, on May 26, 2017, the Appeal Court set aside the Adjournment Ruling. The Court Ruling remains under appeal.

On May 12, 2017, the Company commenced an application (the "Group Application") in the Ontario Superior Court of Justice with respect to improper activities undertaken by a group of shareholders of the Company. Pursuant to the Group Application, the Company sought, among other things, declarations that

these shareholders have been acting "jointly or in concert" within the meaning of applicable securities laws without making the required disclosure and that these shareholders have violated applicable take-over bid rules.

On July 31, 2017, the Company entered into a comprehensive settlement agreement (the "Settlement Agreement") with, *inter alia*, thirteen shareholders representing approximately 66.3% of the issued and outstanding common shares of the Company entitled to vote at the at the Company's upcoming annual general and special meeting (the "Meeting"). The transactions contemplated by the Settlement Agreement (the "Transactions") will, upon their implementation, resolve all outstanding litigation relating to the Company's board composition, the Investment, the issuance of the Converted Shares and the Meeting and, in connection therewith, Trexs will provide a temporary waiver of all existing and future defaults and events of default under the relevant investment documents.

(k) Item 24 – Other Material Facts

There are no other material facts.

(l) Item 25 – Financial Statements:

The Corporation's interim financial statements for the six months ended June 30, 2017 and audited financial statements for the year ended December 31, 2016 are attached to this Listing Statement as Appendix "E" and "F", respectively.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, (full legal name of the Issuer), hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the Issuer). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at _____

this 23 day of October, 2017.

"*Paul Robertson*"

Paul Robertson
Interim Chief Executive Officer

"*Eric Tsung*"

Eric Tsung
Interim Chief Financial Officer

"*David Kay*"

David Kay
Director

"*Courtenay Wolfe*"

Courtenay Wolfe
Director

APPENDIX A

ANNUAL INFORMATION FORM OF ECO ORO MINERALS CORP. DATED MARCH 27, 2017

ECO ORO MINERALS CORP.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2016

DATED AS OF MARCH 27, 2017

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CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

The Company's business activities are conducted in Canadian dollars, United States dollars and Colombian pesos. The Company adopted International Financial Reporting Standards for its financial statements with an effective transition date of January 1, 2010. Effective October 2015, the functional currency of the Company and its branch was changed from United States dollars to Canadian dollars and Colombian pesos, respectively, as a result of a change in underlying transactions, events and conditions relevant to the Company and its subsidiaries. This Annual Information Form contains references to Canadian dollars and United States dollars. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars. United States dollars are referred to as "US$". Unless otherwise indicated, Canadian dollar amounts have been converted in this Annual Information Form at the rates of exchange for converting United States dollars and Colombian pesos into Canadian dollars in effect at December 31, 2016, being US$0.7442 and 2,232 Colombian pesos for 1 Canadian dollar.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Information Form contains "forward-looking information" (also referred to as "forward-looking statements") within the meaning of applicable Canadian securities legislation. Forward-looking statements are included to provide information about Management's current expectations and plans that allows investors and others to get a better understanding of the Company's operating environment.

In this Annual Information Form, forward-looking statements are based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: the ICSID Arbitration, actions by the Colombian Government, conditions or events impacting the Company's ability to fund its operations, exploration, development and operation of mining properties and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors including those set out below, that may never materialize, prove incorrect or materialize other than as currently contemplated which could cause the Company's results to differ materially from those expressed or implied by such forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact and may be 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.

Numerous factors could cause actual results to differ materially from those in the forward-looking statements, including, but without limitation:

- the duration, costs, process and outcome of the ICSID Arbitration against Colombia;
- changes in the Company's liquidity and capital resources;
- access to funding to support the Company's continued ICSID Arbitration and/or operating activities in the future;
- equity dilution resulting from the conversion of the Convertible Notes in part or in whole to Common Shares;
- the ability of the Company to maintain a continued listing on the TSX or any regulated public market for trading securities;
- regulatory, political and economic risks associated with operating in a foreign jurisdiction including changes in laws, regulations, governments and legal regimes;
- volatility of currency exchange rates and commodity prices;
- the availability and continued participation in operational or other matters pertaining to the Company of certain key employees and consultants; and,
- risks normally incident to the exploration, development and operation of mining properties.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. See the section entitled "Risk Factors" below for additional risk factors that could cause results to differ materially from forward-looking statements.

Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Company's affairs since the date of this report that would warrant any modification of any forward-looking statement made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Company's website. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to the Company's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Company's filings with Canadian securities regulatory agencies, which can be viewed online at www.sedar.com.

DATE OF INFORMATION

All information in this Annual Information Form is as of March 27, 2017, unless otherwise indicated.

CORPORATE STRUCTURE

Name and Incorporation

Eco Oro Minerals Corp. ("Eco Oro" or the "Company") was formed by the amalgamation of Greystar Resources Ltd. and Churchill Resources Ltd. under the *Company Act* (British Columbia) on August 15, 1997. The Company transitioned under the *Business Corporations Act* (British Columbia) on April 6, 2005. On August 16, 2011, the Company changed its name from "Greystar Resources Ltd." to "Eco Oro Minerals Corp.".

Intercorporate Relationships

Eco Oro carries on business in Colombia under a branch that was registered in Colombia on December 7, 1995 and does not have any other subsidiaries with assets or revenue.

Offices

The registered office of Eco Oro is located at Suite 1800 - 510 West Georgia Street, Vancouver, British Columbia, Canada, V6B 0M3. The head and principal office of the Company is located at Suite 300 – 1055 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2E9. The Company's office in Colombia is located at Carrera 27 No. 36 – 14, Oficina 401, Bucaramanga, Santander, Colombia.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

Eco Oro is a Canadian company listed on the Toronto Stock Exchange ("TSX"). 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") in the Department of Santander in north eastern Columbia and its satellite prospects through to construction and mining (see "Mineral Projects – Angostura Project"). 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, which entered into force on August 15, 2011 (the "Free Trade Agreement").

The Company filed a request for arbitration with the World Bank's International Centre for Settlement of Investment Disputes ("ICSID") against Colombia on December 9, 2016 ("Request for Arbitration"). The claim relates to the Company's dispute with Colombia in relation to arbitrary, inconsistent, non-transparent and disproportionate measures of the Colombian State that have destroyed the value of Eco Oro's investments in the Colombian mining sector and deprived Eco Oro of its rights under its principal mining title, Concession Contract 3452, comprising the Angostura gold and silver deposit, in

violation of Colombia's obligations under the Free Trade Agreement (the "ICSID Arbitration"). The Request for Arbitration was registered by ICSID on December 29, 2016.

Whilst the Company's primary objective has always been the development of the Angostura Project, the recent measures of the Colombian State have made the project unviable, and in light of the continued absence of any engagement by the Colombian Government, the ICSID Arbitration has now become the core focus of the Company.

In the context of the above, the information set out below and elsewhere in this Annual Information Form relating to the Angostura Project, the Company's exploration and development activities in Colombia, the Angostura Project approval and permitting process and reported gold and silver resources is for background purposes only and should not be interpreted as being indicative of the Company's expectations as at the date of this document regarding the future development of the Angostura Project.

Recent Activities

During the last three completed financial years, the principal activities of the Company have included:

- implementing a series of cost-saving measures to align the cost structure of the Company's operations in Colombia in light of the uncertainty caused by the Colombian Government's repeated delays and mismanagement of the delineation of the Santurban Paramo. This has included, amongst other measures, a material reduction in the following:
    - workforce of the Company from 75 employees as at December 31, 2015 to 46 as at the date of this document resulting in savings of approximately C$860,000 year-over-year (note: the Company had 230 employees at the end of 2010);
    - Administrative expenses reduced from C$5.1million for the 2013 financial year to C$1.27 million in the most recently completed financial year in 2016.
- pursuing a strategy of engagement with all stakeholders to the Angostura Project – including successive Colombian Governments, ministers and community leaders – to try to understand, interpret and seek clarification on the delineation of the Santurban Paramo and the resulting impact on the Angostura Project;
- intervening in, and aiding the defence of, legal challenges brought by non-governmental organizations against the Colombian authorities that have granted permits and approvals for the Angostura Project;
- continuing to move the Angostura Project forward to a development-stage decision by completing various technical projects and studies, including:
    - On August 5, 2014, the Company announced that the construction of a new wastewater treatment plant at the Angostura Project had been completed and was operational. The industrial wastewater system was completed at a cost of US$1.07 million and officially commissioned at a ceremony at the Angostura property on July 10, 2014 that was attended by national, regional and local dignitaries. Representatives of the relevant Colombian authorities visited the Angostura Project to view the treatment plant in operation.

- On June 8, 2015, the Company disclosed the results of an updated mineral resource estimate for its Angostura deposit prepared by Micon International Limited. On July 17, 2015, the Company filed on SEDAR (www.sedar.com) a National Instrument 43-101 technical report dated July 17, 2015 entitled "Technical Report on the Updated Mineral Resource Estimate for the Angostura Gold-Silver Deposit, Santander Department, Colombia" (the "Technical Report") in support of that update mineral resource estimate. See "Mineral Projects – Angostura".

- On December 1, 2015, the Company announced that it had commenced a tender for an underground mine plan and engineering studies for the Angostura Project, such mine plan would reference the Company's updated mineral resource estimate that is the subject of the Technical Report. On that date the Company also announced that it planned to proceed with additional baseline work and other studies required for completing an environmental impact assessment ("EIA") to be presented to the relevant authority in Colombia to seek an environmental license for the Angostura Project. These studies would be used to update the previously-completed EIA-related work.

- identifying and evaluating alternatives associated with obtaining additional funds to support continued operating activities and the ICSID Arbitration, including closing of the following financings:

  - On February 23, 2015, the Company announced that it had closed the last tranche of the private placement, which private placement consisted of the sale of 3,597,987 common shares of the Company at $0.77 per share for gross aggregate proceeds of $2,770,450;

  - On August 31, 2015, the Company announced that it had closed the private placement announced on August 17, 2015, which private placement consisted of the sale of 7,677,674 common shares of the Company at $0.43 per share for gross aggregate proceeds of $3,301,400;

  - On July 22, 2016, the Company announced that it had closed a private placement of 10,608,225 common shares with a fair value of $3,917,000 (US$3 million); and,

  - During the year ended December 31, 2016, the Company issued convertible notes in the amount of $12,722,000 (US$9,672,727) to existing shareholders of the Company.

- attempting to engage the Colombian Government, through the issuance of the Notice of Dispute in March 2016, in a meaningful consultation process with the Company in relation to the issues surrounding the Angostura Project; and,

- filing the Request for Arbitration in December 2016 relating to the Company's dispute with the Colombian State in relation to its violations of its obligations under the Free Trade Agreement.

DESCRIPTION OF THE BUSINESS

Summary

As described above under "General Development of the Business – Three-Year History", the Company is a natural resource exploration and development company engaged in the business of acquisition and development of mineral properties whose current efforts, up until recently, had been focused on its wholly-owned Angostura Project. See "Mineral Projects – Angostura Project".

Specialized Skill and Knowledge

All aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, mining, metallurgy, environmental permitting, corporate social responsibility and accounting.

Competitive Conditions

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims, leases and other interests, to finance its activities and in the recruitment and retention of qualified employees. The ability of the Company to acquire and develop precious metal properties will depend not only on its ability to raise the necessary funding but also on its ability to select and acquire suitable prospects for precious metal development or metal exploration. See "Financing Risks" and "Competition" under "Risk Factors".

Environmental Protection

The Company is currently in compliance with material environmental regulations applicable to its exploration and development activities. The Company has spent $33,000 in reclamation expenditures during the financial year ended December 31, 2016. In addition, the Company has accrued $5.342 million in site restoration provision as of December 31, 2016. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays, the extent of which cannot be currently predicted. Before production can commence on any property, the Company must obtain regulatory and environmental approvals. See "Mineral Projects – General" for information regarding the environmental permitting process for the Angostura Project. There is no assurance that all required approvals can be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

Employees

As at December 31, 2016, the Company, including the Colombian branch, had 46 employees. Of the 46 employees within the Colombian branch, 26 are members of *Sindicato de Trabajadores del Sector Minero de Santander* ("Sintramisan") and 8 are members of *Sindicato de Trabajadores de la Industria Metalmecánica, Metalúrgica y Minero de Santander* ("Sintrammmetalúrgico").

The Company signed a new collective agreement with Sintramisan on January 13, 2017 (valid through June 30, 2017) and with Sintrammmetalúrgico on February 22, 2017 (valid through December 31, 2017). Discussions continue with both unions with the objective to continue with cost reductions.

Foreign Operations

The location of the Company's mineral resource properties in Colombia exposes the Company to certain risks, including currency fluctuations and possible political or economic instability that may result in the impairment or loss of mining titles or other mineral rights. Mineral exploration and mining activities may also be affected in varying degrees by political stability and governmental regulations relating to the mining industry. See "Risk Factors – Foreign Country and Political Risk".

Social or Environmental Policies

Eco Oro has built relationships with the communities in which it operates, and has adopted a formal social policy that is fundamental to its operations. One of the principal elements of this policy is to contribute to economic development, support health and educational programs, and provide good governance skills and training in those communities. One important aspect of this is the Company's policy to source goods and services from local suppliers.

In addition, Eco Oro seeks to cooperate with regional and local development programs, combining efforts with private organizations, NGOs, local administrations and the community itself, in order to strengthen communication between these organizations, promote good relations with its neighbours, and offer constructive support and self-management models.

As required by the environmental regulations applicable at the time, the Company developed Mining and Environmental Guidelines (*Guías Minero Ambientales* or "GMAs") for the exploration phase and Environmental Management Plans (*Planes de Manejo Ambiental* or "PMAs"), which were submitted to the CDMB, the local environmental authority in the region. See "Mineral Projects – General". The environmental management plan and the mining and environmental guidelines address the impacts identified through a series of management programs that cover environmental, safety and social issues for the project.

Eco Oro has committed to a Health, Safety, Environment and Community (HSEC) Policy and an Action Plan to cover all HSEC aspects related to its exploration activities, engineering work and potential future mine development.

MINERAL PROJECTS

General

Colombia is a democratic republic located in the northwest part of South America, whose capital and principal city is Bogotá.

Foreign investment is subject to the same treatment as domestic investment. However, any foreign company that has permanent business activities in Colombia is required to incorporate a branch or other corporate entity authorized by commercial law. Most sectors are open to foreign investment except for defense, national security and some activities related to toxic waste and real estate. Foreign

investments must be registered with the Central Bank of Colombia. Profits associated with registered foreign investments can be remitted in convertible currency. There is no limitation on the repatriation of capital or profits.

The Canada-Colombia Free Trade Agreement, signed on November 21, 2008, contains investment protections for Canadian investments in Colombia and investor-state arbitration provisions to guarantee those rights.

Colombian source income received by branches of foreign companies is subject to a 34% income tax. As of 2018 income tax will be adjusted to 33% based on the December 29, 2016 tax reform.

Mining Industry in Colombia

Under Colombian mining law, generally, all minerals, whether they are located on the soil or subsoil, are the property of the state. Obtaining mining rights does not transfer ownership of the mineral estate, but creates a temporary right to explore and benefit from exploitation of the minerals in exchange for royalty payments as long as the mining title remains in good standing. In Colombia, mining titles are subject to the legal regime in force at the time they were granted. Colombia has several mining regimes that currently have application, including Law 685, 2001 (the "2001 Mining Code"); Decree 2655, 1988 (the "1988 Mining Code"); Law 20, 1969 and the Civil Code (prior to Law 20, 1969); which are applicable to privately-owned minerals. The Company holds mining titles under the 1988 Mining Code and 2001 Mining Code. On May 14, 2011, the Colombian Constitutional Court declared Law 1382, 2010 (the "2010 Amendment"), which amended the 2001 Mining Code, unconstitutional and limited its enforcement to the following two years. As this two-year period has since lapsed, the 2010 Amendment is no longer in force. However, the President of Colombia issued certain regulatory decrees that supplement the 2001 Mining Code and Law 1450 of 2011, later replaced by Law 1753 (known as the "National Development Plan") and to fill the gaps left by the abolishment of the 2010 Amendment.

MME (*Ministerio de Minas y Energía*) is the principal mining authority in Colombia and in charge of managing mining resources and formulating mining polices. Other important mining authorities in Colombia include ANM (*Agencia Nacional de Mineria*), which is charged with promoting the sustainable development of the country's mineral resources, granting mining titles for the exploration and exploitation of such resources and, in coordination with the relevant environmental authorities, ensuring that all mining companies adhere to the terms of such titles and other relevant legal requirements, and the Colombian Geological Service (*Servicio Geologico Colombiano*, formerly *Instituto Colombiano de Geología y Minería* or Ingeominas), which is responsible for performing scientific research of the subsoil resources and administering the geological information regarding mineral resources.

Under the Colombian mining regime, exploration and exploitation activities require a mining license or concession contract. Except for activities done in ethnic minority areas, prospecting activities do not require authorization from the Colombian Government.

Mining titles may be granted directly from the Colombian Government through ANM or assigned from third parties who previously acquired title. Filing a mining title request does not confer mining rights but does grant a preferential right over any further filings in the same or overlapping areas. Mining title requests must be processed by ANM or the corresponding territorial entity within 180 calendar days but, in practice, processing often takes considerably longer. Assignments of mining titles from third

parties are deemed approved whenever the mining authority fails to issue a response within 45 business days of the filing of the assignment notice (under the 2001 Mining Code). Once a mining title is granted or a mining title assigned, it must be registered before ANM for the purpose of inscription, authenticity, validity and publicity.

The 1988 Mining Code established four types of mining titles: exploration licenses, exploitation licenses, public contributions and concession contracts. An exploitation license grants the right to exploit mineral resources for a term of ten years, with a right to apply for an additional ten-year extension upon its expiry. It may also be converted into a concession contract subject to the mining code in force. The conversion will be granted for a 20-year term, extendable according to the applicable regime (currently 20 years). Concession contracts granted under the 1988 Mining Code have 30-year terms without the right to extension. The Company holds exploitation licenses and concession contracts that are governed by the 1988 Mining Code.

The 2001 Mining Code provides for only one type of mining title, known as a concession contract, which is granted for a maximum term of 30 years and divided into three phases: (i) exploration, with a three-year term, which, according to the National Development Plan, may be extended up to eight years in two-year extensions each, for a total of 11 years; (ii) construction and installation, with a three-year term, which may be extended for an additional year; and (iii) exploitation, comprising the remainder of the 30-year term. A concession contract may be extended up to an additional 30 years. Under the 2001 Mining Code, the extension is deemed approved whenever the mining authority fails to issue a response to a properly submitted application for an extension before the termination of the phase. The Company holds several concession contracts, including its principal mineral titles, that are governed by the 2001 Mining Code.

Holders of mining titles that are in the exploration phase are required to pay an annual tax (*canon superficiario*) based on the number of hectares covered by each title and the mining regime applicable to the title ranging from a daily minimum wage (approximately US$10) per hectare to three times the daily minimum wage per hectare. Pursuant to Article 27 of the National Development Plan, which modified the 2001 Mining Code, these taxes are calculated as follows: (i) up to 150 hectares: a) 0.5 daily minimum wages until the fifth anniversary; b) 0.75 daily minimum wages after the fifth and prior to the eighth anniversary; and c) one daily minimum wage after the eighth and prior to the eleventh anniversary; (ii) above 150 to 5,000 hectares: a) 0.75 daily minimum wages until the fifth anniversary; b) 1.25 daily minimum wages after the fifth and prior to the eighth anniversary; and c) two daily minimum wages after the eighth and prior to the eleventh anniversary; and (iii) above 5,000 to 10,000 hectares: a) one daily minimum wage until the fifth anniversary; b) 1.75 daily minimum wages after the fifth and prior to the eighth anniversary; and c) two daily minimum wages after the eighth and prior to the eleventh anniversary.

The 2001 Mining Code requires an environmental mining insurance policy for each concession contract to ensure compliance with mining and environmental obligations as follows: (i) 5% of the budget for the annual investments during the exploration and the construction phases, and (ii) 10% of the result of multiplying the estimate of annual production (volume) and the price of the mineral at the mine head.

Surface rights are not considered a part of the mining titles or rights and are not governed by mining laws, even though the mining regime provides for expropriation of real property and the imposition of easements and rights of way. Surface rights must be acquired directly from the owners of such rights but it is possible to request that judicial authorities facilitate expropriation and/or grant easements or

rights of way necessary for a mining operation.

In order to initiate the construction phase, the mining title holder must file a PTO (*Plan de Trabajos y Obras*) within the final three months of the exploration phase. The PTO is a technical document that describes, among other things, the area of operation, the characteristics of reserves to be exploited, the location of facilities and mining works, the mining plan of exploitation, the scale and duration of the expected production, the physical and chemical characteristics of minerals that are going to be exploited and the closure plan of exploitation and abandonment of the assemblies and the infrastructure. During the construction phase, the holder of a concession contract may make changes and additions that are necessary prior to filing with the environmental and mining authorities. During this phase, the holder of a concession contract is authorized to initiate anticipated exploitation and make use of provisional equipment and civil works. The holder may also seek authorization for additional exploration to be completed.

Environmental Policies in Colombia

Mining activities are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. The Constitution, the National Code of Renewable Natural Resources and Protection of the Environment (Decree – Law 2811, 1974) as well as Law 99, 1993, form the basis of environmental regulations in Colombia. Under the environmental regulatory regime, the use of water (superficial or underground), air, flora and fauna, as well as the generation of solid and liquid discharges and dumping, is subject to prior licenses, permissions and concessions. Environmental legislation in Colombia is evolving and the general trend has been towards stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and increasing liability for companies and their officers, directors and employees.

The principal environmental authority in Colombia is MADS (*Ministerio de Ambiente y Desarrollo Sostenible*), which is responsible for formulating environmental and renewable natural resources policies and defining regulations focused on reclamation, conservation, management and use of natural resources and surveillance of all activities that may have an environmental impact. MADS has delegated activities associated with environmental permitting and control have been delegated to the National Environmental Licensing Authority (*Autoridad Nacional de Licencias Ambientales* or ANLA). In the Company's area of operation, the Regional Autonomous Corporation is CDMB. Both ANLA and Regional Autonomous Corporations have the following functions: (i) preventing and/or suspending any activity it deems contrary to environmental standards; (ii) reserving and defining areas excluded from mining activities (i.e. forest reserves and páramo ecosystem); and (iii) approving environmental instruments, such as Environmental Management Plans, Mining and Environmental Guides, EIAs, environmental licences and permits. Under the current regime, an environmental license for a gold project is granted by ANLA in instances where total tonnage of extracted ore material and waste material is equal to or more than 2,000,000 tonnes per year. Regional Autonomous Corporations typically grant environmental licenses whenever total tonnage of extracted ore material and waste material is less than 2,000,000 tonnes per year. Prior to Colombian Constitutional Court ruling C-035 of 2016 dated February 8, 2016, pursuant to the National Development Plan, regardless of project size, ANLA had authority for granting environmental licenses for any project declared a project of national interest (such as the Angostura

Project, as set out in ANM Resolution 000592 of 2013).

PMAs define detailed measures and activities that are intended to prevent, mitigate, correct or compensate the impacts and properly identified environmental effects caused by the development of a project, work or activity. Mining projects, works or activities commenced prior to the enactment of Law 99, 1993 and issuance of Decree 1753, 1994 that were compliant were allowed to continue though the competent environmental authority could require the presentation of PMAs or recovery or environmental restoration plans. GMAs are required for all exploration activities initiated after the 2001 Mining Code came into effect, superseding the obligation of PMAs, and are filed with the competent environmental authority for their knowledge and monitoring. GMAs do not constitute a permit for the use of natural resources therefore such authorization must be requested before the corresponding environmental authority (i.e. water concessions, dumping permits). EIAs are the most important environmental instrument for the grant of environmental licenses for projects, works or activities. EIAs contains all elements, information, data and recommendations required to describe and characterize the physical, social and economic environment of the place or region of the works of exploitation; the impact of such works with its corresponding evaluation; plans for prevention, mitigation, correction and compensation of those impacts; specific measures to be applied to the abandonment and closure of the mining works and its management plan; and the necessary investment and monitoring required with respect to these activities. Environmental licenses include all necessary permits for the use of natural resources. The initiation of the construction and exploitation phase of a concession contract requires an environmental license and PTO (*Plan de Trabajos y Obras*).

An environmental license request may require public hearings at which the proponent presents the project and allows the community to understand its scope, as well as to express their opinion on the feasibility of the project. Public hearings must be expressly requested by the General Prosecutor, Delegated General Prosecutor for environmental affairs, Ombudsman, at least 100 people or three non-governmental organizations. Once an environmental license has been granted, the proponent may initiate construction and exploitation activities.

The 2001 Mining Code and National Development Plan define the existence of areas that may be excluded from mining activities, such as regional parks and páramo ecosystems. See "Risk Factors – Areas Excluded from Mining Activities". For an area to be excluded from mining, the geographic boundary must have been determined by the relevant environmental authority based on technical, social, environmental and economic studies, which support the incompatibility of mining activities, or in the specific case of páramo ecosystems, which support the existence of said ecosystems. In January 2013, a regional park in the area of the Angostura Project was declared by CDMB (i.e. the Santurbán Regional Park). Sisavita Regional Park was declared in June 18, 2008 by CORPONOR (*Corporación Autónoma Regional de la Frontera Nororiental*). In December 2014, MADS announced the delineation of the páramo ecosystem in the area of the Angostura Project (i.e. the Santurbán Páramo). In February 2016, the Colombian Constitutional Court issued Judgment No. C-35 (the "Constitutional Court Decision"), which broadened the restrictions on mining in the Santurbán Páramo that had been imposed by MADS in 2014, which led the ANM to withdraw Eco Oro's rights over a substantial portion of its concession in August 2016, materially affecting the viability of the Angostura Project. As indicated above, these and subsequent State measures have rendered the Angostura Project unviable.

Taxes and Royalties

The Government of Colombia is currently entitled to receive royalties on gold and silver production equal to 4% of 80% of the value of the minerals extracted, which is calculated using the average gold and silver prices published by the London Metal Exchange.

Under the 2001 Mining Code, Colombian staff of a mining company, as a whole, should receive not less than 70% of the total payroll of qualified or of skilled personnel in upper management or senior level staff, and no less than 80% of the value of total payroll of the subordinates. Upon prior authorization, relief may be granted by the Ministry of Labour for a specified time to allow specialized training for Colombian personnel.

Angostura

The following table sets out the 14 mineral tenures Eco Oro has acquired, by purchase and by application to the governmental agencies.

Tenure	Designation	Area (ha)	Registration Date	Expiry Date
3452	Concession Contract	5,244.9	9-Aug-2007	8-Aug-2027
101-68	Exploitation Licence	5.7	19-Apr-2000	18-Apr-2010[1]
127-68	Exploitation Licence	3.5	19-Apr-2000	18-Apr-2010[2]
13921	Exploitation Licence	78.6	18-Dec-2003	17-Dec-2013[3]
6979	Concession Contract	40.0	10-Jul-2006	9-Jul-2026
300-68	Exploration Licence	9.2	14-Oct-2003	13-Oct-2008[4]
22346	Concession Contract	1,184.1	17-Jun-2008	16-Aug-2033
AJ5-142	Concession Contract	4,061.1	15-Nov-2006	14-Nov-2034
AJ5-143	Concession Contract	3,890.5	22-Jun-2007	21-Jun-2037
AJ5-144	Concession Contract	4,336.0	12-Feb-2008	11-Feb-2038[5]
EJ1-159	Concession Contract	814.9	9-Mar-2007	8-Mar-2037[6]
EJ1-163	Concession Contract	8,424.7	16-May-2007	15-May-2037[7]
EJ1-164	Concession Contract	1,439.3	24-May-2007	23-May-2037
343-54	Concession Contract	600.0	9-Feb-2007	8-Feb-2037[8]
Totals		30,132.5		

(1) This licence was to expire in 2010. Prior to the expiry date, within the time permitted, Eco Oro applied for an extension of the title for 10 additional years. Prior to the extension application being processed, on March 30, 2011, Eco Oro applied to have the licence converted to a concession contract. The application was denied by the ANM and instead the extension was granted for an additional 10 years.

(2) This licence was to expire in 2010. Prior to the expiry date, within the time permitted, Eco Oro applied for an extension of the title for 10 additional years. Prior to the extension application being processed, on March 29, 2011, Eco Oro applied to have the licence converted to a concession contract. The application was denied by the ANM and instead the extension was granted for an additional 10 years.

(3) This licence was to expire in 2013. Prior to the expiry date, within the time permitted, on September 24, 2013,

Eco Oro applied to have the licence converted to a concession contract. This application is still pending.

(4) This licence was to expire in 2008. Prior to the expiry date, within the time permitted, on July 28, 2008, Eco Oro applied to have the licence converted to a concession contract. This application is still pending.

(5) Eco Oro has applied to return this concession contract. The application was approved by the ANM and is pending registration in the National Mining Registry (Registro Minero Nacional).

(6) Eco Oro has applied to return this concession contract. The application is still pending.

(7) Ibid

(8) Ibid

The following summary is from the technical report dated July 17, 2015 entitled "Technical Report on the Updated Mineral Resource Estimate for the Angostura Gold-Silver Deposit, Santander Department, Colombia" prepared by Thomas C. Stubens, MASc., P. Eng., with Micon International Limited, which is available for review under the Company's profile on the SEDAR website at www.sedar.com. Mr. Stubens is a "qualified person" and independent for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*. The detailed disclosure in the Technical Report is incorporated into this Annual Information Form by reference.

Eco Oro notes that after the issuance of the Technical Report, Colombian state measures affected Eco Oro's rights under Concession 3452, reducing the mineral resources available and materially affecting the viability of the Angostura Project. As described in the section entitled "Areas Excluded from Mining Activities", the extent of the area of Concession 3452 that remains available for mining is uncertain.

Summary

Micon International Limited (Micon) was retained by Eco Oro to provide an updated mineral resource estimate of the Angostura gold and silver deposit in northeastern Colombia and to prepare an independent Technical Report in accordance with the reporting requirements of Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101). The mineral resource estimate presented herein supersedes all earlier mineral resource estimates for this deposit.

The Angostura project is wholly owned by Eco Oro. On August 16, 2011, Eco Oro changed its name from "Greystar Resources Ltd." to "Eco Oro Minerals Corp."

The Angostura property consists of 14 mineral tenures covering 30,132.5 ha which Eco Oro has acquired by purchase and by application to the governmental agencies. It is located in northeastern Colombia on the western flank of the Santander Massif of the Eastern Cordillera, approximately 400 km northwest of the capital city of Bogota and 67 km northeast of the city of Bucaramanga, Soto Norte Province, Department of Santander. The geographical coordinates of the Angostura deposit are N7º 23' latitude and W72º 54' longitude. The property is located in steep, mountainous and relatively rugged terrain at elevations ranging from 2,400 to 3,500 masl.

The 2015 updated mineral resource estimate is based on an updated 3D geological model consisting of 104 mineralized structures and includes all of the technical data available as of March 2015. Since the completion of a preliminary economic analysis (PEA) by Golder Associates dated 9 March, 2012, Eco Oro has carried out an in-fill drilling program consisting of 96 drill holes totalling 40,468 m. The project database has been updated to include these new holes which now consists of 1,069 diamond drill holes

representing 362,575 m of drilling and contains 209,737 assays totaling 359,681 m. Of that total, 93,487 assays totaling 148,728 m of core fall inside the mineralized structures.

To better segregate regions of higher and lower grade mineralization where regions of these cannot be clearly defined within a mineralized structure, Micon generated a probability model 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 higher grade continuity and reasonable segregation of higher and lower grade volumes. The geological block model was flagged with these grade domains.

The assay data within the mineralized zones were flagged as higher grade or lower grade based on the 1.0 g/t Au Indicator model. Capping thresholds for the higher-grade and lower grade populations were determined for each mineralized structure for both gold and silver. A total of 75 gold assays in the high-grade veins domains and 138 gold assays in the 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 m by vein and grade class.

Ordinary Kriging (OK) was used to estimate gold grades in the high and low grade zones within each mineralized structure. Inverse Distance Squared (ID^2) was used to estimate silver 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.

A nominal 15 to 50 m protective surface pillar has been allowed for below the Páramo of Santurbán and Regional Park of Santurbán as a reasonable environmental precaution at this stage pending further technical investigations. Access below the Santurbán Páramo and Santurbán 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 Santurbán Páramo and Santurbán Regional Park abiding by all international mining standards and best practices.

The updated Angostura mineral resource estimate, which has an effective date of June 1, 2015, is summarized in Table 1.1, below at a cut-off grade of 2.5 g/t Au.

Table 1.1
Angostura Mineral Resource Summary at a Cut-off Grade of 2.5 g/t Au

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

(1) 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.

(2) The quantity and grade of reported inferred resources in this estimation are conceptual 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.

The mineral resource estimate presented in this report was prepared by Thomas C. Stubens, P.Eng., in accordance with the definitions contained in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Reserves Definitions and Guidelines that were prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council on May 10, 2014.

Mr. Stubens has over 25 years of experience as a resource estimator and reviewer and is independent of Eco Oro as defined in NI 43-101.

Micon recommends that Eco Oro carry out a program of fill-in drilling to better define the extent, continuity and grade of higher grade zones within the broad mineralized structures. Micon is of the view that a reduction in the drill hole spacing may also allow the upgrade of Inferred resources to Measured and Indicated.

ICSID ARBITRATION

Status of the ICSID Arbitration

The purpose of the ICSID Arbitration is to seeks compensation for all of the loss and damage resulting from the Colombian State's wrongful conduct and its breaches of the protections under the Free Trade Agreement against unlawful expropriation, unfair and inequitable treatment and discrimination in respect of Eco Oro's investments in Colombia, as discussed further below.

On December 8, 2016, Eco Oro filed a Request for Arbitration with ICSID against Colombia. The claim relates to Colombian State measures which have deprived Eco Oro of its rights under its main mining title, Concession 3452, thereby destroying the value of Eco Oro's investments, without paying compensation, 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 Arbitration 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 as laid out in Ministry of Environment Resolution 2090. In support of this decision, the ANM cites a decision rendered by the Colombian Constitutional Court in February 2016, which broadened the restrictions on mining in páramo areas set out in Resolution 2090. The ANM's decision came five months after Eco Oro formally notified Colombia, on 7 March 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 8, 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 such breaches by the Colombian State. 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 $24.6 million relating to all mineral property and $1.6 million of its plant and equipment located in Colombia (the "Impairment"). 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.

The Impairment is based on international accounting standards, and is thus without prejudice to the legal qualification that the Colombian State's measures may be given under Colombian or international law (including the Free Trade Agreement).

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 has closed the Tranche 1 by issuing 10,608,225 common shares with a fair value of $3.917 million (US$3 million). The second tranche was completed on November 9, 2016 by issuing a $7.410 million (US$5.5 million) Contingent Value Rights and $12.969 million (US$9.7 million) Convertible Notes to Trexs Investments, LLC. and other existing shareholders.

Anticipated Activities for 2017

Since the Company delivered a Notice of Dispute under the Free-Trade Agreement to the Colombian Government in March 2016, the Company has been largely focused on pursuing the ICSID Arbitration, including its efforts to engage with the Colombian Government.

Notwithstanding the commencement of the ICSID Arbitration, the Company continues to seek, and remains open to, engagement with 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 Angostura 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).

Qualified Person

Mark Moseley-Williams, President & CEO of the Company and a qualified person as that term is defined in National Instrument 43-101, has reviewed and verified the scientific and technical information contained in this Annual Information Form not derived or extracted from the Technical Report.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Challenges relating to the Angostura Project

General

Over the years several foreign and domestically-funded NGOs have initiated legal challenges against local, regional and national Colombian authorities that hold the administrative or regulatory authority to grant licenses, permits, authorizations and approvals needed for various aspects of the Angostura Project.

In general, these legal challenges have claimed that such authorities were acting in violation of the laws of Colombia and have sought suspension and/or cancellation of a particular license, authorization, permit or approval.

The publicly stated objective of the NGOs in initiating and maintaining these legal challenges has been to use the Colombian court system to delay permitting approval of the Angostura Project as much as possible and ultimately to stop the development of the Angostura Project. Legal actions relating to the same license, authorization, permit or approval often were initiated by the NGOs in several different regional court jurisdictions.

Legal Proceedings relating to the La Plata

In February 2012, the Company received notice that Sociedad Minera La Plata Ltda. ("SMLPL") was seeking an arbitration pursuant to the arbitration clause contained in the mining title assignment agreement (the "La Plata Assignment Agreement") pursuant to which the Company acquired its La Plata property from SMLPL. An arbitration panel was constituted and there were ten hearings between December 2012 and July 2013. The arbitration panel rendered their decision in September 2013 finding that the two-year statute of limitations applied to the La Plata Assignment Agreement and the first of three subordinate partial assignment agreements, in respect of 25% of the property, and found in favour of the Company in that regard. However, the arbitration panel found that the statute of limitations did not apply to the second and third subordinate partial assignment agreements (the "Annulled Agreements"), in respect of 75% of the property, and declared a relative nullity in respect of these agreements with respect to the amounts greater than 500,000 Colombian pesos. The panel ordered SMLPL to pay the Company 1,677,500,686 Colombian pesos, which relates to the amount paid to SMLPL by the Company under each of the Annulled Agreements (less 500,000 Colombian pesos X 2), within thirty days of the decision becoming firm.

The arbitration panel recognized in its decision that it lacked the power to order the relevant Colombian authorities to annul the administrative acts relating to the property and related environmental management plan registered in the name of the Company. The La Plata property and related environmental management plan remain in the name of the Company. All legal proceedings commenced by the Company seeking to annul the arbitration panels' decision have been unsuccessful. To date, as Colombia's National Mining Agency, ANM, has rejected SMLPL's request to register the decision of the arbitration and cancel registration of the Annulled Agreements, 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 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.

Other Legal Proceedings

On December 20, 2016, a petition was filed with the Supreme Court of British Columbia by Rocco Meliambro and Donato Pica, two shareholders of the Company, against the Company, each of its directors (other than Kevin O'Halloran), Trexs Investments, LLC ("Trexs"), Amber Capital LP and Paulson & Co. Inc. seeking to, among other things, set aside and cancel the Investment Agreement between the Company and Trexs and the contingent value rights and convertible notes issued by the Company pursuant to that agreement. The Company intends to defend the allegations set out in the petition vigorously. However, any adverse decision in resolving this legal proceeding could have a material adverse effect on the Company.

On February 14, 2017, Eco Oro announced that it has received a shareholders meeting requisition dated February 10, 2017 on behalf of Courtenay Wolfe and Harrington Global Opportunities Fund Ltd., two current shareholders of Eco Oro (the "Dissidents"). The purpose of the requisition was to convene a meeting of shareholders of the Company for the purpose of voting on the directors of the Company. Eco Oro has scheduled an annual general and special meeting of shareholders of the Company on April 25, 2017.

On March 22, 2017, a petition was filed with the Supreme Court of British Columbia by the Dissidents. The petition seeks various remedies against Eco Oro including 10,600,000 common shares issued to certain shareholders of the Company on March 16, 2017 be cancelled or, alternatively, not be allowed to be voted at the upcoming meeting of shareholders of the Company. Eco Oro is confident that the Dissidents' petition will be seen by the court as a transparent attempt to disrupt the Company's affairs, a disenfranchisement of the rights of certain shareholders to participate in the Company's upcoming general meeting of shareholders and is without merit. The Company intends to defend the remedies as set out in the petition vigorously.

Regulatory Actions

No sanctions or penalties have been imposed against the Company by, or settlement agreement entered into by the Company with, a court relating to securities legislation or by a securities regulatory authority during the last financial year. Moreover, no material penalties or sanctions were imposed by a court or regulatory body against the Company.

RISK FACTORS

In addition to the usual risks associated with an investment in a mineral exploration and development company, the directors of the Company believe that, in particular, the risk factors set out below should be considered. It should be noted that this list is not exhaustive and that other risk factors may apply. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors of the Company are currently unaware or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects could be materially adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment. An investment in the Company may not be suitable for all investors.

ICSID Arbitration

As described in further detail above, the Company filed the Request for Arbitration against Colombia on December 8, 2016.

Notwithstanding the filing of the Request for Arbitration, the Company will continue to seek a negotiated resolution with the Colombian Government to the Angostura Project dispute. However, there is no certainty that the Government will be willing to engage with the Company in relation to its investments in Colombia or the filing of the Request for Arbitration. In the meantime, the Company's principal focus is the advancement of the ICSID Arbitration.

The costs of pursuing the ICSID Arbitration are substantial and the amount of costs, fees and other expenses and commitments payable in connection with the ICSID Arbitration may differ materially to Management's expectations. Due to the case-specific nature of arbitration, and the inherent uncertainty in the process, timing or outcome of the ICSID Arbitration under the Free Trade Agreement, there can be no assurances that the ICSID Arbitration will advance in a customary manner or be completed or settled within any specific or reasonable period of time.

The Colombian State will likely raise defenses to one or more of the Company's assertions of breaches of the Free Trade Agreement. The Colombian State's arguments are not yet known and it is possible that Colombia will raise arguments that have not yet been anticipated by the Company and could adversely influence the outcome of the ICSID Arbitration. There is no assurance that the Company will be successful in establishing the Colombian State's liability in the ICSID Arbitration or, if successful, will collect an award of compensation from the Colombian State in the amount requested or at all. Failure to prevail in the ICSID Arbitration and to obtain adequate compensation for the Company's investment

and loss of opportunity would materially adversely affect the Company.

Dilution on Conversion of Convertible Notes

The Convertible Notes have a maturity date of June 30, 2028 and are subject to early repayment in certain circumstances, including if the Company receives any proceeds pursuant to the ICSID Arbitration or if the ICSID Arbitration is terminated or discontinued. The Convertible Notes may be repaid without penalty or converted into common shares of the Company at any time at the election of the Company. The number of shares to be issued upon conversion of the Convertible Notes is based on the market price of the common shares of the Company at the time of conversion. The conversion of the Company's outstanding Convertible Notes could result in the issuance of a significant number of Common Shares causing significant dilution to the ownership of existing shareholders.

Events of default, Covenants and Restrictions on the Business of the Company

The Contingent Value Rights ("CVRs" as described further below) are secured by all of the assets of the Company in Colombia and are subject to compliance with certain events of default, covenants and restrictions on the business of the Company customary for an investment of this nature. If the Company does not comply with the terms of the CVR, the Company could be required to repay the full unpaid balance of the obligations under the CVR. The Company has no assurance that additional funding would be available to it on such short notice and, if obtained, on terms favourable to the Company.

Financing Risks

The Company has limited financial resources, no source of operating cash flow and continues to experience losses from operations, a trend the Company expects to continue, unless and until the dispute regarding the Angostura Project is resolved favourably to the Company.

The Company will need to raise additional funds in order to pursue the ICSID Arbitration to its ultimate conclusion, and for general working capital requirements.

Historically the Company has been financed through the issuance of Common Shares, other equity securities and convertible debt. Although Eco Oro has been successful in the past in obtaining financing, the Company has limited access to financial resources as a direct result of the dispute concerning the Angostura Project and there is a significant risk that sufficient additional financing may not be available to the Company on acceptable terms, or at all, as a consequence of the ICSID Arbitration.

The Company has no assurance that additional funding will be available to it in the future and, if obtained, on terms favourable to the Company. Failure to obtain required financing could result in delay or indefinite postponement of its anticipated activities with respect to the ICSID Arbitration in the coming years.

Areas Excluded from Mining Activities

The current Colombian mining regime, including the National Development Plan, provides for areas to be excluded from mining activities.

In December 2014, MADS delineated the boundaries of the Santurbán páramo ecosystem, which is located in the area of the Angostura Project, by means of Resolution 2090. The Resolution set out the coordinates for three zones within the páramo: i) "Preservation zones"; ii) "Restoration zones"; and, iii) "Sustainable use zones". Resolution 2090 provided that, retroactively from 9 February 2010 no new mining concession contracts could be concluded and no environmental licenses for mining projects could be issued in areas delineated as páramo ecosystems. However, mining projects that had a concession contract and an associated environmental license or equivalent environmental management and control instrument issued prior to 9 February 2010 could continue operating until completion, subject to strict environmental supervision. Also, the Resolution provided that mining activities could be developed in páramo "restoration zones" located in "traditional mining municipalities of Vetas, California and Suratá" – where the Angostura Project is located. Then, in June 2015, the Colombian Congress enacted Law 1753, modifying the National Development Plan. Article 173 of Law 1753 mirrored several provisions of Resolution 2090. Specifically, it exempted projects that had a concession contract and an associated environmental license or equivalent environmental management and control instrument issued prior to 9 February 2010 from the general ban on mining in páramo areas.

On February 8 2016, the Colombian Constitutional Court declared the exceptions contained in the National Development Plan unconstitutional, broadening mining restrictions within páramo ecosystems. Following the Constitutional Court's decision, in response to Eco Oro's request for the extension of the exploration phase of Concession 3452, the ANM notified Eco Oro of its decision to grant the extension solely in relation to areas of the concession that lay outside the "preservation zone" of the Santurbán páramo. Approximately 50.7% of the area of Concession 3452 lay within the preservation zone. 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. If mining activities are forbidden in the restoration zones, then Eco Oro would be deprived of further rights under Concession 3452. Furthermore, in light of current legal uncertainties, the relevant environmental authorities have informed the Company that the Angostura Project cannot currently be licensed. As indicated above, these measures have rendered the Angostura Project unviable.

Estimates of Mineral Resources and Production Risks

The mineral resource estimates included in this Annual Information Form are estimates based on a number of assumptions, including those stated herein, and any adverse change to those assumptions could require the Company to lower its mineral resource estimate. Until a deposit is actually mined and processed, the quantity and grades of mineral resources must be considered as estimates only. Valid estimates made at a given time may significantly change when new information becomes available. In addition, the quantity and/or economic viability of mineral resources may vary depending on, among other things, metal prices, grades, production costs, stripping ratios, recovery rates, permit regulations and other legal requirements, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Any material change in the quantity of mineral resources, grade or stripping ratio may affect the economic viability of the Company's properties. No assurance can be given that any particular level of recovery of minerals will in fact be

realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit that can be legally and economically exploited. There can also be no assurance that any discoveries of new reserves will be made. Any material reductions in estimates of mineral resources could have a material adverse effect on the Company's results of operations and financial condition.

Environmental and Other Regulatory Requirements

The activities of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving to stricter standards, and enforcement, fines and penalties for noncompliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The exploration and development activities of the Company require permits from various governmental authorities and such operations are and will be governed by laws and regulations governing exploration, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety, mine permitting and other matters. Companies engaged in exploration and development activities generally experience increased costs and delays as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits that the Company may require for exploration and development will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project that the Company may undertake. The Company believes it is in substantial compliance with all material laws and regulations that currently apply to its activities and that it does not currently have any material environmental obligations. However, there may be unforeseen environmental liabilities resulting from exploration, development and/or mining activities and these may be costly to remedy.

Other than the environmental mining insurance policies required by law for mining title, the Company does not maintain insurance against all environmental risks. As a result, any claims against the Company may result in liabilities that could have a significant adverse effect on the operations and financial condition of the Company.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the

Company and cause increases in expenditures and costs or require abandonment or delays in developing new mining properties.

Foreign Country and Political Risk

The Company's only mineral properties are located in Colombia. The Company is subject to certain risks, including currency fluctuations, possible political or economic instability that may result in the impairment or loss of mineral titles or other mineral rights, opposition from environmental or other non-governmental organizations, and mineral exploration and mining activities may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business. Exploration and development may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income taxes, royalties on production, expropriation of property, environmental legislation and mine and/or site safety.

Colombia remains a developing country. Notwithstanding the progress achieved in restructuring Colombian political institutions and revitalizing its economy, the present administration, or any successor government, may not be able to sustain progress achieved. Although the Colombian economy has experienced growth in recent years, if the economy of Colombia fails to continue growth or suffer recession, it may have an adverse effect on the Company's operations in that country. The Company does not carry political risk insurance.

Colombia has in the past experienced a difficult security environment. In particular, various illegal groups involved in terrorism, illegal narcotics production and trafficking, extortion and kidnapping have been active in the regions in which the Company's mineral properties are located. There have been significant improvements in security since 2002 and in the area where Eco Oro is active, the situation has been relatively stable. If the security improvements are not maintained, it could have an adverse effect on the Company's continued operations in the area. The government of Colombia initiated peace talks in January 2017 with the ELN (Ejército de Liberación Nacional) guerilla group. It is well known that they are against foreign companies exploiting the country's national resources. These peace talks could have an adverse effect in the development of Angostura.

Dependence on One Principal Exploration-Stage Property

The Company's current efforts are focused primarily on the Angostura Project, which is in the exploration stage. The Angostura Project may not develop into a commercially viable ore body, which would have a material adverse effect on the Company's potential mineral resource production, profitability, financial performance and results of operations.

Labour Issues

The Company's collective agreements expire with Sintramisan and Sintrammmetalúrgico on June 30, 2017 and December 31, 2017, respectively. Conversations with the unions continue with the overall objective of future cost reductions. If the on-going collective bargaining is unable to meet this goal, it could have a material adverse effect on the Company's business, financial condition or results of operations.

Exploration and Mining Risks

The business of exploring for minerals and mining involves a high degree of risk. Only a small proportion of the properties that are explored may ultimately develop into producing mines. The operations of the Company may be disrupted by a variety of risks and hazards that are beyond the control of the Company, including, but not limited to, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour as well as other risks involved in the operation of mines and the conduct of exploration programs. As Colombia is a developing country, which lacks the necessary local expertise, the Company has relied, and may continue to rely, upon consultants and others for operating expertise. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities or having sufficient grade to justify commercial operations or funds required for development can be obtained on a timely basis. The economics of developing gold and other mineral properties are affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including, but not limited to, regulations relating to taxes, royalties, allowable production, importing and exporting of minerals and environmental protection. Short-term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions or in production-scale operations. Material changes in reserves or resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. Depending on the price of gold or other minerals produced, which have fluctuated widely in the past, the Company may determine that it is impractical to commence or continue commercial production.

Illegal Mining

Historically the project area has been affected by illegal mining activities. The Company has filed the corresponding complaints and actions before the mining, environmental and defense authorities. Activity by illegal miners could lead to interference with Eco Oro's operations and could result in conflicts. These potential activities could cause damage to the Angostura Project, including pollution, environmental damage, fires, or personal injury or death, for which Eco Oro could potentially be held responsible.

Metal Prices

Even if commercial quantities of proven and probable reserves are discovered, there is no guarantee that a profitable market may exist for the sale of the same. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Metal prices have fluctuated widely, particularly in recent years. The marketability of metals is also affected by numerous other factors beyond the control of the Company, including government regulations relating to price, royalties, allowable production and importing and exporting of minerals, the effect of which cannot accurately be predicted. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has an interest may be mined at a profit.

Uninsured Risks

In the course of exploration, development and production of mineral properties, certain risks, in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fire, flooding and earthquakes, may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability, result in increased costs, have a material adverse effect on the Company's results, and/or result in a decline in the value of the securities of the Company.

Competition

The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and acquisition of exploration and development rights on desirable mineral properties, for capital to finance its activities and in the recruitment and retention of qualified employees. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring exploration and development rights, financing, or recruiting and retaining employees.

Title Matters

The acquisition of title to mineral tenures in Colombia is a detailed and time-consuming process. Although the Company has diligently investigated title to all mineral tenures and, to the best of its knowledge, title to all of its properties is in good standing, this should not be construed as a guarantee of title. Other parties may dispute title to any of the Company's mineral properties and any of the Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected encumbrances or defects or governmental actions. Title to the Company's properties may also be affected by undisclosed and undetected defects. In every case in which the Company has detected a defect, a risk assessment has been performed, and none of them had been classified as high-risk. In addition, all corrective measures are being implemented on detected defects.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Dependence on Key Personnel

The Company is dependent on a relatively small number of key employees, the loss of any of whom could have an adverse effect on the Company. The Company does not have key person insurance on these individuals. Furthermore, the loss of key employees (in particular those who possess important

historical knowledge related to the Angostura Project which could be relevant to the ICSID Arbitration) could have a material adverse effect on future operations of the Company.

Share Price Fluctuations

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration, or development-stage companies such as the Company, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

Litigation Risk

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the litigation process could take away from management time and effort in operations and the resolution of any particular legal proceeding to which the Company may become subject could have a material effect on the Company's financial position, results of operations or the Company's property development.

Currency Fluctuations

The Company's operations in Colombia make it subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. The Company reports its financial results in Canadian dollars with the majority of transactions denominated in U.S. dollars, Canadian dollars and Colombian pesos. As the exchange rates between the Colombian peso and the U.S. dollar fluctuate against Canadian dollar, the Company will experience foreign exchange gains or losses. The Company does not use an active hedging strategy to reduce the risk associated with currency fluctuations.

No Dividends

Any payments of dividends will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the Company's board of directors may consider appropriate in the circumstances. It is unlikely that the Company will pay dividends in the immediate or foreseeable future.

Compliance with Anti-Corruption Laws

Eco Oro is subject to various anti-corruption laws and regulations including, but not limited to, the Canadian Corruption of Foreign Public Officials Act 1999. In general, these laws prohibit a company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. The Company's primary operations are located in Colombia, a country which is perceived as having fairly high levels of corruption (Colombia ranks 90th out of 176 countries in terms of corruption, according to a 2016 index published by Transparency International). Eco Oro cannot predict the nature, scope or effect of future anti- corruption regulatory requirements to which the Company's operations might be subject or the manner in which existing laws might be administered or interpreted.

Failure to comply with the applicable legislation and other similar foreign laws could expose the Company and/or its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially and adversely affect the Company's business, financial condition and results of operations. Likewise, any investigation of any potential violations of the applicable anti-corruption legislation by Canadian or foreign authorities could also have an adverse impact on the Company's business, financial condition and results of operations.

As a consequence of these legal and regulatory requirements, the Company has instituted policies and procedures with regard to business ethics, which have been designed to ensure that Eco Oro and its employees comply with applicable anti-corruption laws and regulations. However, there can be no assurance or guarantee that such efforts have been and will be completely effective in ensuring the Company's compliance, and the compliance of its employees, consultants, contractors and other agents, with all applicable anti-corruption laws and regulations.

Enforcement of Civil Liabilities

Substantially all of the assets of the Company are located outside of Canada and certain of the directors and officers of the Company are resident outside of Canada. As a result, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Company or the directors and officers of the Company residing outside of Canada.

DIVIDENDS

The Company has not paid any dividends on its common shares since its incorporation. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business. There are no restrictions that could prevent the Company from paying dividends.

DESCRIPTION OF CAPITAL STRUCTURE

Share Capital

The authorized capital of the Company consists of an unlimited number of common shares without par value, of which 117,124,953 common shares are issued and outstanding as of the date hereof.

All shares of the Company, both issued and unissued, are of the same class and rank equally as to dividends, voting rights and participation in assets of the Company in the event of liquidation, dissolution or winding-up. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provisions for redemption or purchase for cancellation, surrender or sinking or purchase funds. Provisions as to the modification, amendment or variation of such rights or provisions are contained in the *Business Corporations Act* (British Columbia) and the Articles of the Company.

Other Securities

Stock Options

The Company's incentive stock option plan ("Stock Option Plan") provides that the board of directors may grant to directors, officers, employees and consultants of the Company incentive stock options ("Stock Options") to purchase from the Company a designated number of authorized but unissued Common Shares. The exercise price of the Incentive Stock Options equals the closing price of the Common Shares on the TSX prior to the date of the option grant. The majority of Stock Options vest over three years and are typically exercisable over five years from the date of issuance.

The maximum number of Common Shares which may be reserved for issuance under the Stock Option Plan is governed solely by the Stock Option Plan and is fixed at a maximum of 10% of the common shares issued may be granted. During the year ended December 31, 2016, no Stock Options were granted by the Company.

During the year ended December 31, 2016, 186,666 Stock Options were exercised by grant holders, and a further 3,999,003 Stock Options expired or were forfeited without being exercised.

As at March 27, 2017, a total of 2,199,499 Stock Options were held by the Company's directors, officers, employees and consultants.

Convertible Notes

During the year ended December 31, 2016, the Company issued convertible notes in the amount of $12.969 million (US$9,672,727) to existing shareholders of the Company, of which $9.386 million (US$7,000,000) was issued to Trexs Investments, LLC. The convertible debentures are unsecured and bear interest at 0.025% per annum. Interest is calculated monthly and payable on December 31 of each year commencing 2016.

The convertible notes mature on June 30, 2028 and are convertible at any point prior to maturity, at the option of the Company, into common shares. The conversion price is determined based on the volume weighted average closing price of the Company's shares during the five trading days immediately preceding the date of conversion.

Subsequent to December 31, 2016, the Company converted US$4,721,258 of its outstanding convertible notes through the issuance of 10,600,000 common shares.

Contingent Value Rights

During the year ended December 31, 2016, the Company issued five contingent value rights certificates ("CVRs") for gross proceeds of $7.410 million (US$5,527,273) of which $5.363 million (US$4,000,000) was issued to Trexs Investments, LLC. The CVRs holders have the right to receive an amount equal to 70.48% of the gross amount of the claim proceeds from the ICSID Arbitration. The Company had pledged all the assets in Colombia to the CVRs' holders.

MARKET FOR SECURITIES

The Company's common shares are traded on the Toronto Stock Exchange in Canada.

During the Company's last completed financial year, the monthly price range and volume of trading of its common shares on the Toronto Stock Exchange was as follows:

2016	High ($)	Low ($)	Volume
January	0.40	0.30	351,300
February	0.42	0.25	842,500
March	0.37	0.27	273,500
April	0.40	0.33	359,700
May	0.50	0.28	231,600
June	0.39	0.28	512,500
July	0.41	0.27	700,600
August	0.35	0.28	263,500
September	0.32	0.21	444,200
October	0.26	0.17	381,200
November	0.46	0.13	7,837,900
December	0.79	0.40	4,754,600

PRIOR SALES

During the financial year ending December 31, 2016, a total of 186,666 Common Shares were issued from treasury upon the exercise of incentive stock options. Save as disclosed in this Annual Information Form, no other securities (including incentive stock options) of the Company were issued during 2016.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets out, as of March 27, 2017, the name, province or state, and country of residence of each director and executive officer of the Company, their respective offices held with the Company and their respective principal occupations during the preceding five years. Each director holds office until the next annual meeting of shareholders of the Company.

Name, Province or State & Country of Residence and Position	Director Since	Principal Occupation for the Past Five Years
Anna Stylianides British Columbia, Canada Executive Co-Chairman and Director	03-Jun-11	President & Chief Executive Officer of the Company from May 2014 to January 2016 and from September 2011 to June 2012; ; Chief Executive Officer of Fintec Holdings Corp., a corporate financial services company, from 2011 to present; previously Chief Executive Officer of Callinex Mines Inc., a mineral exploration company, from March 2012 to December 2012; previously Chief Executive Officer and a director of Surgical Spaces, Inc., a private health care consolidator.
Hubert R. Marleau[(1)(3)] Quebec, Canada Director	03-Jun-11	Economist at Palos Management Inc., a boutique financial management firm since July 2011; previously Senior Portfolio Manager at Palos Management Inc.
Mark Moseley-Williams Medellin, Colombia Director, President & Chief Executive Officer	02-Jun-16	President & Chief Executive Officer of the Company since January 2016; President & Chief Operating Officer of the Company from October 2015 to January 2016; President & Chief Operating Officer of Continental Gold Limited until January 2015.

Name, Province or State & Country of Residence and Position	Director Since	Principal Occupation for the Past Five Years
Derrick H. Weyrauch[1][2] Ontario, Canada Director	02-Jun-16	President, Weyrauch and Associates Inc., a consulting company, from May 2010 to present; Independent Director of Banro Corporation from December 2013 to present; formerly Chief Financial Officer of Jaguar Mining Inc. (a gold production company) from April 2014 until February 2016; previously Chief Financial Officer of Temex Resources Corp. from January 2014 until June 2014; previously Chief Financial Officer of Andina Minerals Inc. from November 2010 until January 2013.
David Kay[2][3] New York, USA Director	26-Jul-16	Partner and portfolio manager of the Tenor International & Commercial Arbitration Fund, an international and commercial arbitration-focused fund, since 2009.
Kevin O'Halloran[1] [2] [3] Georgia, USA Director	29-Aug-16	Managing Member of Newbridge Management, LLC, a boutique consulting firm specializing working with companies in financially and operationally distressed situations, from January 1997 to present; Chief Restructuring Officer of The Colonial BancGroup from August 2009 to present; in addition, Mr. O'Halloran has been appointed as Chapter 11 Trustee, Examiner, as well as Plan Trustee and Liquidating Agent for a number of Chapter 11 cases by the Federal Bankruptcy Courts in Alabama, Arizona, Florida, Georgia, Tennessee and Virginia.
Paul Robertson British Columbia, Canada Chief Financial Officer & Corporate Secretary	N/A	Incorporated Partner with Quantum Advisory Partners LLP, a financial services firm, from June 2005 to present.

(1) Currently a member of the Audit Committee

(2) Currently a member of the Compensation Committee

(3) Currently a member of the Nominating and Corporate Governance Committee

Based on the disclosure available on the System for Electronic Disclosure by Insiders (SEDI), as of the date hereof, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over approximately 18,635,228 common shares of the Company, representing 15.9% of the total number of common shares outstanding.

Cease Trade Orders, Penalties or Sanctions

Other than as mentioned below, none of the directors or executive officers of the Company is, as at the date of this Annual Information Form, or was within ten years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(a) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, which order was in effect for a period of more than 30 consecutive days (an "Order") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Hubert R. Marleau

In early 2006, Magistral Biotech Inc. ("Magistral"), a reporting issuer in Quebec, British Columbia and Alberta, was subject to a cease trade order imposed by the Autorité des marchés financiers (the "AMF") and the British Columbia Securities Commission (the "BCSC") because Magistral failed to file a comparative financial statement for the financial year ended December 31, 2005. Mr. Marleau was a director of Magistral at the time. Magistral subsequently filed its financial statements for the periods ended December 31, 2005, March 31, June 30, and September 30, 2006, along with the related management discussion and analysis and certifications. In late 2006, the AMF and the BCSC each issued Partial Revocation Orders allowing Magistral to effect certain transactions to complete a reverse take-over with Immunotec Research Ltd.

On May 31, 2011, the AMF instituted proceedings before the Bureau de decision et de revision wherein the AMF sought payment by Palos Management Inc. ("Palos") of a monetary penalty of US$36,500 and an order requiring Palos to submit certain components of certain financial statements which the AMF alleged were not duly filed for the periods ending June 30, 2009, December 31, 2009 and June 30, 2010. The proceedings related to investment funds managed by Palos and offered under statutory prospectus exemptions. On November 23, 2011, Palos and the AMF entered into a joint submission and acknowledgement of facts in which Palos acknowledged the facts alleged by the AMF and agreed to pay an administrative penalty of US$26,500.

Personal Penalties and Sanctions

None of the directors or executive officers of the Company or, to the Company's knowledge, any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company have been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or have entered into a settlement agreement with a securities regulatory authority, or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Bankruptcies

Other than as mentioned below, none of the directors or executive officers of the Company, or, to the Company's knowledge, any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of this Annual Information Form, or has been within ten years before the date of this Annual Information Form, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Hubert R. Marleau

Mr. Marleau was a director of Malette International Inc. ("Malette"), a reporting issuer listed on the TSX Venture Exchange, when, on February 26, 2007, Malette Industries Inc., a wholly-owned subsidiary of Malette, filed a notice of intention to make a proposal to its creditors under the *Bankruptcy and Insolvency Act*. On February 27, 2007, a creditor of Malette Hardwood Flooring Inc., another subsidiary of Malette, obtained a receivership order from the Superior Court of Québec. On February 2, 2007, the AMF issued a cease-trade order against Malette for its failure to file financial statements for the year ended September 30, 2006. Effective March 1, 2007, Mr. Marleau resigned from the board of directors of Malette.

Derrick Weyrauch

In June 2013, Mr. Weyrauch was elected to the board of directors of Jaguar Mining Inc. ("Jaguar"). As part of a corporate turnaround and restructuring process, Jaguar commenced a voluntary proceeding under Companies' Creditors Arrangement Act (Canada) (the "CCAA") on December 23, 2013 in the Ontario Superior Court of Justice. This proceeding was commenced to implement a recapitalization and financing transaction that was negotiated prior to the commencement of the CCAA proceeding. Implementation of the Plan occurred on April 22, 2014, as contemplated in the CCAA proceedings.

Following the voluntary proceeding under the CCAA, the TSX advised that it was reviewing the common shares of Jaguar with respect to meeting the requirements for continued listing pursuant to the Expedited Review Process. The common shares were subsequently suspended from trading on the TSX. Additionally, in 2013, NYSE Regulation reached a decision to delist Jaguar's common shares in view of the fact that Jaguar's common shares had fallen below the NYSE's continued listing standard for an average closing price of less than US$1.00 over a consecutive 30 trading day period. As a result, on June 3, 2013, NYSE Regulations, Inc. ("NYSE Regulation") commenced proceedings to delist the common shares of Jaguar from the New York Stock Exchange ("NYSE") and trading in Jaguar's common shares was suspended prior to the opening on Friday, June 7, 2013. The shares of Jaguar resumed trading on the TSXV on May 6, 2014.

Kevin O'Halloran

Mr. O'Halloran has been appointed by numerous Federal and State Courts in the USA as a Receiver, and also as a CEO/CFO/Chief Restructuring Officer/Trustee in Federal Bankruptcy Courts in Alabama, Arizona, Georgia, Florida, Tennessee and Virginia.

In August 2009, Mr. O'Halloran was retained as Chief Recovery Officer for The Colonial BancGroup, Inc (NYSE) immediately prior to its filing a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code ("Chapter 11") in the United States Bankruptcy Court for the Middle District of Alabama, Montgomery Division. Mr. O'Halloran remained in that position until June 2011, upon his appointment as Plan Trustee by that same Court at the time of the confirmation of the Chapter 11 Plan of Liquidation of The Colonial BancGroup, Inc and continues in that capacity to this date.

David Kay

On June 27, 2012, Mr. Kay was elected to the board of directors of Crystallex International Corporation ("Crystallex"). Crystallex obtained an order from the Ontario Superior Court of Justice (Commercial List) for protection under the CCAA on December 23, 2011 to deal with a liquidity crisis resulting from the maturity of certain senior unsecured notes issued by the Crystallex. On December 28, 2011, the Corporation obtained an order from the United States Bankruptcy Court for the District of Delaware under Chapter 15 of the U.S. Bankruptcy Code recognizing the initial CCAA order. The United States Bankruptcy Court has recognized Crystallex's CCAA proceedings as well as the initial order and subsequent stay extensions of the Ontario Superior Court of Justice (Commercial List).

My. Kay was elected to the board of managers of Lighting Dock Geothermal HI-01 ("Lighting") on September 9, 2011. On March 14, 2017, Lighting and its direct corporate parent, Los Lobos Renewable Power, LLC, filed a voluntary petition for reorganization under Chapter 11 in the United States Bankruptcy Court for the District of New Mexico.

Conflicts of Interest

Certain officers and directors of the Company are officers and directors of, or are associated with, other natural resource companies that acquire interests in mineral properties. Pursuant to the Investment Agreement, Trexs has nominated David Kay as its nominee on the Board of Directors of the Company. David Kay is a partner and the portfolio manager of the Tenor International & Commercial Arbitration Fund, which has direction over the securities of the Company held by Trexs. Such associations may give rise to conflicts of interest from time to time. The directors are required by law, however, to act honestly and in good faith with a view to the best interests of the Company and its shareholders and to disclose any personal interest that they may have in any material transaction that is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interests. The Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no director or executive officer of the Company, no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Company's outstanding voting securities and no associate or affiliate of any of such persons or companies has any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENTS AND REGISTRARS

The Company's registrar and transfer agent is Computershare Investor Services Inc. with offices in Vancouver, British Columbia and Toronto, Ontario.

MATERIAL CONTRACTS

There are no material contracts that are required to be filed under section 12.2 of National Instrument 51-102 Continuous Disclosure Obligations ("NI 51-102") at the date of this Annual Information Form or that would be required to be filed under section 12.2 of NI 51-102 at the date of this Annual Information Form, but for the fact that it was previously filed.

INTERESTS OF EXPERTS

Names of Experts

Each person and company referred to below has been named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made by the

Company during, or relating to, the Company's financial year ended December 31, 2016 and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company:

- As described above, an NI 43-101 Technical Report dated July 17, 2015 entitled "Technical Report on the Updated Mineral Resource Estimate for the Angostura Gold-Silver Deposit, Santander Department, Colombia" was prepared by Thomas C. Stubens, MASc., P. Eng., with Micon International Limited.

- Davidson & Company LLP, Chartered Accountants, provided an auditor's report dated March 28, 2017 in respect to the Company's financial statements for the year ended December 31, 2016. Davidson & Company LLP has advised the Company that they are independent with respect to the Company in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Interests of Experts

To the Company's knowledge, none of the experts or the designated professionals of the experts named in the foregoing section held, at the time they prepared or certified such statement, report, valuation or opinion received after such time or will receive any registered or beneficial interest, directly or indirectly, in any securities or other property of the Company.

AUDIT COMMITTEE INFORMATION

Composition of the Audit Committee

The Audit Committee consists of three directors. The following table sets out their names and whether they are "independent" and "financially literate":

Name of Member	Independent[(1)]	Financially Literate[(2)]
Derrick Weyrauch	Yes	Yes
Hubert R. Marleau	Yes	Yes
Kevin O'Halloran	Yes	Yes

(1) To be considered to be independent, a member of the Committee must not have any direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the Board of Directors of the Company, reasonably interfere with the exercise of a member's independent judgement.

(2) To be considered financially literate, a member of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected by the Company's financial statements.

Relevant Education and Experience

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

(a) an understanding of the accounting principles used by Eco Oro to prepare its financial statements;

(b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;

(c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Eco Oro's financial statements, or experience actively supervising one or more persons engaged in such activities; and

(d) an understanding of internal controls and procedures for financial reporting, is set out below.

Derrick Weyrauch

Mr. Derrick H. Weyrauch, CPA, CA has over 25 years of experience that includes corporate financial management, financings, strategic planning and merger & acquisition transactions. He has extensive senior management and corporate directorship experience including financing, corporate turnaround and restructuring, strategic planning and M&A transactions. He obtained his Chartered Accountants designation in 1990 with KPMG LLP. He is also a Member of the Institute of Chartered Accountants of Ontario, the Insittute of Corporate Directors and holds a Bachelor of Arts degree in Economics from York University.

Hubert R. Marleau

Mr. Marleau holds a Bachelor of Science (Honours) in Economics from University of Ottawa. Mr. Marleau has over 40 years of corporate experience, most recently as co-founder of Palos Management Inc., a boutique financial management firm, from 1998 to date. Mr. Marleau has raised funds privately and publicly for hundreds of emerging and mature companies, structured many mergers and acquisitions as well as designed and created numerous financial deals in Canada. Mr. Marleau has worked at the senior executive level of several large investment banks notably, Nesbitt Thomson Inc., Levesque Beaubien Inc. and Marleau, Lemire Inc. He was a member of the Listings Committee of the Toronto Stock Exchange, governor of the Montreal Stock Exchange and the Vancouver Stock Exchange and director of the Investment Dealer Association of Canada and several publicly traded companies including, Unit-Select Inc., Niocan Inc. and Woulfe Mining Corp.

Kevin O'Halloran

Mr. O'Halloran has more than 30 years of experience working in industry, operations, financial and executive management, and turnaround consulting. He has worked primarily with companies challenged by transitions resulting from rapid growth, acquisitions, and changes in financial structure and market environments. Mr. O'Halloran has served in Chief Financial Officer, Chief Restructuring Officer, and Chief Executive Officer roles and has also led numerous debtor and creditor advisory consulting engagements. Mr. O'Halloran has served on the boards of for-profit and not-for-profit corporations, including as audit committee chair and as a member of diversity, finance and compensation committee.

Audit Committee Oversight

Since the commencement of Eco Oro's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by Eco Oro's Board of Directors.

Pre-Approval Policies and Procedures

The Audit Committee has established policies and procedures that are intended to control the services provided by the auditors and to monitor their continuing independence. Under these policies, no services may be undertaken by the auditors, unless the engagement is specifically approved by the Audit Committee or the services are included within a category that has been pre-approved by the Audit Committee. The maximum charge for services is established by the Audit Committee when the specific engagement is approved or the category of services pre-approved. Management is required to notify the Audit Committee of the nature and value of pre-approved services undertaken.

The Audit Committee will not approve engagements relating to, or pre-approve categories of, non-audit services to be provided by Eco Oro's auditors (i) if such services are of a type whereby the performance of which would cause the auditors to cease to be independent within the meaning of applicable Securities and Exchange Commission rules, and (ii) without consideration, among other things, of whether the auditors are best situated to provide the required services and whether the required services are consistent with their role as auditor.

External Auditor Service Fees

The Company changed its auditor in the fourth quarter of 2015. Davidson & Company LLP was engaged as the Company's new auditor, replacing Grant Thornton LLP. The resignation of the Grant Thornton LLP as auditor of the Company and the appointment of the Davidson & Company LLP as auditor of the Company were considered and recommended by the Audit Committee and approved by the Board of Directors of the Company and there were no reportable events in connection with this change in auditor.

The following table discloses the fees billed to the Company by its external auditors during the last two financial years:

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
December 31, 2016	$42,245	$8,500	$4,350	$nil
December 31, 2015	$54,100	$9,238	$5,136	$42,366

Audit Fees

Audit Fees are the aggregate fees billed by the independent auditor for the audit of the consolidated annual financial statements and attestation services that are provided in connection with statutory and regulatory filings or engagements.

Audit-Related Fees

Audit-Related Fees are fees charged by the independent auditor for assurance and related services that

are reasonably related to the performance of the audit or review of the financial statements and are not reported under "Audit Fees". This category comprises fees billed for independent accountant review of Eco Oro's interim financial statements and management discussion and analysis, as well as advisory services associated with the Company's financial reporting.

Tax Fees

Tax Fees are fees for professional services rendered by the independent auditor for tax compliance, tax advice on actual or contemplated transactions.

All Other Fees

All Other Fees includes amounts for services other than the audit fees, audit-related fees and tax fees described above.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com and on the Company's website at www.eco-oro.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the Company's Information Circular for its most recent annual meeting of shareholders.

Additional financial information is provided in the Company's financial statements and management discussion and analysis (MD&A) for its most recently completed financial year, all of which are filed on SEDAR.

APPENDIX A

CHARTER FOR THE AUDIT COMMITTEE OF
THE BOARD OF DIRECTORS OF ECO ORO MINERALS CORP.

I. MANDATE

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Eco Oro Minerals Corp. (the "Company") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company's financial statements and other financial information;

2. The compliance of such statements and information with legal and regulatory requirements;

3. The qualifications and independence of the Company's independent external auditor (the "Auditor"); and

4. The performance of the Company's internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. Composition

The Committee shall be comprised of three or more members.

B. Qualifications

Each member of the Committee must be a member of the Board.

A majority of the members of the Committee must be independent, within the meaning of applicable regulatory requirements and securities laws.

Each member of the Committee must be financially literate, within the meaning of applicable regulatory requirements and securities laws.

C. Appointment and Removal

The members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly appointed or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Sub-Committees

The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that a decision of such subcommittee to grant a pre-approval shall be presented to the full Committee at its next scheduled meeting.

F. Meetings

The Committee shall meet at least four times in each fiscal year, or more frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting, a quorum shall consist of a majority of members.

The Committee is authorized to invite officers and employees of the Corporation and outsiders with relevant experience and expertise to attend or participate in its meetings and proceedings if it considers this appropriate. In addition, the Committee will meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

III. DUTIES

A. Introduction

The following functions are the common recurring duties of the Committee in carrying out its mandate outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated mandate, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Independence of Auditor

(1) Review and discuss with the Auditor any disclosed relationships or services that may affect the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company.

(2) Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.

(3) Require the Auditor to report directly to the Committee.

(4) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance & Completion by Auditor of its Work

(5) Oversee the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting).

(6) Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-appointment by the Company's shareholders of the existing Auditor and the compensation to be paid to the Auditor.

(7) Pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by the Auditor unless such non-audit services:

(a) which are not pre-approved, are reasonably expected not to constitute, in the aggregate, more than 5% of the total amount of fees paid by the Company to the Auditor during the fiscal year in which the non-audit services are provided;

(b) were not recognized by the Company at the time of the engagement to be non-audit services; and

(c) are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

Internal Financial Controls & Operations of the Company

(8) Establish procedures for:

(a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

(b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

(9) Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.

(10) Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.

(11) Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

(12) Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

(13) Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:

(a) the adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.

(b) the management inquiry letter provided by the Auditor and the Company's response to that letter.

(c) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Company

(14) Review the Company's annual and quarterly financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.

(15) Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.

Manner of Carrying Out its Mandate

(16) Consult, to the extent it deems necessary or appropriate, with the Auditor but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

(17) Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

(18) Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.

(19) Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee and to set and pay the compensation to any such advisors.

(20) Make regular reports to the Board.

(21) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

(22) Annually review the Committee's own performance.

C. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.

Approved by the Nominating & Corporate Governance Committee: March 6, 2012
Approved by the Audit Committee: March 20, 2012
Approved by the Board of Directors: March 22, 2012

APPENDIX B:

MANAGEMENT INFORMATION CIRCULAR DATED SEPTEMBER 12, 2017

Suite 300 – 1055 West Hastings Street
Vancouver, BC V6E 2E9
Telephone: 604.682.8212

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

and

MANAGEMENT INFORMATION CIRCULAR

for a meeting to be held on October 10, 2017

relating to a Settlement Agreement among Eco Oro Minerals Corp. and certain of its shareholders

September 12, 2017

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that, the annual general and special meeting (the "**Meeting**") of the holders of common shares (the "**shareholders**") of Eco Oro Minerals Corp. (the "**Company**") will be held at the offices of Norton Rose Fulbright Canada LLP, located at Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario M5J 2Z4, on Tuesday, October 10, 2017 at 10:00 a.m. (Toronto time), for the following purposes:

1. to receive the financial statements of the Company for the fiscal year ended December 31, 2016, together with the report of the auditors thereon;

2. to set the number of directors at five (5);

3. to elect directors;

4. to appoint auditors;

5. to consider and, if deemed appropriate, to pass an ordinary resolution approving the unallocated options to purchase common shares of the Company under the Amended and Restated Incentive Share Option Plan of the Company;

6. to consider, pursuant to an Interim Order of the Supreme Court of British Columbia dated September 12, 2017 and, if deemed appropriate, to pass, with or without variation, a special resolution, the full text of which is set forth in Appendix "A" to the accompanying information circular dated September 12, 2017 (the "**Circular**"), to approve a plan of arrangement pursuant to Division 5 Part 9 of the *Business Corporations Act* (British Columbia);

7. to consider, and if deemed appropriate, to pass an ordinary resolution approving the amendment of the investment agreement between the Company and Trexs Investments, LLC dated July 21, 2016 and the amendment of the security sharing agreement among PFR Gold Master Fund Ltd., Amber Latin America LLC, Trexs Investments, LLC, Anna Stylianides and Manas Dichow dated November 9, 2016;

8. to consider, and if deemed appropriate, to pass an ordinary resolution approving the amendment of the management incentive plan of the Company dated January 13, 2017; and

9. to transact such further or other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this Notice of the Meeting.

The Board of Directors of the Company has fixed August 11, 2017 as the record date for the Meeting (the "**Record Date**"). Only shareholders of record at the close of business on the Record Date are entitled to vote at the Meeting or any adjournment(s) or postponement(s) thereof.

All proxies must be received by 10:00 a.m. (Toronto time) on October 5, **2017** and, if the Meeting is adjourned or postponed, no later than 10:00 a.m. (Toronto time) on the date (excluding Saturdays, Sundays and holidays) that is 48 hours preceding the time of an adjourned or postponed Meeting.

Late proxies may be accepted or rejected by the Co-Chairs of the Meeting at their discretion and the Co-Chairs of the Meeting are under no obligation to accept or reject any particular late proxy. The Co-Chairs of the Meeting may waive or extend the proxy cut-off without notice.

Whether or not you are able to attend the Meeting in person, you are encouraged to provide voting instructions in accordance with the instructions on the enclosed form of proxy or voting instruction form (a "**VIF**") provided to you by your broker, investment dealer or other intermediary as soon as possible. To be included at the Meeting, your voting instructions must be received by Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, by telephone, internet or fax by 10:00 a.m. (Toronto time) on Thursday, October 5, 2017 (or if the Meeting is postponed or adjourned, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the postponed or adjourned Meeting). Please note, if you received a VIF, you hold your common shares through a broker, investment dealer or other intermediary and consequently must provide your instructions to your broker, investment dealer or other intermediary as specified in the VIF and by the deadline set out therein (which may be an earlier time than set out above).

If you have any questions or need assistance to vote, please contact the Company's strategic shareholder advisor, proxy solicitation and information agent, Kingsdale Advisors by telephone at 1-866-851-2484 or by collect call outside North America at 1-416-867-2272 or by email at contactus@kingsdaleadvisors.com.

DATED at Vancouver, British Columbia, this 12th day of September, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) *"Paul Robertson"*

Paul Robertson,
Chief Executive Officer (Interim)

If you are a non-registered shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting.

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APPENDICES

MANAGEMENT INFORMATION CIRCULAR

(as at September 12, 2017, unless indicated otherwise)

This Circular and Meeting Materials are furnished in connection with the solicitation of proxy for use at the meeting of the shareholders of Eco Oro to be held on Tuesday, October 10, 2017 at the offices of Norton Rose Fulbright Canada LLP, Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario M5J 2Z4 at 10:00 a.m. (Toronto time) for the purposes set forth in the accompanying Notice of Meeting.

Unless otherwise defined or the context requires otherwise, all capitalized terms used herein have the meaning ascribed to such terms under the heading "Glossary of Terms" of this Circular.

ADVISORIES

EXCHANGE RATE AND CURRENCY INFORMATION

On September 11, 2017, the rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars was US$1.00 equals $1.2128. Unless otherwise indicated, in this Circular, references to U.S. dollars are on the basis of the relevant contract or agreement.

All dollar amounts herein are expressed in Canadian dollars ("**$**") unless otherwise indicated. References to "US$" are references to the lawful currency of the United States of America.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Circular contains certain "forward-looking information" within the meaning of applicable securities law, which are prospective and reflect management's expectations relating to future events, the future activities and performance and business prospects and opportunities of the Company. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events, the future activities and performance and business prospects and opportunities of the Company. This forward-looking information includes, but is not limited to, statements concerning: the continuing pursuit of the Claim Proceedings and future payments of the Claim Proceeds; the implementation of the Settlement and the transactions contemplated thereunder, including, but not limited to, the implementation and timing of the Arrangement, the rescission of the Conversion including the cancellation of the New Shares and the reinstatement of the Notes and the termination of the May 8 Options; the timing of the Meeting and the Final Order; the stay and termination of the Litigation; the participation of Qualified Shareholders in the Basic Subscription Right and the Additional Subscription Privilege including the entitlement to their Interest in the Custody CVRs, Subscription Funds required to acquire their Interest in the Custody CVRs and timing to receive their Interest in the Custody CVRs; the impact and anticipated benefits that the Settlement will have on the Company; the anticipated Effective Date and consummation of the Settlement, including the Arrangement; the Company's strategies and objectives, both generally and specifically, in respect of the Angostura mineral project; and the delisting from the TSX and relisting on another recognized exchange and the timing thereof.

All information, other than statements of historical fact, included herein, including without limitation, information regarding the Claim Proceedings and Claim Proceeds, the Settlement, the Arrangement, the Litigation, the CVRs, plan of business operations, projections regarding future success based on past success, ability to identify and execute investments, investment philosophy and business purposes and potential benefits of the business are forward-looking information that involve various risks and uncertainties.

Although the Company believes that such forward-looking information is reasonable, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information.

Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in its documents filed from time to time with the applicable regulatory authorities and include, but are not limited to, uncertainties and risks related to: the Claim Proceedings, including the quantum of damages to be obtained and the realization or collection of the value of any award; the failure to complete the Settlement, which is conditional on obtaining requisite shareholder approval of the Conditional Resolutions and the granting of the Final Order; delays and deferrals in obtaining the requisite regulatory approval related to the Arrangement; the failure to obtain shareholder approval for any one of the Settlement Resolutions; the failure of Qualified Shareholders to provide Subscription Funds in a timely manner or at all; the occurrence of an Event of Default under the Custody CVR; investment performance; minority investments; availability of further financing to fund planned or further required work in a timely manner and on acceptable terms; changes in project parameters as plans continue to be refined; and uncertainties relating to the availability and costs of financing needed in the future, regulatory, environmental, political and other risks of the mining industry other risks discussed in disclosure documents filed by the Company with Canadian securities regulators as more fully described elsewhere in this Circular under "Risk Factors – Risks Relating to the Company", "Risk Factors – Risks Relating to the Settlement Agreement and the Arrangement" and "Risk Factors – Risks Related to the Custody CVRs, Receipts and Rights" as well as the management discussion and analysis and the Company's annual and interim financial statements and its 2017 AIF, all of which are available under the Company's profile on SEDAR at www.sedar.com.

Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. All forward-looking information in this Circular is made as of the date of this Circular. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors that affect this information, except as required by law.

GLOSSARY OF TERMS

"**2017 AIF**" means the Company's annual information form for the year ended December 31, 2016 and dated March 27, 2017.

"**Additional Receipts**" means the Receipts available for subscription under the Additional Subscription Privilege, being Receipts evidencing an indirect interest in the economic benefits of the remaining Custody CVRs not allocated under the Basic Subscription Right.

"**Additional Subscription Privilege**" means the privilege of Qualified Shareholders, who comply with certain conditions as more particularly described in the Subscription Form and herein, to subscribe for their respective *Pro Rata Share* of Additional Receipts after the exercise of all of their Rights under the Basic Subscription Right.

"**Agent**" means Kingsdale Partners LP, a limited partnership existing under the laws of Canada, as registrar, information agent and custodian under the Rights Agency and Custodial Agreement governing the issuance and exercise of the Rights.

"**Amber**" means Amber Latin America LLC.

"**Approved Shareholder**" means an Entitled Shareholder who is resident in a Non-Qualified Jurisdiction but that, prior to October 4, 2017, demonstrates to each of the Agent and Company, in its sole and absolute discretion, that such Entitled Shareholder may hold and exercise a Right: (i) in compliance with the laws of such Non-Qualified Jurisdiction; (ii) without obligating the Company or any of the CVR Holders to file or issue a prospectus, registration statement or any other similar document qualifying or registering the issue, sale or distribution of the Rights, Receipts or the Custody CVRs; and (iii) without imposing any significant costs on the Company in order to comply with applicable laws of such Non-Qualified Jurisdiction and in doing so, the Company or the Agent may require that the Entitled Shareholder (at its sole cost) furnish such evidence (including certificates and opinions of counsel), as shall be satisfactory to each of the Company and the Agent in their sole and absolute discretion, to demonstrate that such Entitled Shareholder qualifies as an Approved Shareholder.

"Arbitration and Budget Committee" means the committee formed pursuant to the Arbitration and Budget Mandate (which is set out in Schedule "D" of the Settlement Agreement), the initial members of which are David Kay and Courtenay Wolfe.

"**Arrangement**" means an arrangement pursuant to Division 5 of Part 9 of the BCBCA giving effect to the Plan of Arrangement described under the heading "Section Five: The Arrangement".

"**Arrangement Resolution**" means a special resolution to approve the Arrangement, the full text of which is set forth in Appendix "A".

"**Basic Receipts**" means the Receipts available for subscription under the Basic Subscription Right, being Receipts evidencing an Interest in the Custody CVRs.

"**Basic Subscription Rights**" means the right of Qualified Shareholders to subscribe for up to their respective *Pro Rata Share* of the Basic Receipts upon the exercise of their Rights.

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**Board of Directors**" means the board of directors of the Company.

"**Budget**" means the budget for the Company for the period from the date the Custody CVR is issued to the final resolution of the Claim Proceedings (together with such related and subsequent budgets that are approved in writing by the Custodian in its discretion).

"**CCAA**" means Companies' Creditors Arrangement Act.

"**Circular**" means this management information circular dated September 12, 2017.

"**Claim Proceedings**" means any and all present or future claim, right of action, action, litigation, arbitration, mediation, collection effort or other dispute resolution proceeding or effort of any kind of the Company and its direct or indirect subsidiaries, including, but not limited to, any and all present or future proceedings under the Free Trade Agreement between Canada and the Republic of Colombia signed on November 21, 2008 and which came into force on August 15, 2011 or before ICSID, UNCITRAL, ICC, CRCICA or such other applicable dispute resolution bodies or courts, in each case relating to the Company's dispute with the Republic of Colombia arising in connection with the Company's ability to explore and exploit the Angostura mineral project and all present and future claims, rights, action, litigation, arbitration, mediation, collection effort or other dispute resolution proceeding or efforts regarding same.

"**Claim Proceeding Rights**" means the rights and entitlements of the Company or any affiliate, branch or subsidiary of the Company to and in connection with the Claim Proceedings, the Claim Proceeds, all rights in connection therewith and any interest therein, and any documents, books and records (or any copies thereof) used therein or related thereto in connection with the Claim Proceedings and/or any Claim Proceeds.

"**Claim Proceeds**" means all present and future value, order, award, entitlement or remuneration of any kind and in any form including, without limitation, any property, assets, cash, bonds, or any other form of payment or restitution, permit, license, consideration, refund or reimbursement of fees or similar right in each case paid, payable, recovered, owing to, due to, awarded to, ordered or otherwise received or to be received by the Company or any of its direct or indirect subsidiaries or affiliates of any kind, or any of their respective successors or assigns pursuant to or in respect of any settlement, award, order, entitlement, collection, judgment, sale, disposition, agreement or any other monetization of any kind of, in any way relating to the Claim Proceedings.

"**Claim Proceeds Escrow Account**" means an escrow account held by a depository bank or other escrow agent to which the Company is to deposit or cause to deposit all of the Claim Proceeds following the Final Award Date and which account is subject to an escrow agreement between such depository bank or escrow agent, the Company and the CVR Holders.

"**Code**" has the meaning herein provided under the heading "Section Six: Corporate Governance – Ethical Business Conduct".

"**Committee**" has the meaning herein provided under the heading "Section Five: The Arrangement – The Custodian and the Custodian Agreement".

"**Company**" or "**Eco Oro**" means Eco Oro Minerals Corp., a corporation existing under the laws of the Province of British Columbia.

"**Company 2% CVRs**" means the CVRs to be issued by the Company and representing up to 2% of the Claim Proceeds.

"**Conditional Resolutions**" has the meaning herein provided under the heading "Section Two: Background Information and Reasons for the Settlement – Summary of the Settlement Agreement – The Meeting and the Settlement Resolutions".

"**Contingent Value Rights Amount**" means an amount equal to the entitlement to the gross amount of the Claim Proceeds represented by the Custody CVRs.

"**Conversion**" has the meaning herein provided under the heading "Section Eight: General Information – Interest of Informed Persons in Material Transactions".

"**Court**" means the Supreme Court of British Columbia.

"**Crystallex**" means Crystallex International Corporation.

"**Custodian**" means Kingsdale Partners LP, which will hold the Custody CVRs for and on behalf of the Participating Entitled Shareholders as a safekeeping agent and depositary pursuant to the terms of the Custodian Agreement.

"**Custodian CVR Certificate**" has the meaning herein provided under the heading "Section Five: The Arrangement – Contingent Value Rights (CVRs)".

"**Custodian Agreement**" means the custodian and depositary agreement to be entered into on or before the Effective Date between the Custodian and the Company, and to be agreed to by the Participating Entitled Shareholders pursuant to the Subscription Forms, pertaining to the Custodian holding the Custody CVRs for and on behalf of the Participating Entitled Shareholders.

"**Custody CVRs**" means the Company 2% CVRs together with the Existing CVRs.

"**CVRA Payment Date**" means the earlier of: (i) the business day upon which the Custodian received the Contingent Value Rights Amount; and (ii) the fifth (5th) business day after receipt by the Company or by any other person for and on behalf of the Custodian of any of the Claim Proceeds.

"**CVRs**" means contingent value rights issued or to be issued by the Company entitling the holders thereof to a percentage of the gross amount of the Claim Proceeds, if any.

"**CVR Certificates**" means contingent value rights certificates representing the Existing CVRs.

"**CVR Holders**" means, collectively, the holders of the CVRs on the Record Date.

"**CVR Holder Amount**" means, for each CVR Holder, an amount equal to (i) the entitlement to the Claim Proceeds (expressed as a percentage) transferred to the Company under the Plan of Arrangement represented by their CVRs transferred thereunder, (ii) divided by 12.1% and (iii) multiplied by US$1,110,000.

"**Default**" means any event or circumstance which would, upon the expiry of any grace period, the giving of notice, the making of any determination or any combination of the foregoing constitute an Event of Default.

"**Distribution Statement**" has the meaning herein provided under the heading "Section Five: The Arrangement – The Contingent Value Rights (CVRs)".

"**Direct Registration System**" means an electronic registration system which allows shareholders to hold Shares in their name in book-based form, as evidenced by a "DRS advice/statement" rather than a physical share certificate.

"**Effective Date**" means the date agreed to by the Company, Trexs and the Shareholder Group in writing as the effective date of the Arrangement after all of the conditions precedent to the completion of the Arrangement have been satisfied or waived, and the Final Order has been granted by the Court.

"**Effective Time"** means 12:01 a.m. (Vancouver time) on the Effective Date or such other time as agreed to by the Company, Trexs and the Shareholder Group in writing.

"**Elected Directors**" means the collectively, (i) the Tenor Nominees, (ii) the Shareholder Group Nominees and (iii) the Independent Director.

"**Entitled Shareholder**" means a shareholder on the Record Date, who is not a CVR Holder, and is entitled to vote at the Meeting.

"**Event of Default**" has the meaning given to it in the Custodian CVR Certificate.

"**Existing CVRs**" means the CVRs held by CVR Holders and to be reallocated under the Arrangement and representing up to 12.1% of the Claim Proceeds.

"**Extraordinary Resolution**" has the meaning herein provided under the heading "Section Five: The Arrangement – The Custodian and the Custodian Agreement".

"**Final Order**" means the final order of the Court approving the Plan of Arrangement, as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless the appeal is withdrawn or denied, as affirmed or as amended on appeal provided that such order is satisfactory in form and substance to the Company, Trexs and the Shareholder Group.

"**Final Award Date**" means the date on which any award is entered or any settlement is concluded in respect of the Claim Proceedings, which award or settlement has not been stayed, reversed, vacated, rescinded, modified or amended in any respect, and any applicable appeal period in respect of which has expired or if an appeal has been filed, such appeal has been dismissed on a final basis without further appeal.

"**Financing**" has the meaning herein provided under the heading "Section Two: Background Information and Reasons for the Settlement – Summary of the Settlement Agreement – The Meeting and the Settlement Resolutions".

"**Full Subscription Price**" means, for each Participating Entitled Shareholder, the Subscription Funds owing by it to fully participate in the Basic Subscription Right and subscribe for its *Pro Rata Share* of the Basic Receipts.

"**Harrington**" means Harrington Global Opportunities Fund Ltd. and Harrington Global Limited.

"**Independent Director**" means any independent director nominated through the Independent Director Process and currently means Lawrence Haber.

"**Independent Director Process**" means the process whereby an independent director (being a nominee that is not a Tenor Nominee or a Shareholder Group Nominee) is selected by Ms. Wolfe from a list of three candidates put forward by Trexs, where each person on such list (i) meets the criteria in the TSX Company Manual, and the criteria of "independence" under sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees*, on the basis of Eco Oro or Tenor being the issuer or listed company, as the case may be, and (ii) is not currently serving (and has not served within the past two (2) years) on any boards in which Mr. Kay is a director or in which Tenor, Trexs, or any affiliate thereof has or had, as the case may be, any investment.

"**Interest in the Custody CVRs**" means an indirect interest in the economic benefits of the Custody CVRs.

"**Interim Order**" means an order of the Supreme Court of British Columbia dated September 12, 2017 attached hereto as Appendix "B".

"**intermediary**" has the meaning herein provided under the heading "Section One: Proxy-Related Matters – Information For Non-Registered (Beneficial) Owners of Shares".

"**Investment Agreement**" means the investment agreement between the Company and Trexs dated July 21, 2016.

"**Investment Agreement Amendment**" has the meaning herein provided under the heading "Section Three: Matters to be Voted On at the Meeting – 7. Amendments to Material Agreements – A. Investment Agreement Amendment and Security Sharing Agreement Amendment".

"**Investment Transaction Documents**" means the documents set out in Schedule "I" of the Settlement Agreement, including, *inter alia*, the Investment Agreement, the CVR Certificates, the Notes, the Security Sharing Agreement, the Security Sharing Agreement Amendment and Joinder, the Security Confirmation and all amendments or supplements to any such documents.

"**Lighting**" means Lighting Dock Geothermal HI-01, LLC.

"**Litigation**" means those proceedings identified in section 32 of the Settlement Agreement, which include, but are not limited to: (a) all proceedings commenced in the Divisional Court of Ontario as appeals from the April 23, 2017 order of the OSC, including but not limited to those proceedings bearing court file number ONSC No. 215/17; (b) the proceeding bearing court file number CV-17-11799-00CL commenced in the Ontario Superior Court of Justice (Commercial List) by the Company claiming that the Shareholder Group and others acted jointly or in concert in connection with a proxy contest in relation to the Company; (c) Court of Appeal file number CA 44413 in the British Columbia Court of Appeal, pursuant to which the Shareholder Group appealed from the Order of Justice J. P. Weatherill dated April 24, 2017 dismissing an oppression petition commenced by the Shareholder Group; (d) action number S173139 in the British Columbia Supreme Court, pursuant to which the Company and others commenced a claim for defamation against the Shareholder Group and Danny Guy; (e) petition numbers S175025, S175026 and S175027, pursuant to which Amber and Paulson, the Company and Trexs have sought relief pursuant to section 186 of the BCBCA, against the Shareholder Group and others; (f) petition number S175610 in the British Columbia Supreme Court, pursuant to which the Shareholder Group have sought relief against the Company and others in the form of a compliance order pursuant to section 228 of the BCBCA; and (g) petition number S1611747 in the British Columbia Supreme Court in which Rocco Meliambro and Donata Pica have commenced oppression proceedings against the Company in connection with the Investment Agreement and sought leave to bring a derivative action.

"**Majority Voting Policy**" has the meaning herein provided under the heading "Section Three: Matters to be Voted On at the Meeting – Election of Directors – Majority Voting for Directors".

"**May 8 Options**" means the options to acquire Shares issued by the Company to each of Ms. Stylianides, Mr. Robertson, Mr. Marleau, Mr. Moseley-Williams, Mr. Weyrauch and Mr. O'Halloran on May 8, 2017 pursuant to the Option Plan.

"**Meeting**" means the annual general and special meeting of shareholders of the Company to be held on October 10, 2017, including any adjournment(s) or postponement(s) thereof.

"**Meeting Materials**" means this Circular and the accompanying materials to this Circular.

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions*.

"**MIP**" means the management incentive plan of the Company dated January 13, 2017.

"**MIP Amendment**" means the amendment of the MIP as more fully described under the heading "Section Three: Matters to be Voted On at the Meeting – 7. Amendments to Material Agreements – B. MIP Amendment".

"**MIP Committee**" means the committee of the Board of Directors appointed to administer the MIP pursuant to the terms of the MIP.

"**NEOs**" means named executive officers.

"**New Board**" means the current Board of Directors comprised of Mr. Kay, Ms. Wolfe, Mr. McRae, Mr. Haber and Ms. Stylianides.

"**New Shares**" means the 10,600,000 Shares that were issued to the Noteholders pursuant to the Conversion on March 16, 2017.

"**NI 54-101**" means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

"**NOBOs**" has the meaning herein provided under the heading "Section One: Proxy-Related Matters – Information for Non-Registered (Beneficial) Owners of Shares".

"**Non-Qualified Jurisdiction**" means any jurisdiction other than each of the Qualified Jurisdictions.

"**Non-Qualified Shareholder**" means a shareholder who is not a Qualified Shareholder.

"**Non-Registered Shareholder**" has the meaning herein provided under the heading "Section One: Proxy-Related Matters – Information for Non-Registered (Beneficial) Owners of Shares".

"**Notes**" means the convertible unsecured notes issued by the Company to Trexs on July 21, 2016 and issued by the Company to each of Paulson, Amber, Mr. Dichow and Ms. Stylianides (together with Trexs, the "**Noteholders**") on November 9, 2016.

"**Notice of Meeting**" means the notice of meeting accompanying this Circular and dated as of the date hereof.

"**Obligations**" means (a) if calculated prior to the Final Award Date, the Contingent Value Rights Amount, or (b) if calculated on or after the Final Award Date, the Contingent Value Rights Amount plus any and all other amounts due and owing by the Company to the Custodian from time to time pursuant to the Custodian CVR Certificate or the Security Agreements.

"**OBOs**" has the meaning herein provided under the heading "Section One: Proxy-Related Matters – Information for Non-Registered (Beneficial) Owners of Shares".

"**Option Plan**" means the Amended and Restated Incentive Share Option Plan as initially approved by the shareholders on April 29, 2005.

"**Order**" has the meaning herein provided under the heading "Section Four: About Eco Oro's Nominees – Orders & Bankruptcies".

"**OSC**" means the Ontario Securities Commission.

"**OSC Order**" means the order issued by the OSC on April 23, 2017 as varied by an OSC order on August 28, 2017 (as may be further varied, amended, modified or supplemented from time to time) which, among other things, ordered that the Company not consider the New Shares of Trexs, Amber, Ms. Stylianides and Paulson that are subject to the Conversion "to be issued and outstanding for the purposes of voting" at the Meeting.

"**Other Directors**" has the meaning herein provided under the heading "Section Seven: Compensation Governance – Director Compensation".

"**Outside Date**" means November 10, 2017.

"**Participating Entitled Shareholders**" means Entitled Shareholders who participate in the Arrangement and acquire Receipts pursuant to the terms thereof.

"**Paulson**" means PFR Gold Master Fund Ltd.

"**Plan of Arrangement**" means the plan of arrangement of Eco Oro, substantially in the form of Appendix "D" hereto, and any amendments or variations to such plan of arrangement.

"***Pro Rata Share***" means:

(a) in respect of Basic Receipts, the number determined by dividing (x) the number of Shares held by a Qualified Shareholder on the Record Date by (y) the total number of Shares held by Entitled Shareholders on the Record Date; and

(b) in respect of Additional Receipts, the number determined by dividing (x) the number of Shares held by a Qualified Shareholder on the Record Date that duly exercises the Additional Subscription Privilege by (y) the total number of Shares held by all Qualified Shareholders on the Record Date that have duly exercised the Additional Subscription Privilege.

"**Qualified Jurisdictions**" means the provinces and territories of Canada.

"**Qualified Shareholder**" means an Entitled Shareholder who is either (i) resident in a Qualified Jurisdiction or (ii) an Approved Shareholder.

"**Quantum**" means Quantum Advisory Partners LLP.

"**Receipt**" means a written confirmation to be issued by the Custodian evidencing proof of purchase of an Interest in the Custody CVRs.

"**Record Date**" means the close of business on August 11, 2017.

"**Register**" has the meaning herein provided under the heading "Section Five: The Arrangement – The Custodian and the Custodian Agreement".

"**Registered Shareholder**" has the meaning herein provided under the heading "Section One: Proxy-Related Matters – Information for Registered Owners of Shares".

"**Requisitioned Meeting**" has the meaning herein provided under the heading "Section Three: Matters to be Voted On at the Meeting".

"**Right**" means a non-transferable right to acquire an Interest in the Custody CVRs.

"**Rights Agency and Custodial Agreement**" means a rights agency and custodial agreement between the Company and the Agent dated September 12, 2017.

"**Rights Holder**" means shareholder that holds a Right.

"**Security Agreements**" means the Colombian law governed security agreements and such other security agreements, charges, pledges and assignments as the Custodian may reasonably require.

"**Security Confirmation**" means the confirmation to be executed by the Company in connection with the Arrangement in relation to the security documents outlined in the Security Sharing Agreement.

"**Security Sharing Agreement**" means the security sharing agreement dated November 9, 2016 among the CVR Holders.

"**Security Sharing Agreement Amendment**" has the meaning herein provided under the heading "Section Three: Matters to be Voted On at the Meeting – 7. Amendments to Material Agreements – A. Investment Agreement Amendment and Security Sharing Agreement Amendment".

"**Security Sharing Agreement Amendment and Joinder**" means the agreement titled as such to be entered into among the CVR Holders and the Custodian and acknowledged and consented to by the Company.

"**Settlement**" means the completion of the transactions contemplated by the Settlement Agreement.

"**Settlement Agreement**" means the settlement agreement dated July 31, 2017 and amended and restated on September 11, 2017, entered into between the Company and certain of its shareholders representing approximately 66.3% of the issued and outstanding Shares entitled to vote at the Meeting, including the Shareholder Group providing for, among other things, the calling of the Meeting and settlement of the Litigation.

"**Settlement Resolutions**" has the meaning herein provided under the heading "Section Two: Background Information and Reasons for the Settlement – Summary of the Settlement Agreement – The Meeting and the Settlement Resolutions".

"**Settlement Shareholders**" means those Shareholders (as such term is defined in the Settlement Agreement) who are party to the Settlement Agreement.

"**Settlement Parties**" means the parties to the Settlement Agreement, and each, a "**Settlement Party**".

"**Shares**" means common shares in the capital of the Company.

"**shareholders**" means the holders of Shares.

"**Shareholder Group**" means, collectively, Harrington and Ms. Wolfe.

"**Shareholder Group Nominees**" means Ms. Wolfe and Mr. McRae or any replacements thereof nominated by the Shareholder Group in accordance with the Settlement Agreement.

"**Subscription Deadline**" means 5:00 p.m. (Toronto time) on October 4, 2017.

"**Subscription Form**" means the BLUE form for Registered Shareholders and the GREEN form for Non-Registered Shareholders to be completed by Qualified Shareholders in order to exercise their Rights and participate in the Basic Subscription Right and (if applicable) the Additional Subscription Privilege.

"**Subscription Funds**" means any and all monies deposited with the Agent by the Qualified Shareholders for the purchase of an Interest in the Custody CVRs under the Basic Subscription Right and Additional Subscription Privilege, which monies must be in the form of a certified cheque or bank draft payable to the Agent.

"**TICAF**" means Tenor International & Commercial Arbitration Fund.

"**Tenor**" means Tenor Capital Management Company, L.P.

"**Tenor Nominees**" means Mr. Kay and Ms. Stylianides or any replacements thereof nominated by Tenor in accordance with the Settlement Agreement.

"**Transferred CVRs**" means in respect of each CVR Holder, the CVRs to be transferred by such CVR Holder to the Company pursuant to the Plan of Arrangement, which CVRs shall represent an entitlement, expressed as a percentage, to the gross amount of the Claim Proceeds calculated pursuant to the terms of the Plan of Arrangement.

"**Trexs**" means Trexs Investments, LLC, an entity managed by Tenor.

"**TSX**" means the Toronto Stock Exchange.

"**VIF**" means a voting instruction form.

"**Waiver**" has the meaning herein provided under the heading "Section Two: Background Information and Reasons for the Settlement – Summary of the Settlement Agreement – Covenants".

"**Waiver Termination Date**" has the meaning herein provided under the heading "Section Two: Background Information and Reasons for the Settlement – Summary of the Settlement Agreement – Covenants".

SUMMARY

The following is a summary of certain information contained elsewhere in this Circular, including the Appendices hereto, and is provided for convenience only and is qualified in its entirety by reference to the more complete and detailed information contained or referred to elsewhere in this Circular, the Appendices hereto and under the Company's profile on SEDAR at www.sedar.com.

THE MEETING

Details of the Meeting

The Meeting will be held at the offices of Norton Rose Fulbright Canada LLP, located at Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario M5J 2Z4, on Tuesday, October 10, 2017 at 10:00 a.m. (Toronto time) for the purposes set forth in the accompanying Notice of Meeting.

The Meeting constitutes the Company's annual general meeting of the shareholders and the Requisitioned Meeting. At the Meeting, shareholders will be asked to vote on the Settlement Resolutions, including among others, the Arrangement Resolution, the full text of which is set out in Appendix "A", and certain other resolutions that come before the Meeting. See "Section Three: Matters to be Voted On at the Meeting".

Record Date

The Record Date for determining the shareholders entitled to receive notice of and to vote at the Meeting is the close of business on August 11, 2017.

See "Section One: Proxy-Related Matters" for information on how to vote your proxy at the Meeting.

BACKGROUND TO THE SETTLEMENT

The Company and certain concerned shareholders have been involved in civil and regulatory proceedings primarily related to the refinancing transactions undertaken by the Company in 2016 involving Trexs and certain other shareholders, including the issuance of CVRs and Notes by the Company pursuant to those transactions. Responding to these proceedings has required the commitment of significant corporate resources and caused the Company to incur substantial expense. The Company and the concerned shareholders agreed that there is a commonality of interest in reducing the expenses related to the prosecution and defence of these proceedings and have agreed to propose the Settlement.

Accordingly, effective as of July 31, 2017, the Company and certain of its shareholders representing approximately 66.3% of the issued and outstanding Shares entitled to vote at the Meeting, including the Shareholder Group, entered into the Settlement Agreement that provides, among other things, the calling of the Meeting and the resolution of all pending Litigation. The Settlement Agreement was amended and restated on September 11, 2017, removing, *inter alia*, any reference made to the previously proposed amendment of the Notes.

The transactions contemplated by the Settlement Agreement will, upon their implementation, resolve all outstanding Litigation relating to, among other things, the Company's composition of the Board of Directors, the investments by Trexs and others and the Meeting. In addition, Trexs has provided a temporary waiver of all existing defaults and events of default under the relevant Investment Transaction Documents, which waiver will become permanent upon completion of the Settlement.

The Settlement Agreement provides for the following, *inter alia*:

1. *New Board:* The existing Board of Directors was reconfigured to consist of five (5) members, comprising of two (2) Tenor Nominees (David Kay and Anna Stylianides), two (2) Shareholder Group Nominees (Courtenay Wolfe and Peter McRae) and one (1) Independent Director nominee (Lawrence Haber). Former members of the Board of Directors, Hubert Marleau, Derrick Weyrauch and Kevin O'Halloran, resigned on July 31, 2017. Mr. Kay and Ms. Wolfe each carry the title of "Co-Executive Chair" of the Company.

2. *The Meeting:* The Meeting also constitutes the Requisitioned Meeting and shareholders will be asked to vote on the Settlement Resolutions, including the cross-conditional Conditional Resolutions, as described herein under the heading "Summary of the Settlement Agreement – The Meeting and Settlement Resolutions".

3. *Certain Covenants:* The covenants agreed to under the Settlement Agreement include, among others, (a) the Company covenanted that they believe that future financings (equity, debt or otherwise), including but not limited to the Financing, should, if possible, be structured to enable all shareholders to participate on a *pro rata* basis (subject to the fiduciary duties of the Board of Directors), (b) the Settlement Shareholders covenanted to ensure that the Board of Directors establish an Arbitration and Budget Committee (see "Section Six: Corporate Governance – Committees – Arbitration and Budget Committee"), and (c) subject to certain exceptions, the Settlement Shareholders covenanted that the Company shall not, subject to certain exceptions, enter into any related party transactions (as defined under MI 61-101) and will not incur any funded indebtedness for borrowed money. The covenants agreed to under the Settlement Agreement are more fully described under the heading "Section Two: Background Information and Reasons for the Settlement – Summary of the Settlement Agreement".

4. *Standstill:* The Settlement Parties agreed to provide certain standstill assurances which will remain in effect until following the Company's annual general meeting of shareholders in 2022.

5. *Cancellation of New Shares:* An agreement that the Conversion that occurred on March 16, 2017 and resulted in the issuance of 10,600,000 New Shares shall be rescinded as part of the Arrangement.

6. *The Arrangement:* The Settlement Shareholders agreed to support the Arrangement, which is more fully described below under the heading "Summary – The Arrangement".

7. *Stay and Termination of Litigation:* All outstanding Litigation between the Settlement Parties was adjourned and the Settlement Parties have agreed that, following the approval of all of the Settlement Resolutions at the Meeting, the Settlement Parties will consent to the dismissal of such Litigation, without costs or prejudice and have generally agreed not to commence any further litigation against one another in any jurisdiction.

See "Section Two: Background Information and Reasons for the Settlement – Summary of the Settlement Agreement" for more information.

THE ARRANGEMENT

This summary is qualified in its entirety by reference to full text of the Plan of Arrangement which is appended hereto as Appendix "D".

In accordance with the terms of the Settlement Agreement, shareholders will be asked to approve the Arrangement.

The Plan of Arrangement

Pursuant to the Arrangement, Qualified Shareholders are entitled to subscribe for non-transferrable Receipts to be issued by the Custodian evidencing an Interest in the Custody CVRs held by the Custodian. The Qualified Shareholders are entitled to subscribe for, under the Basic Subscription Privilege, their *Pro Rata Share* of the Basic Receipts and, in the event that not all Qualified Shareholders elect to exercise their Basic Subscription Right, Qualified Shareholders that fully participate in the Basic Subscription Right may elect to participate in the Additional Subscription Privilege.

As a step in the Plan of Arrangement, the Conversion will be rescinded, the New Shares will be cancelled and the Company will reinstate and reissue that portion of the Notes originally converted and that existed immediately prior to the issuance of the New Shares to the Noteholders. In addition, the May 8 Options will be terminated for no consideration.

The Arrangement Steps

Commencing at the Effective Time, the following events and transactions will occur and shall be deemed to occur in the following order in, unless otherwise stipulated, five (5) minute increments, without any further act or formality:

- each CVR Holder shall be deemed to have made its Transferred CVRs available for reallocation in accordance with the Plan of Arrangement and in connection therewith each CVR Holder shall be entitled to an amount equal to such CVR Holder's CVR Holder Amount;

- the following will occur concurrently:

    - the Rights shall be exercised;

    - each Participating Entitled Shareholder shall be entitled to its Interest in the Custody CVR to the extent they validly participated in the Basic Subscription Right and Additional Subscription Privilege and each such Participating Entitled Shareholder shall be entitled to a Receipt evidencing such fact;

    - the Company shall provide to the Custodian, for and on behalf of the Participating Entitled Shareholders, the Custody CVRs (and shall be required to furnish to the Custodian, the Custodian CVR Certificate representing the Custody CVRs);

    - the Company shall provide each CVR Holder replacement CVRs (and shall be required to furnish to each CVR Holder a replacement CVR certificate) representing the balance of their CVRs not transferred;

    - the Company will be deemed to have directed the Agent to pay the Subscription Funds owing to the Company to each CVR Holder in an amount equal to the CVR Holder Amount in full satisfaction of the Company's obligation to pay such amount to a CVR Holder for the Transferred CVRs;

    - the Subscription Funds held by the Agent in respect of the purchase price for Receipts received from the Participating Entitled Shareholders shall cease to be held by the Agent on behalf of the Participating Entitled Shareholder depositing such funds and instead shall be held by the Agent on behalf of the CVR Holders in an amount equal to their CVR Holder Amount and the balance of the Subscription Funds, representing overpayments by Entitled Shareholders, shall continue to be held by the Agent on behalf of the Entitled Shareholder depositing such Subscription Funds, which shall be refunded pursuant to the Plan of Arrangement;

- the Security Sharing Agreement Amendment and Joinder shall become effective and binding on the parties thereto and the Custodian shall hold the economic benefits of such agreement for the benefit of the holders of Receipts;

- the Conversion shall be rescinded and deemed to have been of no force or effect, the New Shares shall be cancelled and the principal amount of the Notes converted as part of the Conversion shall be reinstated in the name of the holder of each such Note, such that the Notes shall be outstanding in the principal amount of each such Note immediately prior to the Conversion and all interest shall be deemed to have accrued on full principal amount of the Notes as if the Conversion had not occurred; and

- the May 8 Options will be terminated for no consideration and shall cease to have any effect whatsoever.

The Rights

On September 8, 2017 the Company issued non-transferable Rights, on a *pro rata* basis, to each Registered Shareholder and Non-Registered Shareholder as of the Record Date. The Rights represent an entitlement to acquire an indirect interest in the economic benefit of the Claim Proceeds. Each Right will permit a Qualified Shareholder to subscribe their *Pro Rata Share* of the Basic Receipts under the Basic Subscription Right and will allow Qualified Shareholders that fully participate in the Basic Subscription Right to, under the Additional Subscription Privilege, acquire their *Pro Rata Share* of the Additional Receipts which will evidence, in aggregate, the remaining maximum number of Custody CVRs not allocated under the Basic Subscription Right.

For more information on the Rights, see "Section Five: The Arrangement – The Rights".

Only Qualified Shareholders, being Entitled Shareholders in a Qualified Jurisdiction or an Approved Shareholder, will be permitted to exercise their Rights and acquire a Receipt. A Qualified Shareholder may elect to exercise its Right in accordance with the procedures described in the Subscription Form and this Circular at any time up until 5:00 p.m. (Toronto time) on October 4, 2017.

In order to qualify to participate in the Additional Subscription Privilege, Qualified Shareholders must deposit with the Agent an amount equal to not less than 150% of the Subscription Funds owing by it under the Basic Subscription Privilege.

For more information on whether you are a Qualified Shareholder and how to exercise your Rights, see "Section Five: The Arrangement – The Rights – Terms and Conditions of the Rights" and "Section Five: The Arrangement – The Rights – Exercise Procedure for the Rights".

The Receipts

The Receipt will evidence a Participating Entitled Shareholder's Interest in the Custody CVRs. Holders of Receipts are not entitled to become registered holders of Custody CVRs and will hold their Interest in the Custody CVRs solely through a Receipt. The Custody CVRs will be held by the Custodian pursuant to the Custodian Agreement. The rights of Participating Entitled Shareholders to the economic benefit under the Claim Proceedings will be limited to their Interest in the Custody CVRs pursuant to the terms of the Custodian Agreement. The receipts are non-transferable. Holders of Receipts will not receive and are not entitled to request a physical certificate evidencing such Receipts.

For more information on the Receipts, see "Section Five: The Arrangement – The Receipts".

The Contingent Value Rights (CVRs)

Each CVR represents the right to a specified percentage of the gross amount of the Claim Proceeds. Participating Entitled Shareholders will have an Interest in the Custody CVRs which Custody CVRs will be evidenced by the Custodian CVR Certificate. The Custodian CVR Certificate will be registered in the name of the Custodian and held for and on behalf of the Participating Entitled Shareholders, pursuant to the Custodian Agreement. Pursuant to the Custodian CVR Certificate, the Company will make certain representations, warranties and covenants to and in favour of the Custodian, the details of which are summarized under the heading "Section Five: The Arrangement – Contingent Value Rights (CVRs)".

The obligations of the Company in respect of the CVRs are secured against substantially all of the assets of the Company.

Prior to any distribution of any and all Claim Proceeds, the Company will calculate the Contingent Value Rights Amount and submit a Distribution Statement, which will conform to a descending order of payments for the distribution of the Claim Proceeds.

For more information on the CVRs and the Custodian Agreement, see "Section Five: The Arrangement – Contingent Value Rights (CVRs)".

Procedure for the Arrangement to Become Effective

Pursuant to the Settlement Agreement, shareholders will be asked at the Meeting to consider and, if deemed appropriate, approve the Arrangement Resolution. The Interim Order provides that the Arrangement Resolution will require the affirmative vote of at least 66 2/3% of the votes cast by shareholders present in person or represented by proxy and entitled to vote at the Meeting, with each shareholder entitled to one (1) vote for each Share held on the Record Date.

If the Arrangement Resolution is approved at the Meeting and the other conditions to the Arrangement are met, the Company intends to promptly seek the Final Order and implement the Arrangement.

Court Approval

A plan of arrangement under the BCBCA requires Court approval. On September 12, 2017, the Company obtained an Interim Order from the Court authorizing and directing the Company to call, hold and conduct the Meeting and to submit the Arrangement to the shareholders for approval. The Company has filed a Notice of Hearing of Petition for the Final Order to approve the Arrangement. Subject to the terms of the Settlement Agreement and approval of the Arrangement Resolution by shareholders at the Meeting in the manner required by the Interim Order, the Company will make an application to the Court for the Final Order on October 12, 2017. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit.

Copies of the Interim Order and the Notice of Hearing of Petition for the Final Order are attached as Appendices "B" and "C", respectively, to this Circular.

Timing

Subject to attaining the requisite approvals specified in this Circular, the Company currently expects the Effective Date to occur in October, 2017, however it is not possible to determine with certainty when or if the Effective Date will occur.

The Settlement Agreement may be terminated in certain circumstances, see "Section Two: Background Information and Reasons for the Settlement – Summary of the Settlement Agreement – The Meeting and the Settlement Resolutions". The Settlement Agreement provides that, if (i) any of the Settlement

Resolutions are not approved at the Meeting or in any event by the Outside Date, or (ii) the Financing is not approved by the New Board (including each of the Tenor Nominees) by November 30, 2017, then each of the Shareholder Group Nominees and the Independent Director shall be deemed to have immediately resigned and the Settlement Agreement shall terminate. However, in the case of clause (i) above only, if such failure results from delays in obtaining all required regulatory approvals that are beyond the control of the Company in certain circumstances, then the Company may continue to attempt to obtain such regulatory approvals until December 31, 2017, following which the resignations shall be deemed to occur.

RISK FACTORS

The following risk factors should be carefully considered by shareholders in evaluating whether to approve the Settlement Resolutions and should be considered in conjunction with the information contained in this Circular:

Risks Related to the Company

- Shareholders should carefully consider the risks described in the Company's management discussion and analysis and the 2017 AIF, which is filed under the Company's profile on SEDAR at www.sedar.com.

Risks Related to the Settlement Agreement and the Arrangement

- Completion of the Settlement is subject to a number of conditions precedent, including obtaining the requisite shareholder approval of the cross-conditional Conditional Resolutions and the granting of the Final Order;

- The Company is at risk of being delisted from the TSX and may seek a listing of its Shares on another recognized stock exchange in Canada;

- Completion of the Settlement may not be on the terms as described in this Circular and completion of the Arrangement may be delayed and Qualified Shareholders may have to wait longer than expected to received their Interest in the Custody CVRs;

- If the Settlement is not completed, the outstanding Litigation involving the parties will resume, placing significant financial and management burdens on the Company in connection with its prosecution and defence;

- Any delay or deferral of the requisite regulatory approvals related to the Arrangement could adversely affect the business and operations of the Company, regardless of whether the Settlement is ultimately completed;

- The market price of the Shares may decline;

- Certain shareholders, directors and officers may have interests in the Settlement that are different from other shareholders; and

- The Arrangement may have adverse tax consequences for shareholders and no tax advice or opinion whatsoever is being provided in this Circular.

Risks Related to the Custody CVRs, Receipt and Rights

- Holders of Receipts may never receive Claim Proceeds as the payout of Claim Proceeds is dependent on the satisfaction of certain payout conditions;

- Qualified Shareholders who agree to participate in the Additional Subscription Privilege may be required to subscribe and pay for more than they anticipate if fewer than expected Qualified Shareholders exercise the Basic Subscription Right or Additional Subscription Privilege. Without knowing how many Qualified Shareholders will subscribe for Receipts under the Basic Subscription Rights and/or the Additional Subscription Privilege, the Company is unable to determine the applicable *Pro Rata Share* of Additional Receipts for each Qualified Shareholder participating in the Additional Subscription Privilege. Depending on these factors, a Qualified Shareholder agreeing to participate in the Additional Subscription Privilege may be required to subscribe and pay for all of the Receipts owed to a maximum of US$1,110,000;

- Qualified Shareholders must act promptly to ensure that all required forms and payments, including any deficit payments related to the exercise of the Additional Subscription Privilege, are actually received by the Agent pursuant to the terms of the Subscription Form;

- The Canadian federal income tax consequences to a shareholder in respect of the receipt of the Receipts and an Interest in the Custody CVRs and the reporting of amounts in respect thereof are not entirely clear and therefore, Qualified Shareholders are urged to consult their own tax advisors;

- The Receipts and Interests in the Custody CVRs are not transferable;

- If the Company does not comply with the terms of the CVRs, the Company could be required to repay the full unpaid balance of the obligations under the CVRs and the Company can provide no assurance that additional funding would be available to it to pay such obligations or if such financing is available that it will be available on terms favourable to the Company; and

- The Custodian will have no direct obligation whatsoever to indemnify Trexs under the Security Sharing Agreement and instead, pursuant to the Custodian Agreement and the Security Sharing Agreement Amendment and Joinder, each of the Participating Entitled Shareholders shall be directly and personally (severally on a *pro rata* basis based on its entitlement to receive Claim Proceeds) responsible for, and by completing a Subscription Form will have agreed to, any such indemnity under the Security Sharing Agreement. It is important for Participating Entitled Shareholders to review the terms of the Custodian Agreement in its entirety, the form of which is available under the Company's profile on SEDAR at www.sedar.com.

See "Section Two: Background Information and Reasons for the Settlement – Risk Factors" for more information.

RECOMMENDATION OF THE BOARD OF DIRECTORS

After consulting its legal advisors, and after careful consideration of the terms of the Settlement Agreement and the transactions contemplated thereby, the Board of Directors (as constituted prior to the appointment of the New Board) unanimously (both with Mr. Kay and Ms. Stylianides abstaining from voting and with Mr. Kay and Ms. Stylianides voting) determined that the Settlement Agreement and the transactions contemplated thereby are in the best interests of the Company. The New Board has also determined that the Settlement Agreement and the transactions contemplated thereby are in the best interests of the Company.

The Board of Directors recommends that the shareholders vote FOR each of the Settlement Resolutions.

Reasons for the Recommendation of the Board of Directors

In evaluating and entering into the Settlement Agreement and in making their unanimous (both with Mr. Kay and Ms. Stylianides abstaining from voting and with Mr. Kay and Ms. Stylianides voting) recommendation that the shareholders vote in favour of the Settlement Resolutions, the Board of Directors (as constituted prior to the appointment of the New Board) considered and relied upon a number of factors, including the following, *inter alia*:

Procedural Fairness

- The Arrangement is the result of arm's-length negotiations between parties adverse in interest who represented a significant number of shareholders with divergent views;

- The transactions contemplated under the Settlement Agreement will only be completed if all of the Settlement Resolutions are approved by the shareholders at the Meeting;

- In order for shareholders to form a reasoned judgment with respect to the matters to be voted on at the Meeting, they will be provided with Meeting Materials that contain sufficient disclosure on the Settlement Agreement and the transactions contemplated thereby; and

- If the requisite shareholder approval of the Settlement Resolutions is obtained, completion of the Arrangement will be subject to judicial determination as to its substantive and procedural fairness.

Substantive Fairness

- Under the terms of the Arrangement, shareholders will have the opportunity to obtain the economic benefit of any award in the Claim Proceedings, similar to the CVR Holders;

- The Board of Directors (as constituted prior to the appointment of the New Board) and the independent directors of the Company obtained legal advice prior to entering into the Settlement Agreement;

- Following a period of uncertainty, the Settlement Agreement contemplates the termination of all outstanding Litigation, eliminating a significant burden on the Company and period of uncertainty in connection with the prosecution and defence of the outstanding Litigation; and

- Pursuant to the Settlement Agreement, the Settlement Shareholders, who together hold or exercise control and direction over approximately 66.3% of the issued and outstanding Shares entitled to vote at the Meeting, have agreed to vote such Shares in favour of the Arrangement Resolution at the Meeting.

Risks

- The Board of Directors (as constituted prior to the appointment of the New Board) considered the risk of not completing the transactions contemplated under the Settlement Agreement for reasons out of the control of the Company and considered the potential adverse effect of not completing such transactions, taking into consideration the Company's business and business plan, Share price and ability to retain key talent; and

- The subscription for Receipts is subject to a number of risks, including, but not limited to, (a) no Claim Proceeds may be received as a result of unsuccessful Claim Proceedings, (b) an uncertain *Pro Rata Share* under the Additional Subscription Privilege whereby subscribers may receive more or less Receipts than anticipated once the Additional Subscription Privilege is completed, and (c) other risks associated with completing and submitting the Subscription Form appropriately.

The above noted reasons are not to be considered exhaustive and further details can be found under the heading "Section Two: Background Information and Reasons for the Settlement – Reasons for the Recommendation".

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED ON

In considering the recommendations of the Board of Directors, shareholders should be aware that, as disclosed in this Circular, certain members of the Board of Directors have interests in the Settlement or may receive benefits that may differ from, or be in addition to, the interests of the shareholders generally.

See "Section Eight: General Information – Interest of Certain Persons or Companies in Matters to be Acted On" for more information.

SECTION ONE: PROXY-RELATED MATTERS

SOLICITATION OF PROXIES

This solicitation is made on behalf of the management of the Company. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally, by telephone, internet or fax by the directors and regular employees of the Company. Kingsdale Advisors has also been retained by the Company as its strategic shareholder advisor, proxy solicitation and information agent in connection with the solicitation of proxies for the Meeting. For solicitation services provided by Kingsdale Advisors, it will receive a fee of $50,000, plus disbursements. If you have any questions, or require more information with regard to voting your proxy, please contact Kingsdale Advisors toll free in North America at 1-866-851-2484 or at 1-416-867-2272 outside of North America; or by e-mail at contactus@kingsdaleadvisors.com. All costs of the solicitation and costs incurred in the preparation and mailing of the form of proxy (in the form accompanying this Circular), Notice of Meeting, Subscription Form and this Circular will be borne by the Company.

For further information relating to Registered Shareholders and Non-Registered Shareholders, see the discussion below under the headings "Section One: Proxy-Related Matters – Information for Registered Owners of Shares" and "Section One: Proxy-Related Matters – Information for Non-Registered (Beneficial) Owners of Shares".

APPOINTMENT OF PROXIES AND VOTING INSTRUCTIONS

The individuals named in the accompanying form of proxy are directors and/or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM OR HER AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON'S OR COMPANY'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKING OUT THE TWO PRINTED NAMES OR BY COMPLETING ANOTHER FORM OF PROXY.** To be valid, a proxy must be in writing and executed by the shareholder or his or her attorney authorized in writing, unless the shareholder chooses to complete the proxy by telephone or internet as described in the enclosed proxy form. Completed proxies must be received by Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment(s) or postponement(s) thereof. Late proxies may be accepted or rejected by the Co-Chairs of the Meeting at their discretion. The Co-Chairs of the Meeting may waive or extend the proxy cut-off without notice.

INFORMATION FOR REGISTERED OWNERS OF SHARES

You are a "**Registered Shareholder**" if you hold Shares in your name and you have a share certificate or evidence of ownership under a Direct Registration System, such as a DRS advice/statement. As a Registered Shareholder, you are identified on the share register maintained by the Company's register and transfer agent, Computershare Investor Services Inc., as being a shareholder. If you are a Registered Shareholder, you may vote in person at the Meeting, you may appoint another person to represent you as proxyholder and vote your Shares at the Meeting or you may vote by mail, telephone, internet or fax. If you do not wish to attend the Meeting or do not wish to vote in person, you may complete and return the enclosed proxy in accordance with the instructions provided therein and below.

Before the official start of the Meeting on October 10, 2017, please register with the representative(s) from Computershare Investor Services Inc., which will be acting as scrutineer at the Meeting, who will be situated at a welcome table outside the room in which the Meeting will be held. Once you are registered with the scrutineer, your proxy will only be revoked and your vote will be requested and counted at the Meeting on your request to the scrutineer.

The persons named in the accompanying proxy are directors and/or officers of the Company and are nominees of management. You can choose to have management's appointee vote your Shares or you may appoint a person of your choice by striking out the printed names and inserting the desired person's name and address in the blank space provided. Please note that your vote can only be counted if the person you appointed attends the Meeting and votes on your behalf and the proxy has been properly completed and executed.

If you are able to join us in person for the Meeting and wish to vote your Shares in person, you are still encouraged to complete and return the enclosed proxy.

To be valid, the balance of the proxy must be completed, signed and delivered to:

Computershare Investor Services Inc.
Proxy Department, 100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1

Proxies must be received no later than 10:00 a.m. (Toronto time) on October 5, 2017, or, if the Meeting is adjourned or postponed, no later than 10:00 a.m. (Toronto time) on the date (excluding Saturdays, Sundays and holidays) that is 48 hours preceding the time of the adjourned or postponed Meeting. The Co-Chairs of the Meeting may waive or extend the proxy cut-off time at his/her discretion without notice.

You may also vote by any touch-tone telephone by calling toll free in Canada and U.S. at 1-866-732-VOTE (8683) or by internet at www.investorvote.com and enter your control number located on the enclosed form of proxy.

Revoking Your Proxy

If you have submitted a proxy and later wish to revoke it, you can do so by re-voting your proxy by telephone or by completing and signing a proxy bearing a later date and sending it to Computershare Investor Services Inc. Your vote must be received no later than 10:00 a.m. (Toronto time) on October 5, 2017 or, if the Meeting is adjourned or postponed, no later than 10:00 a.m. (Toronto time) on the date (excluding Saturdays, Sundays and holidays) that is 48 hours preceding the time of the adjourned or postponed Meeting. A later dated proxy automatically revokes any previously submitted proxy. You can also send a written statement indicating you wish to have your proxy revoked. This written statement must be (i) received by Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, at any time up to 10:00 a.m. (Toronto time) on the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, at which the proxy is to be used, or (ii) deposited with the Co-Chairs of the Meeting before the Meeting starts on the day of the Meeting or any adjournment(s) or postponement(s) thereof.

INFORMATION FOR NON-REGISTERED (BENEFICIAL) OWNERS OF SHARES

The Shares owned by many shareholders of the Company are not registered on the records of the Company in the beneficial shareholders' own names. Rather, such Shares are registered in the name of a bank, broker, trust company or other intermediary, or in the name of a clearing agency (referred to in this Circular as an "**intermediary**" or "**intermediaries**"). Shareholders who do not hold their Shares in their own names ("**Non-Registered Shareholders**") should note that **only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. A Non-Registered Shareholder cannot be recognized at the Meeting for the purpose of voting his or her Shares unless such holder is appointed by the applicable intermediary as a proxyholder**.

Non-Registered Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Company are referred to as "**NOBOs**". Those Non-Registered Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Company are referred to as "**OBOs**". The Company intends to pay for intermediaries to forward the

Meeting Materials to OBOs under NI 54-101 and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*.

Meeting Materials sent to Non-Registered Shareholders are accompanied by a VIF. This form is provided instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Non-Registered Shareholder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Shareholder. VIFs, whether provided by the Company or by an intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Shareholders to direct the voting of the Shares that they beneficially own. If a Non-Registered Shareholder who receives a VIF wishes to attend the Meeting or have someone else attend the Meeting on his or her behalf, then the Non-Registered Shareholder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Shareholder or his or her nominee the right to attend and vote at the Meeting.

In addition to those procedures, NI 54-101 allows a NOBO to submit to the Company or an applicable intermediary a document in writing that requests that such NOBO or its nominee be appointed as the NOBO's proxyholder. If such a request is received, the Company or the intermediary, as applicable, must arrange, without expense to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions at least 24 hours (excluding Saturdays, Sundays and holidays) prior to the time at which proxies are to be submitted for use at the Meeting; accordingly, any such request must be received by 10:00 a.m. (Toronto time) on October 5, 2017.

IF YOU ARE A NON-REGISTERED SHAREHOLDER AND WISH TO VOTE IN PERSON AT THE MEETING, PLEASE REFER TO THE INSTRUCTIONS SET OUT ON THE "REQUEST FOR VOTING INSTRUCTIONS" THAT ACCOMPANIES THIS CIRCULAR.

Revoking Voting Instructions

If you have submitted a VIF and later wish to revoke it, you can do so by re-voting your VIF by telephone or by completing and signing a VIF bearing a later date and sending it to the address set out on the VIF. Your vote must be received no later than 10:00 a.m. (Toronto time) on October 5, 2017 or, if the Meeting is adjourned or postponed, no later than 10:00 a.m. (Toronto time) on the date (excluding Saturdays, Sundays and holidays) that is 48 hours preceding the time of the adjourned or postponed Meeting. A later dated VIF automatically revokes any previously submitted VIF. You can also revoke your voting instructions by following the procedures provided by your intermediary. Your intermediary must send a written statement indicating you wish to have your voting instructions revoked. This written statement must be (i) received Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, at any time up to 10:00 a.m. (Toronto time) on the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, at which the proxy is to be used, or (ii) deposited with the Co-Chairs of the Meeting before the Meeting starts on the day of the Meeting or any adjournment(s) or postponement(s) thereof.

EXERCISE OF DISCRETION

The management representatives designated in the enclosed proxy will vote or withhold from voting your Shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with your instructions as indicated on the proxy and if you specify a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

SHARES REPRESENTED BY PROXY WILL BE VOTED FOR EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED BY THE SHAREHOLDER.

In the absence of any direction, your Shares will be voted by the management representatives as follows:

- FOR the size of the Company's number of directors to be set at five (5);
- FOR the election of the Company's nominees to the Board of Directors;
- FOR the appointment of Davidson & Company LLP as auditor of the Company;
- FOR the approval of the unallocated options to purchase Shares under the Option Plan of the Company;
- FOR the Arrangement Resolution;
- FOR the resolution approving the amendments to the Investment Agreement and the Security Sharing Agreement; and
- FOR the resolution approving the MIP Amendment.

The enclosed form of proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed as proxyholder thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the Meeting is routine and whether or not the amendment, variation or other matter that comes before the Meeting is contested.

At the time of the printing of this Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company consists of an unlimited number of Shares. As at the date hereof, the Company has 117,124,953 fully paid and non-assessable Shares issued and outstanding, each Share carrying the right to one vote. However, as a result of the OSC Order, only 106,524,953 Shares are entitled to vote at the Meeting. The Company has no other classes of voting securities.

Any shareholder of record at the close of business on August 11, 2017, who either personally attends the Meeting or who has completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have his or her Shares (other than, in accordance with the OSC Order, the New Shares) voted at the Meeting. A quorum for the transaction of business at the Meeting will consist of two or more persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or proxyholder for an absent shareholder so entitled, holding or representing in the aggregate not less than 5% of the Shares entitled to vote at the Meeting.

To the knowledge of the directors and executive officers of the Company, the only persons or companies who beneficially own, or control or direct, directly or indirectly, Shares carrying 10% or more of the voting rights attached to all outstanding Shares as at the date hereof are:

Name	No. of Shares[(1)]	Percentage of the Class[(1)]
Trexs, an entity managed by Tenor	18,355,733	15.7%
Amber Capital LP, on behalf of one or more of the funds or other discretionary client accounts managed by it	22,203,658	19.0%
Paulson & Co. Inc.	13,339,961	11.4%

Notes:
(1) Pursuant to the OSC Order, 7,747,508, 1,655,150, 1,162,126 Shares held by Trexs, Amber and Paulson, respectively, are not permitted to be voted at the Meeting and will not be voted.

SECTION TWO: BACKGROUND INFORMATION AND REASONS FOR THE SETTLEMENT

BACKGROUND TO THE SETTLEMENT

Over the past several months, the Company has been involved in both prosecuting and defending multiple complex and protracted civil and regulatory proceedings initiated in the provinces of British Columbia and Ontario involving several groups of concerned shareholders of the Company. The proceedings primarily relate to the refinancing transactions completed by the Company in 2016 involving Trexs and certain other existing shareholders as well as the CVRs and Notes issued by the Company pursuant to those transactions. These proceedings have required extensive management oversight and the dedication of significant corporate resources and have obligated the Company to retain legal counsel in multiple jurisdictions at a significant financial cost.

In early June 2017, respective legal counsel from each of the Company, the Shareholder Group and Trexs discussed the possibility of a potential resolution of the outstanding Litigation. At that point it was agreed that there was a commonality of interest amongst the parties in reducing legal expenses and management distraction and allowing the Company to focus principally on executing its business plan with a reconstituted Board of Directors. Accordingly, each of the counsel undertook to discuss with its clients, without prejudice, the possibility of achieving a potential framework within which the CVR Holders, the Company, the Shareholder Group and certain other shareholders could attempt to resolve their respective concerns.

Over the course of the next few weeks, representatives of the CVR Holders, the Shareholder Group and certain other shareholders and their respective legal counsel worked diligently at negotiating a comprehensive solution to their primary concerns.

By late June 2017, it was believed that the framework had advanced sufficiently to allow legal counsel to the Company an opportunity to provide structural input to ensure the feasibility of the framework from the Company's perspective and to ensure that the proposals being considered could reasonably be implemented by the Company in a timely manner. The Company's counsel was provided a draft of the Settlement Agreement for review on June 27, 2017.

Negotiations among all parties continued until a final settlement was reached among the parties on July 31, 2017. The Settlement Agreement was approved by the Board of Directors as it was constituted on July 31, 2017 (which consisted of Ms. Stylianides, Mr. Kay, Mr. Weyrauch, Mr. O'Hallaran, and Mr. Marleau). Mr. Kay and Ms. Stylianides declared their interest in, and abstained from voting on approval of, the Settlement Agreement. In accordance with the Settlement Agreement, Mr. O'Hallaran, Mr. Marleau and Mr. Weyrauch resigned as directors of the Company and were replaced by Ms. Wolfe, Mr. McRae and Mr. Haber.

On August 3, 2017, the New Board held their first meeting and among other things, ratified and confirmed the Settlement Agreement and the board recommendation.

The Settlement Agreement was amended and restated on September 11, 2017, removing, *inter alia*, any reference made to the previously proposed amendment of the Notes.

SUMMARY OF THE SETTLEMENT AGREEMENT

The following is a summary of certain material terms of the Settlement Agreement, a copy of which is available under the Company's profile on SEDAR at www.sedar.com. This summary does not purport to be complete and is qualified in its entirety by reference to the Settlement Agreement. Therefore, shareholders should read the Settlement Agreement carefully and in its entirety, as the rights and obligations of the Settlement Parties are governed by the Settlement Agreement and not by this summary or any other information contained in this Circular.

The Settlement Agreement contains representations and warranties made by the Settlement Parties. These representations and warranties, which are set forth in the Settlement Agreement, were made by the Settlement Parties for the purposes of the Settlement Agreement (and not to other parties such as the shareholders) and are subject to qualifications and limitations agreed to by the Settlement Parties in connection with negotiating and entering into the Settlement Agreement. In addition, these representations and warranties were made as of specified dates, and may be subject to a contractual standard of materiality different from what may be viewed as material to shareholders, or may have been used for the purpose of allocating risk between the Settlement Parties instead of establishing such matters as facts.

General

The Company entered into the Settlement Agreement with, *inter alios*, thirteen (13) shareholders representing approximately 66.3% of the issued and outstanding Shares entitled to vote at the Meeting. The transactions contemplated by the Settlement Agreement will, upon their implementation, resolve all outstanding Litigation relating to, among other things, the composition of the Board of Directors, the investments by Trexs and others and the Meeting and, in connection therewith, Trexs has provided a temporary waiver of all existing defaults and events of default under the relevant Investment Transaction Documents, which waiver will become permanent upon completion of the Settlement.

New Board

Pursuant to the Settlement Agreement, the existing Board of Directors was reconfigured to consist of two (2) Tenor Nominees (Ms. Stylianides and Mr. Kay), two (2) Shareholder Group Nominees (Ms. Wolfe and Mr. McRae) and one (1) Independent Director (Mr. Haber). In order to effect the foregoing, each of Mr. Marleau, Mr. Weyrauch and Mr. O'Halloran resigned from the Board of Directors.

In accordance with the terms of the Settlement Agreement, until the close of the Company's annual general meeting in 2022, each of the Settlement Shareholders has agreed to vote the securities of the Company which they own, or exercise control or authority over, in favour of election of the Elected Directors. Moreover, Trexs is entitled to replace a vacancy in the Tenor Nominees, Ms. Wolfe is entitled to replace a vacancy in the Shareholder Group Nominees, and the Independent Director Process will be used to replace the Independent Director in the event of a vacancy.

The Settlement Agreement also provides that, on or after July 31, 2018, the Tenor Nominees may choose from the Elected Directors (with the consent of such director), a director to act as an "Executive Director", provided that such title will not carry with it any additional powers, duties or responsibilities and such designation alone shall not make such person an officer or employee of the Company.

The Meeting and the Settlement Resolutions

The Settlement Agreement provides that the Meeting, which also constitutes the Requisitioned Meeting, will be held by October 10, 2017. The Settlement Agreement also provides that the record date for the Meeting must be no later than August 14, 2017. The Record Date has been set for August 11, 2017. In accordance with the Settlement Agreement, the Meeting will be co-chaired by Mr. Kay and Ms. Wolfe and Mr. Kay will act as the designated management proxyholder (or failing him, Ms. Wolfe).

At the Meeting, shareholders will be asked to vote on resolutions approving the following matters (each of the following collectively constituting, the "**Settlement Resolutions**", and each of (a), (b), (e), (f) and (g) collectively constituting, the "**Conditional Resolutions**"):

(a) setting the number of directors at five (5), the approval of which is conditional on the approval of the resolutions in subsections (b), (e), (f) and (g) also being approved;

(b) electing the Elected Directors as directors of the Company, the approval of which is conditional on the approval of the resolutions in subsections (a), (e), (f) and (g) also being approved;

(c) appointing the auditors of the Company;

(d) approving the unallocated options to purchase Shares under the Option Plan;

(e) approving the Arrangement, the approval of which is conditional on the resolutions in subsections (a), (b), (f) and (g) being approved;

(f) approving the Investment Agreement Amendment and the Security Sharing Agreement Amendment, the approval of which is conditional on the resolutions in subsections (a), (b), (e) and (g) being approved; and

(g) approving the MIP Amendment, the approval of which is conditional on the resolutions in subsections (a), (b), (e) and (f) being approved.

Pursuant to the Settlement Agreement, the Company has agreed to take any and all reasonable steps necessary and advisable to (i) recommend to the Company's shareholders that the shareholders vote in favour of the election of the Elected Directors and all of the other Settlement Resolutions; (ii) obtain all necessary regulatory approvals in order to give effect to the Settlement Resolutions; and (iii) cause all proxies received by the Company to be voted in the manner specified by such proxies. Each Settlement Shareholder, for its part, has agreed that it will not option, sell, transfer, pledge, encumber, grant a security interest in, hypothecate or otherwise convey any of its Shares prior to the Meeting if doing so would prevent the Shares from being voted in accordance with the requirements of the Settlement Agreement. Each Settlement Shareholder has also agreed to deliver duly executed proxies directing the holder of such proxies to vote in favour of each of the Settlement Resolutions at the Meeting.

The Settlement Agreement provides that, if (i) any of the Settlement Resolutions are not approved at the Meeting or in any event by the Outside Date, or (ii) a financing of no more than US$6.5 million (the "**Financing**") is not approved by the New Board (including each of the Tenor Nominees) by November 30, 2017, then each of the Shareholder Group Nominees and the Independent Director shall be deemed to have immediately resigned and the Settlement Agreement shall terminate. However, in the case of clause (i) above only, if such failure results from delays in obtaining all required regulatory approvals that are beyond the control of the Company in certain circumstances, then the Company may continue to attempt to obtain such regulatory approvals until December 31, 2017, following which the resignations shall be deemed to occur. Furthermore, if any of the Company or the CVR Holders are found to have directly breached the terms of the Settlement Agreement, such resignations shall be deemed to have occurred unless such breach has actually been proven and judicially determined by a court within a four (4) week period commencing on the date that the good faith allegation of such breach is first made. Accordingly, the Settlement Agreement provides that the Shareholder Group Nominees and the Independent Director shall not be deemed to have resigned and no resignation shall be effective for a period of four (4) weeks from the date that the good faith allegation of such breach is first made, provided that (i) such good faith allegation must be made (in writing) prior to the date that the Shareholder Group Nominees and the Independent Director would otherwise be required to resign from the New Board, and (ii) the Company, the Shareholder Group, the Shareholder Group Nominees or the Independent Director, as applicable, has actually commenced, in good faith, legal proceedings for a judicial determination that the Company or a CVR Holder has committed such a direct breach of the Settlement Agreement that remains uncured. The Settlement Agreement also provides, however, that regardless of the status of any legal proceeding in respect of a good faith allegation of a direct breach of the Settlement Agreement, at the end of any such four (4) week period as described in the preceding sentence, the Shareholder Group Nominees and the Independent Director shall be deemed to have immediately resigned unless there has been a judicial determination and finding within such time of a direct breach of the Settlement Agreement.

Covenants

The Settlement Agreement also set out a number of covenants, including:

- each of Ms. Stylianides, Mr. Robertson, Mr. Marleau, Mr. Moseley-Williams, Mr. Weyrauch and Mr. O'Halloran has agreed not to exercise any of the May 8 Options until following the Meeting and that upon approval of all Settlement Resolutions at the Meeting, the May 8 Options will terminate and have no effect;

- the Company and the New Board covenanted that they believe that future financings (equity, debt or otherwise), including but not limited to the Financing, should, if possible, be structured to enable all shareholders to participate on a *pro rata* basis. Notwithstanding the foregoing, nothing in the Settlement Agreement is intended to prevent the exercise of the fiduciary duties of the directors;

- the Company will pay all incurred fees and expenses of Trexs, Cassels Brock & Blackwell LLP, Norton Rose Fulbright Canada LLP and Blake, Cassels & Graydon LLP;

- the CVR Holders, or Trexs on their behalf, will deliver a temporary waiver (the "**Waiver**") of any and all breaches by the Company under any of the Investment Transaction Documents which occurred prior to the date of the Settlement Agreement or which may occur from the date of the Settlement Agreement until the earliest of (i) the implementation of the Proposed Arrangement, (ii) the Outside Date (or December 31, 2017 if such date becomes applicable pursuant to section 10 of the Settlement Agreement) or (iii) the date of termination of the Settlement Agreement (the earliest of such dates being the "**Waiver Termination Date**"). The temporary waiver automatically becomes a permanent waiver of the Initial Defaults (as defined in the Settlement Agreement) if the Waiver Termination Date occurs as a result of the occurrence of clause (i). Nothing in the Waiver prohibits or restricts Trexs in any way from exercising any and all rights and remedies available to it in respect of any breaches or defaults by the Company under the Investment Transaction Documents which may occur after the Waiver Termination Date; and

- the Settlement Shareholders covenanted to ensure that: (i) the number of directors of the Company shall be five (5); (ii) each of Mr. Kay and Ms. Wolfe be named "Co-Executive Chair" of the Company; (iii) the Arbitration and Budget Committee will be established (the initial members of which are Mr. Kay and Ms. Wolfe); (iv) the New Board will pass a resolution retaining new independent Canadian corporate counsel following implementation of the Settlement Agreement; (v) the Company and the Elected Directors will strictly comply with the Investment Transaction Documents, the Security Sharing Agreement, and any amendments thereto; (vi) the Company and the Elected Directors will comply with the amended MIP and will not seek to convert any debt or other securities except by unanimous resolution of the Elected Directors; (vi) the Company shall not, subject to certain exceptions, enter into any related party transactions (as defined under MI 61-101) and will not incur any funded indebtedness for borrowed money; (vii) McMillan LLP, Cassels, Brock & Blackwell LLP and Farris Vaughan Wills & Murphy LLP will be counsel to the Shareholder Group, Trexs and Amber/Paulson, respectively, in connection with the Meeting, the Arrangement and future financings; and (viii) all reasonable and documented fees of McMillan LLP, Cassels, Brock & Blackwell LLP and Farris Vaughan Wills & Murphy LLP for such services will be paid by the Company within five (5) days of presentation of invoices.

Standstill

The Settlement Agreement contains standstill assurances that remain in effect until following the Company's annual general meeting of shareholders to be held in 2022 which prohibit each of the Settlement Parties from: (i) voting their Shares in a manner inconsistent with the Settlement Agreement; (ii) requisitioning, alone or together with others, a meeting of shareholders of the Company for the purpose of replacing the Board of Directors or for any purpose inconsistent with the Settlement

Agreement; (iii) participating in the solicitation of proxies to vote, or influence any other person to vote, any Shares in a manner inconsistent with the Settlement Agreement; (iv) seeking, alone or together with others, to control the management, Board of Directors or corporate policies of the Company except in accordance with the Settlement Agreement; (v) except as permitted under the terms of the Investment Transaction Documents, as amended, seeking, alone or together with others, to provide financing or support any effort by a third party to provide financing, whether debt or equity, to the Company; (vi) interfering with, challenging the legality, enforceability or otherwise seeking to undo or unwind the Investment Transaction Documents, as amended; (vii) taking steps to interfere with the Company's prosecution of the Claim Proceedings; (viii) participating in any transaction involving the acquisition of all or material portion of the assets of the Company (including the Claim Proceedings); (ix) taking steps to change current arbitration counsel; or (x) publicly announcing an intention to any of the foregoing. The standstill provisions of the Settlement Agreement are subject to an overall ability of a director or officer of the Company to exercise his or her fiduciary obligations as a director or officer of the Company.

Cancellation of New Shares

In accordance with the Settlement Agreement, each of the Company, Amber, Paulson, Ms. Stylianides and Trexs has agreed to take such steps as are required to rescind the Conversion that occurred on March 16, 2017. Accordingly, as a step in the Arrangement, the Conversion shall be rescinded and deemed to have been of no force or effect, the New Shares shall be cancelled and the principal amount of the Notes converted as part of the Conversion shall be reinstated in the name of the holder of each such Note.

The Arrangement

Pursuant to the Settlement Agreement, the CVR Holders have agreed to support the Arrangement that will result in (i) up to 17.17% of the currently outstanding CVRs, and (ii) new CVRs representing 2% of the Claim Proceeds, being made available to shareholders on the Record Date (other than CVR Holders) at a price payable in cash equal to the original subscription price paid for the CVRs on November 9, 2016 (or US$1,110,000.00 in the aggregate). The Arrangement will be a plan of arrangement under the BCBCA that will allow Qualified Shareholders to subscribe for non-transferable Receipts to be issued by the Custodian evidencing an Interest in the Custody CVRs held by the Custodian. The Settlement Agreement contemplates a subscription process that will be made available to Qualified Shareholders to subscribe for their *pro rata* portion of the Custody CVRs, including an Additional Subscription Privilege in the event that not all Qualified Shareholders elect to exercise their Basic Subscription Right. Such subscriptions will be satisfied first by the Company 2% CVRs and then by the Existing CVRs. In the event that all the Existing CVRs are not acquired, the CVR Holders will retain a *pro rata* share of the unsubscribed CVRs based on the Interest in the Custody CVRs agreed to be disposed of by each CVR Holder. In the event that all the Custody CVRs are acquired, Participating Entitled Shareholders will hold CVRs representing approximately 14.1% of the Claim Proceedings.

The Settlement Agreement provides that the Company will use its reasonable commercial efforts to give effect to the Arrangement by applying for an Interim Order of the Court and presenting the Arrangement for approval by the shareholders at the Meeting. The Company has agreed to be responsible for all costs incurred in connection with the Arrangement (including annual costs for the Custodian of up to $25,000).

For more information on the Arrangement and the steps of the Plan of Arrangement, see "Section Five: The Arrangement".

Amendment to Investment Transaction Documents

Pursuant to the Settlement Agreement, all terms of the Investment Agreement, CVR Certificates and Notes remain in force subject to the Investment Agreement Amendment and the Security Sharing Agreement Amendment, and each of the Settlement Parties has agreed that the ability of the Company to convert the CVRs issued by the Company has expired.

For more information regarding the Investment Agreement Amendment and the Security Sharing Agreement Amendment, see "Section Three: Matters to be Voted On at the Meeting – 7. Amendments to Material Agreements".

Press Release

In accordance with the Settlement Agreement, a press release, in a form accepted by the Settlement Parties, was issued on August 1, 2017. Further public announcements regarding the Settlement Agreements are subject to a review protocol as set forth in the Settlement Agreement.

Stay and Termination of Litigation

In accordance with the Settlement Agreement, all outstanding Litigation between the Settlement Parties has been adjourned and the Settlement Parties have generally agreed not to commence any further litigation against one another in any jurisdiction. The Settlement Parties have agreed that following the approval of all of the Settlement Resolutions at the Meeting, they will consent to the dismissal of such Litigation, without costs or prejudice.

Miscellaneous

The Settlement Agreement also provides that:

- each Settlement Party (other than Mr. Haber, Mr. McRae and Mr. Robertson) will execute a full and final mutual release (which will be held in escrow pending confirmation that the Litigation has been terminated following the completion of the Meeting);

- each Settlement Party will execute a non-disparagement covenant agreeing not to make any adverse, negative or disparaging statements regarding any other Settlement Party, the Litigation or the Requisitioned Meeting;

- the New Board will make a payment to McMillan LLP, in trust, to reimburse the Shareholder Group, Rocco Meliambro, Philip, J. Meliambro, Cathy Wolfe, Susan Milton and Donata Pica for legal fees and expenses in connection with the Requisitioned Meeting and all Litigation. The amounts paid will be held by McMillan LLP, in trust, and will be paid out on the earlier of: (i) the approval of all Settlement Resolutions at the Meeting; and (ii) a judicial determination of a breach (which has not been cured within ten (10) days of notice) by any of the CVR Holders, Mr. Kay, Mr. Marleau, Mr. Weyrauch or Mr. O'Halloran of any of their respective obligations under the Settlement Agreement; and

- the Company will pay all fees and expenses incurred by a petitioning party in connection with any determination that any of the Company, a CVR Holder, Mr. Kay, Mr. Marleau, Mr. Weyrauch or O'Halloran has directly breached the Settlement Agreement.

RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board of Directors (as constituted prior to the appointment of the New Board), having undertaken a review of, and having carefully considered, the terms of the Settlement Agreement and the transactions contemplated thereby, including the independence requirements for the New Board, the comprehensive settlement of all of the outstanding litigation, and the terms of the proposed Arrangement, and weighing it against the alternative of not implementing a comprehensive solution to all of the outstanding proceedings and other issues relating to the Company, and after consulting with its legal advisors, has unanimously determined (both with Mr. Kay and Ms. Stylianides abstaining from voting and with Mr. Kay and Ms. Stylianides voting) that the Settlement Agreement and the related transactions are in the best interests of the Company (considering the interests of all affected stakeholders). Accordingly, the Board of Directors

(both as constituted before and after the appointment of the New Board) recommends that shareholders vote in favour of the Settlement Resolutions.

REASONS FOR THE RECOMMENDATION

In its review of the Settlement Agreement and the transactions contemplated thereby, and its determination that entering into the Settlement Agreement was in the best interests of the Company, the Board of Directors (as constituted prior to the appointment of the New Board) considered issues of procedural fairness and issues of substantive fairness. In making its determination, the Board of Directors concluded that, in its judgment, on balance, the positive procedural and substantive factors outweighed any negative factors, as further outlined below. The Board of Directors (as constituted prior to the appointment of the New Board) based their recommendation that shareholders vote in favour of the Settlement Resolutions upon the totality of the information presented to and considered by it in light of their knowledge of the business, financial condition and prospects of the Company after taking into account the advice of their legal advisors and the input of management of the Company.

The following summary of the information and factors considered by the Board of Directors (as constituted prior to the appointment of the New Board) is not intended to be exhaustive, but includes a summary of the material information and factors taken into account in the consideration of the Settlement Agreement and the transactions contemplated thereby. In view of the variety of factors and the amount of information taken into account in consideration of the Settlement Agreement and the transactions contemplated thereby, the Board of Directors (as constituted prior to the appointment of the New Board) did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching its conclusions and recommendations.

The full Board of Directors (as constituted prior to the appointment of the New Board) was present at the August 1, 2017 meeting of the Board of Directors at which the decision to enter into the Settlement Agreement was re-confirmed and the Board of Directors (as constituted prior to the appointment of the New Board) was unanimous (subject to Mr. Kay and Ms. Stylianides abstaining) in its recommendation to the shareholders to vote in favour of the transactions contemplated by the Settlement Agreement.

Procedural Fairness

In respect of the issues of procedural fairness, the Board of Directors (as constituted prior to the appointment of the New Board) considered the following factors:

- *Arm's Length Negotiations*. The Arrangement is the result of arm's-length negotiations between parties adverse in interest who represented a significant number of shareholders with divergent views.

- *Shareholder Approval*. The Settlement Agreement will only be implemented if all of the Settlement Resolutions are approved at the Meeting. The Arrangement Resolution must be approved by at least two-thirds of the votes cast by holders of Shares present in person or represented by proxy and entitled to vote at the Meeting.

- *Disclosure*. Shareholders will receive Meeting Materials containing sufficient information to permit shareholders to form a reasoned judgment concerning the matters to be voted on at the Meeting.

- *Court Approval*. Completion of the Arrangement will be subject to the important oversight of a judicial determination as to its substantive and procedural fairness at a hearing at which shareholders will be entitled to appear and make submissions.

- *Timing*. The Board of Directors believes that the Arrangement is likely to be completed in accordance with its terms and within a reasonable time. Completion of the Arrangement is currently expected to occur by October, 2017 thereby allowing Qualified Shareholders

subscribing under the Basic Subscription Right and the Additional Subscription Privilege, as applicable, to receive the Rights and Additional Rights, respectively, in a relatively short time frame.

Substantive Fairness

In respect of the issues of substantive fairness, the Board of Directors (as constituted prior to the appointment of the New Board) considered the following factors, among others:

- *Comprehensive Settlement of all Outstanding Proceedings*. Implementation of the Settlement Agreement will require all of the Settlement Parties to terminate all of the outstanding Litigation. This will eliminate a significant burden placed upon the Company in connection with the prosecution and defence of the outstanding Litigation, freeing up both financial and management resources.

- *Opportunity to Obtain the Economic Benefit of any Award in the Claim Proceedings.* Shareholders of the Company will be provided (through the Arrangement) with the opportunity to subscribe for non-transferable Receipts which will evidence an entitlement to receive an Interest in the Custody CVRs and, therefore, in the results of the Claim Proceedings. Shareholders will therefore, similar to the CVR Holders, be entitled to a portion of any Claim Proceeds.

- *Legal Advice*. The Board of Directors (as constituted prior to the appointment of the New Board) and the independent directors of the Company received advice on relevant legal considerations, including the appropriate discharge of their fiduciary duties in the context of the Settlement Agreement and the transactions contemplated thereby as well as the implications of statutory and TSX protections for minority shareholders in respect of required shareholder approvals for the transaction contemplated by the Settlement Agreement.

- *Certainty.* After a long period of uncertainty and contention, the Settlement Agreement provides the Company with certainty and will allow management to refocus its efforts on pursuing the Claim Proceedings.

- *Shareholder Support*. Pursuant to the Settlement Agreement, Settlement Shareholders who together hold or exercise control and direction over approximately 66.3% of the issued and outstanding Shares entitled to vote at the Meeting, have agreed to vote such Shares in favour of the Arrangement Resolution at the Meeting.

Risks

In the course of their deliberations, the Board of Directors (as constituted prior to the appointment of the New Board) also identified and considered a variety of risks (as described in greater detail hereunder) and potentially negative factors relating to the Settlement Agreement and related transactions, including, but not limited to, the following:

- *Risk of not completing the Settlement Agreement*. The completion of the Settlement is subject to a number of conditions precedent, some of which are outside of the control of Eco Oro, including approval of the shareholders and the granting of the Final Order.

- *Adverse effect of not completing the Settlement*. The Board of Directors considered the potential adverse effect on Eco Oro's business and business plan, share price and ability to retain key employees if the Settlement was announced but not consummated.

- *Risks and uncertainty associated with the Receipts*. The subscription for Receipts is subject to a number of risks, including, without limitation:

- that the Claim Proceedings will be unsuccessful and no Claim Proceeds will ever be received.

- that Qualified Shareholders who subscribe for Receipts under the Basic Subscription Rights and the Additional Subscription Privilege will not definitively know what their *Pro Rata Share* is until the Additional Subscription Privilege is completed and, as a consequence, may receive fewer Receipts than anticipated or be obligated to purchase more Receipts than anticipated when exercising their Additional Subscription Privilege.

- that a Qualified Shareholder may fail to complete and sign the correct Subscription Forms in a timely manner, or send an incorrect payment or otherwise fail to follow the subscription procedures and, as a result, have their Basic Subscription Right and Additional Subscription Privilege rejected by the Agent or the Company.

The Board of Directors' reasons for unanimously recommending (subject to abstentions) the Settlement Agreement and related transactions to shareholders include certain assumptions relating to forward-looking information, and such assumptions are subject to various risks as more fully described under the heading "Advisories – Cautionary Statement Regarding Forward-Looking Information".

RISK FACTORS

The following risk factors should be carefully considered by shareholders in evaluating whether to approve the Settlement Resolutions. These risk factors relate to the Company, the Settlement Agreement (including the Arrangement and the issuance of Rights and Receipts) and should be considered in conjunction with the other information contained in or incorporated by reference into this Circular. Additional risks and uncertainties, including those currently unknown to or considered immaterial by Eco Oro, may also adversely affect the Arrangement.

Risks Relating to the Company

In assessing the Arrangement, shareholders should carefully consider the risks described in the Company's management discussion and analysis and the 2017 AIF, which is available under the Company's profile on SEDAR at www.sedar.com, together with the other information contained in this Circular.

Risks Relating to the Settlement Agreement and the Arrangement

Completion of the Settlement and the Arrangement is subject to several conditions that must be satisfied or waived

The completion of the Settlement is subject to a number of conditions precedent, some of which are outside of the control of Eco Oro, including approval of all of the Settlement Resolutions by the shareholders and, in the case of the Arrangement, the granting of the Final Order. There can be no certainty, nor can Eco Oro provide any assurance, that these conditions will be satisfied or, if satisfied, that they will be satisfied on a timely basis. Moreover, a substantial delay in obtaining regulatory approvals could result in the Settlement Agreement being terminated. Each of the Conditional Resolutions is cross-conditional on the approval of the other Conditional Resolutions and therefore, if shareholders do not approve each Settlement Resolution, including each Conditional Resolution, the Settlement Agreement will terminate and the Settlement will not proceed. If the Settlement is not completed for any reason, there are risks that the announcement of the Settlement and the dedication of substantial resources of Eco Oro to the completion thereof could have a material adverse effect on the current and future operations, financial condition and prospects of Eco Oro.

There can be no certainty, nor can the Company provide any assurance, that all conditions precedent to the Settlement will be satisfied or waived, or, if satisfied or waived, when they will be satisfied or waived. If the Settlement is not completed, the market price of the Shares may be materially adversely affected.

The Company is at risk of being delisted from the TSX

On May 24, 2017, the Company received notice from the TSX advising that, pursuant to Part VII of the TSX Company Manual, the eligibility for continued listing of the Shares on the TSX was under review by the TSX as the Company, which is now focused on the Claim Proceedings, has ceased to be actively engaged in ongoing business (section 710(a)(ii)) and has discontinued or divested in a substantial portion of its operations (section 710(a)(iii)). The Company was granted 120 days to comply with all requirements for continued listing. If the Company does not demonstrate that it meets all TSX requirements set out in Part VII of the TSX Company Manual on or before September 22, 2017, the Shares will be delisted from the TSX. The Company does not intend to appeal the TSX decision and expects its Shares to be delisted from the TSX by the end of October, 2017.

The Company is considering its alternatives, including a listing on another recognized exchange in Canada. There can be no assurance that the Company will maintain its listing on the TSX or another recognized exchange. Failure to be listed on a recognized exchange may have a material adverse effect on the value of the Shares and other securities of the Company, which may be an event of default under certain of the Company's material agreements and can adversely affect the Company's ability to raise capital on favourable terms in the future.

Completion of the Settlement may not occur in time or manner expected, if at all

Even if the Settlement is completed, it may not be completed on the terms described in this Circular. In addition, completion of the Arrangement may be delayed and Qualified Shareholders may have to wait longer than expected to receive their Interest in the Custody CVRs. Furthermore, if the Settlement is not completed on the terms or schedule described in this Circular, the Company may incur additional expenses.

Failure to complete the Settlement and effect on the Litigation

If the Settlement is not completed for any reason, the outstanding Litigation will resume. This would again place a significant burden on the Company in connection with the prosecution and defence of the outstanding Litigation, limiting the Company's resources both financially and in terms of management resources.

Uncertainty surrounding the Settlement

As the Arrangement is dependent upon receipt of, among other things, certain regulatory approvals and satisfaction of certain other conditions, their completion and therefore the completion of the entire Settlement, is uncertain. Any delay or deferral of regulatory approvals could adversely affect the business and operations of the Company, regardless of whether the Settlement is ultimately completed.

The market price for the Shares may decline

If the Settlement is not completed, the market price of the Shares may decline to the extent that the current market price of the Shares reflects a market assumption that the Settlement will be completed.

In addition, the market price of the Shares could nevertheless decline if the Settlement is completed for various reasons including that shareholders may consider that better returns may be obtained through a holding in CVRs rather than Shares.

The Receipts are illiquid and non-transferable

The Receipts and the Interest in the Custody CVRs are non-transferrable, and therefore illiquid. Such illiquidity may limit the ability of Participating Eligible Shareholders to vary their investment promptly in response to changing economic or investment conditions. In addition, Participating Eligible Shareholders

may be exposed to the adverse and uncertain effects of the Claim Proceedings and they are unable to offload any economic risk related to the Receipts and the Interest in the Custody CVRs.

Certain shareholders, directors and officers may have interests in the Settlement that are different from other shareholders, directors and officers

Shareholders should be aware that certain shareholders may have interests in the Settlement that are different from other shareholders. In particular, each of Trexs, Amber, Paulson and Ms. Stylianides have an interest in rescission of the Conversion that differs from the interests of other shareholders, the CVR Holders have an interest in the Arrangement that differs from that of the Qualified Shareholders and certain directors and officers of the Company have an interest in the MIP Amendment that differs from other shareholders. See "Section Eight: General Information– Interest of Certain Persons or Companies in Matters to be Acted On".

This Circular does not provide any tax advice or opinion in respect of the Arrangement

The Arrangement may have adverse tax consequences for shareholders. No tax advice or opinion whatsoever is being provided in this Circular. Shareholders are urged to consult their own independent tax advisors with respect to the relevant tax implications of the Arrangement and for advice regarding the specific tax considerations applicable to them, including, without limitation, any associated filing requirements, in such jurisdictions.

Risks Related to the Custody CVRs, Receipts and Rights

Holders of Receipts may never receive Claim Proceeds

A payout of Claim Proceeds is dependent on the satisfaction of certain payout conditions, including that the Claim Proceedings are successful and the Company will receive Claim Proceeds. If the payout conditions are not achieved for any reason, no Claim Proceeds will be paid to holders of Receipts.

The number of Receipts that may be purchased is subject to proration

Pursuant to the Arrangement, each Right will, in addition to the Basic Subscription Right, also permit a Qualified Shareholder to subscribe for, under the Additional Subscription Privilege, a *Pro Rata Share* of the Additional Receipts representing an Interest in the Custody CVRs not allocated under the Basic Subscription Right. Without knowing how many Qualified Shareholders will subscribe for Receipts under the Basic Subscription Rights and/or the Additional Subscription Privilege, the Company is unable to determine the applicable *Pro Rata Share* of Additional Receipts for each Qualified Shareholder. A Qualified Shareholder agreeing to participate in the Additional Subscription Privilege may be required to subscribe and pay for all of the Receipts owed to a maximum of US$1,110,000.

Qualified Shareholders need to act promptly and follow subscription instructions

Qualified Shareholders who desire to subscribe for, under the Basic Subscription Right or the Additional Subscription Privilege, as applicable, a Receipt evidencing an Interest in the Custody CVRs, must act promptly to ensure that all required forms and payments are actually received by the Agent prior to the Subscription Deadline, and any permitted extension thereof. In order to qualify to participate in the Additional Subscription Privilege, Qualified Shareholders must deposit with the Agent an amount equal to at least 150% of the Subscription Funds owing by it under the Basic Subscription Privilege. Such amount may, or may not, be sufficient to satisfy the Qualified Shareholder's obligations to pay for the Additional Receipts and, if such amount is insufficient, the Qualified Shareholder participating in the Additional Subscription Privilege will be called on to fund any deficit within five (5) business days of receiving notice that additional funds are required. If Qualified Shareholders fail to complete and sign the required Subscription Forms, send an insufficient payment amount, or otherwise fail to strictly follow the subscription procedures that apply to the exercise of Rights by the Qualified Shareholder, the Agent may, depending on the circumstances, reject the subscription or accept it to the extent of the payment

received. Neither the Company nor the Agent undertakes to Qualified Shareholders concerning, or will attempt to correct, an incomplete or incorrect Subscription Form or payment. Each of the Company and the Agent has the sole and absolute discretion to determine whether an exercise of Rights properly follows the subscription procedures.

Characterization of the Receipts for Canadian Federal Income Tax purposes

No advice is provided herein as to the Canadian federal income tax consequences to a shareholder in respect of the receipt of Receipts and an Interest in the Custody CVRs, nor the reporting of amounts in respect thereof for Canadian federal income tax purposes. Therefore, Qualified Shareholders are urged to consult their own tax advisors regarding the consequences to them of the acquisition and holding of Receipts and an Interest in the Custody CVRs.

The Receipts are not transferable

The Receipts and Interests in the Custody CVRs are not transferable. This means that the holders thereof may not have any ability to recognize the value of Claim Proceeds (if any) prior to the Final Award Date, if any.

Events of default, covenants and restrictions on the business of the Company

The CVRs are secured by substantially all of the assets of the Company and under the CVRs the Company must comply with covenants and restrictions on the business of the Company customary for an investment of this nature. If the Company does not comply with the terms of the CVRs, the Company could be required to repay the full unpaid balance of the obligations under the CVRs. The Company can provide no assurance that additional funding would be available to it to pay such obligations or, if such financing is available, that it will be available on terms favourable to the Company.

Participating Entitled Shareholders are required to provide an indemnity under the Custodian Agreement and any delay or failure to do so may affect their rights and/or Interest in the Custody CVRs

Under the terms of the Custodian Agreement, the Custodian will be required to deliver, within seven (7) business days of receiving the same, written notice to the Participating Entitled Shareholders of any claim for indemnity from Trexs pursuant to the Security Sharing Agreement. **Each of the Participating Entitled Shareholders shall be directly and personally (severally on a *pro rata* basis based on its entitlement to receive Claim Proceeds) responsible for, and by completing a Subscription Form will have agreed to, any such indemnity under the Security Sharing Agreement.** If a Participating Entitled Shareholder fails to fund its *pro rata* portion (based on its entitlement to receive Claim Proceeds) of the indemnity claim referred to above within forty-five (45) days of delivery of notice of the indemnity claim from the Custodian, such Participating Entitled Shareholder shall be deemed to have provided (i) a written notice to Trexs that it does not agree with or support the action and (ii) an acknowledgement that it shall not benefit from or participate in the proceeds or other results of any such action, which notice and acknowledgement will be binding for all purposes. The timing and quantum of such indemnity, and therefore the additional amounts that may be owing by a Participating Entitled Shareholder, are unknown and may be significant. The failure of a Participating Entitled Shareholder to strictly comply with the indemnity procedures set out in the Custodian Agreement may have a material adverse effect on the on the Participating Entitled Shareholders' rights and/or interest in the Custody CVRs. See "Section 5: The Arrangement – The Custodian and the Custodian Agreement" and "Section 5: The Arrangement – The Contingent Value Rights (CVRs)". It is important for Participating Entitled Shareholders to review the terms of the Custodian Agreement in its entirety, the form of which is available under the Company's profile on SEDAR at www.sedar.com.

SECTION THREE: MATTERS TO BE VOTED ON AT THE MEETING

On February 10, 2017, the Company received a requisition for a general meeting of shareholders of the Company from the Shareholder Group pursuant to subsection 167(2) of the BCBCA (the "**Requisitioned Meeting**").

The Meeting constitutes the Company's annual general meeting of the shareholders and the Requisitioned Meeting. The Meeting has been called pursuant to the BCBCA and will be held and conducted in accordance with the Notice of Meeting accompanying this Circular, the BCBCA, applicable securities laws, the constating documents of the Company, the terms of the Interim Order, any further order of the Court and the rulings and direction of the Co-Chairs of the Meeting. To the extent of any inconsistency or discrepancy between the Interim Order and the any of the foregoing, the Interim Order shall govern. A copy of the Interim Order is attached as Appendix "B" to this Circular.

It is important to note that, pursuant to the Settlement Agreement, the matters to be voted on under the headings "2. Number of Directors", "3. Election of Directors", "6. Plan of Arrangement" and "7. Amendments to Material Agreements", being the Conditional Resolutions, will not be considered to be approved unless each of such matters is approved by shareholders. Accordingly, each resolution referred to under such headings will be conditional on shareholders approving the other Conditional Resolutions such that each such resolution will have no effect unless all of the Conditional Resolutions are approved. The Company and the other Settlement Parties believe that this approval structure is important from a governance perspective and for greater transparency into the basis on which the Settlement Parties agreed to the Settlement Agreement. In this regard, it is noteworthy that shareholder approval is being sought for the resolutions set out under the following headings notwithstanding that there is no legal obligation to obtain such approval: "7. Amendments to Material Agreements – A. Investment Agreement Amendment and the Security Sharing Agreement Amendment" and "7. Amendments to Material Agreements – B. MIP Amendment".

1. FINANCIAL STATEMENTS

Our audited financial statements for the year ended December 31, 2016 and the report of the auditors thereon will be placed before the Meeting. These audited consolidated financial statements may be obtained from the Corporate Secretary upon request and will be available at the Meeting. The full text of the audited financial statements is available on our website at www.eco-oro.com and has been filed with the Canadian securities regulatory authorities on SEDAR at www.sedar.com.

2. NUMBER OF DIRECTORS

The Board of Directors presently consists of five (5) directors. In accordance with the Settlement Agreement, the Board of Directors has decided that five (5) directors will be elected this year based on the mix of skills and experience the Board of Directors believes is necessary to effectively fulfill its duties and responsibilities. At the Meeting, shareholders will be asked to consider and vote upon an ordinary resolution setting the number of directors of the Company at five (5). In addition to the receipt of the requisite shareholder approval, such resolution will be conditional on shareholders approving the other Conditional Resolutions such that this resolution will have no effect unless all of the other Conditional Resolutions are approved.

The Board of Directors unanimously recommends that the shareholders vote FOR setting the size of the Board of Directors at five (5).

3. ELECTION OF DIRECTORS

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not

contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the articles of the Company or with the provisions of the BCBCA.

Our nominees for election as directors are set out below. Each nominee is currently a member of the Board of Directors:

Lawrence Haber

David Kay

Peter McRae

Anna Stylianides

Courtenay Wolfe

The Company's existing five (5) member Board of Directors was constituted pursuant to the Settlement Agreement and is comprised of (i) Trexs' nominees, Mr. Kay and Ms. Stylianides, (ii) the Shareholder Group's nominees, Ms. Wolfe and Mr. McRae, and (iii) an independent director, Mr. Haber, who was selected by the Shareholder Group and Trexs pursuant to the terms of the Settlement Agreement.

The Settlement Agreement contemplates that the same nominees, or other nominees appointed by the person or persons entitled to nominate a director, will stand for election at the Meeting and requires the Settlement Shareholders to, until the conclusion of the Company's 2022 annual general meeting, cause their respective voting securities of the Company to be counted as present for purposes of establishing quorum and vote (or cause to be voted) such voting securities in favour of the election of the directors nominated in accordance with the Settlement Agreement.

We believe we have an outstanding group of directors with the right mix of skills, perspectives, experience and expertise to continue to oversee the Company's strategy and the continued creation of shareholder value through the prosecution of the Claim Proceedings.

At the Meeting, shareholders will be asked to consider and vote upon an ordinary resolution approving these nominees as directors of the Company. In addition to receipt of the requisite shareholder approval, such resolution will be conditional on shareholders approving the other Conditional Resolutions such that this resolution will have no effect unless all of the other Conditional Resolutions are approved.

The Board of Directors unanimously recommends that the shareholders vote FOR the election of the Company's nominees.

See "Section Four: About Eco Oro's Nominees" for information relating to each of the directors nominated by the Company.

Majority Voting For Directors

Under Canadian corporate law, director elections are based on the plurality system, where shareholders vote "for" or "withhold" their votes for a director. Votes withheld are not counted, with the result that a director could be elected to the Board of Directors with just one vote in favour. The Board of Directors believes that each of its members should have the confidence and support of the shareholders of the Company. On March 26, 2013, the directors unanimously adopted a majority voting policy (the "**Majority Voting Policy**"). The Majority Voting Policy states that if, in an uncontested election, a director nominee

has more votes withheld than are voted in favour of him or her, the nominee will be considered by the Board of Directors not to have received the support of the shareholders, even though duly elected as a matter of corporate law. Such a nominee will be required forthwith to submit his or her resignation to the Board of Directors, effective upon acceptance by the Board of Directors. The Board of Directors will refer the resignation to the Company's Nominating and Corporate Governance Committee for consideration and a recommendation. Within 90 days after the meeting, the Board of Directors will make its decision as to whether or not to accept the resignation and announce it by way of news release. The Majority Voting Policy does not apply in a contested election.

4. APPOINTMENT OF AUDITORS

At the Meeting, shareholders will be asked to consider and vote upon an ordinary resolution appointing Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia, as auditor, to hold office until our next annual general meeting. Davidson & Company LLP were first appointed as auditors of the Company on November 16, 2015.

The Board of Directors unanimously recommends that the shareholders vote FOR the re-appointment of Davidson & Company LLP.

5. RE-APPROVAL OF UNALLOCATED OPTIONS UNDER AMENDED AND RESTATED INCENTIVE SHARE OPTION PLAN

On March 15, 2005, the Board of Directors of the Company adopted the Option Plan which does not have a fixed maximum number of Shares issuable thereunder. The shareholders approved the Option Plan, by a majority of the votes cast, on April 29, 2005 and most recently re-approved the plan on May 9, 2014. The rules of the TSX provide that all unallocated options, rights or other entitlements under a security-based compensation arrangement, which does not have a fixed maximum number of securities issuable, must be approved every three years by the shareholders of the Company and by a majority of the directors of the Company. The Board of Directors has approved the unallocated options under the Option Plan. Any previously granted options remain in effect.

The rules of the TSX require the approval of unallocated options under the Option Plan by a majority of the votes cast on the resolution at the Meeting. If the requisite shareholder approval is not obtained, no unallocated options may be granted and any options that are outstanding and that expire or terminate without being exercised will not be available for re-grant.

Accordingly, the shareholders will be asked at the Meeting to pass an ordinary resolution, approving all unallocated options, rights or other entitlements under the Option Plan and authorizing the Company to continue granting options under the Option Plan until October 10, 2020, the date that is three years from the date where shareholder approval is being sought.

The Board of Directors unanimously recommends that the shareholders vote FOR the re-approval of the unallocated options under Option Plan.

6. PLAN OF ARRANGEMENT

Under the terms of the Settlement Agreement and the Interim Order, shareholders are being asked to approve the transactions contemplated by the Plan of Arrangement. The purpose of the Plan of Arrangement is to provide Entitled Shareholders with the opportunity to acquire an Interest in the Custody CVRs by validly exercising their Rights to subscribe for Receipts. The Custody CVRs will represent, in aggregate, the right to approximately 14.1% of any Claim Proceeds. The Custody CVRs will be held by the Custodian for and on behalf of the Qualified Shareholders and Qualified Shareholders' entitlement to the economic benefits of the Custody CVRs will be represented by the Receipts. The Receipts and Interests in the Custody CVRs will be non-transferable and will be evidenced solely by an entry in the

Register maintained by the Custodian. Holders of Receipts will not receive and are not entitled to request a physical certificate evidencing such Receipts.

The Plan of Arrangement is described more fully under the heading “Section Five: The Arrangement”.

Accordingly, the shareholders will be asked at the Meeting to pass the Arrangement Resolution as a special resolution, the full text of which is included in Appendix “A”. In addition to receipt of the requisite shareholder approval, such resolution will be conditional on shareholders approving the other Conditional Resolutions such that this resolution will have no effect unless all of the other Conditional Resolutions are approved.

The Board of Directors unanimously recommends that the shareholders vote FOR the Arrangement Resolution.

7. AMENDMENTS TO MATERIAL AGREEMENTS

The Settlement Agreement contemplates certain amendments to the Investment Agreement, the Security Sharing Agreement and the MIP as more particularly described below.

Under the terms of the Settlement Agreement, it is a condition to completion of the Arrangement that the Investment Agreement Amendment, the Security Sharing Agreement Amendment and the MIP Amendment are all approved by shareholders at the Meeting. Notwithstanding that there is no legal obligation to obtain shareholder approval of the Investment Agreement Amendment, the Security Sharing Agreement Amendment and the MIP Amendment, the Board of Directors believes shareholders have an interest in these matters which form part of the larger Settlement and should therefore be entitled to consider and, if deemed advisable, approve such matters.

A. Investment Agreement Amendment and the Security Sharing Agreement Amendment

The amendment to the Investment Agreement provides that the representations, warranties, acknowledgements and covenants contained in the Investment Agreement will continue in full force and effect until November 9, 2022 (the **“Investment Agreement Amendment**”). Previously, these representations, warranties, acknowledgements and covenants expired, in certain cases, within one year of the “Second Tranche Closing Date”, being November 9, 2016, or, in certain other circumstances, on the occurrence of certain events.

The Security Sharing Agreement is made among the CVR Holders and is intended to govern the relationship among those parties in respect of matters relating to the security that has been provided for the CVRs. At present, the Security Sharing Agreement provides that the holders of 51% of the CVRs may direct the security trustee under the Security Sharing Agreement in respect of any action to be taken, not to be taken or to be omitted from being taken in connection with Security Sharing Agreement, the CVRs (including any security granted in respect thereof), the Notes or the Investment Agreement including, without limitation, actions to be taken in connection with proceedings taken under any insolvency legislation in respect of the Company. The proposed amendment to such agreement provide that the requisite percentage of the CVRs that must be held in order to so direct the trustee will be equal to 42.24% (the “**Security Sharing Agreement Amendment**”).

In addition, the Custodian will confirm (for and on behalf of itself and the Participating Entitled Shareholders) that it is bound by all obligations of the Security Sharing Agreement as if the Custodian had executed and delivered the Security Sharing Agreement, provided that the Custodian will have no direct obligation whatsoever to indemnify Trexs under the Security Sharing Agreement and instead, pursuant to the Custodian Agreement and the Security Sharing Agreement Amendment and Joinder, each of the Participating Entitled Shareholders shall be directly and personally (severally on a *pro rata* basis based on its entitlement to receive Claim Proceeds) responsible for, and by completing a Subscription Form will have agreed to, any such indemnity under the Security Sharing Agreement. See

"Section 5: The Arrangement – The Custodian and the Custodian Agreement" and "Section 5: The Arrangement – The Contingent Value Rights (CVRs)".

Accordingly, the shareholders will be asked at the Meeting to pass an ordinary resolution, approving the amendments to the Investment Agreement and the Security Sharing Agreement. In addition to receipt of the requisite shareholder approval, such resolution will be conditional on shareholders approving the other Conditional Resolutions such that this resolution will have no effect unless all of the other Conditional Resolutions are approved.

The Board of Directors unanimously recommends that the shareholders vote FOR the resolution approving the amendments to the Investment Agreement and the Security Sharing Agreement.

B. MIP Amendment

The purpose of the MIP is to retain management, directors, employees and consultants to assist the Company in the prosecution of the Claim Proceedings to their conclusion. The MIP is administered by the MIP Committee comprised of not more than three (3) members, which is entitled to grant retention amounts to participants based on various factors from a pool of funds established from the Claim Proceeds.

The MIP Amendment means the amendment to the MIP to amend the definition of: (i) "Participants", to remove Ms. Stylianides and to make such other amendments to ensure that the MIP Committee can add other participants, including current or former employees, consultants or directors of the Company, (ii) "Committee", to replace Kevin O'Halloran and Mr. Weyrauch, both former directors, with Mr. Haber and Ms. Wolfe, respectively, and (iii) "Cash Retention Amount Pool", by replacing "7%" with "5%" (the "**MIP Amendment**").

The amendments described in clauses (i) and (ii) in the preceding paragraph are administrative in nature and were required as a result of the changes to the composition of the Board of Directors that were brought about under the terms of the Settlement Agreement. The reduction of the "Cash Retention Amount Pool" was proposed in order to make available the Company 2% CVR under the Plan of Arrangement without decreasing the potential percentage of the Claim Proceeds available to persons other than the Company and its directors, officers, employees and consultants.

Accordingly, the shareholders will be asked at the Meeting to pass an ordinary resolution approving the amendments to the MIP. In addition to receipt of the requisite shareholder approval, such resolution will be conditional on shareholders approving the other Conditional Resolutions such that this resolution will have no effect unless all of the other Conditional Resolutions are approved.

The Board of Directors unanimously recommends that the shareholders vote FOR the resolution approving the MIP Amendment.

8. OTHER BUSINESS

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Circular to vote the same in accordance with their best judgment of such matters.

SECTION FOUR: ABOUT ECO ORO'S NOMINEES

The following table sets out the names of the nominees for election as directors, the province or state and the country in which each is ordinarily resident, all offices of the Company now held by each of them, their principal occupations, the period of time for which each has been a director of the Company, and the number of Shares of the Company or any of its subsidiaries beneficially owned by each, or controlled or directed, directly or indirectly, as at the date hereof.

Name, Position, Province/State and Country of Residence[1]	Principal Occupation and Biography[1]	No. of Shares[1]
David Kay Co-Executive Chair, Director **Residence**: New York, United States **Period as a Director**: July 26, 2016 to date	Partner of Tenor and the portfolio manager of TICAF since 2009; previously an investment banker at Jefferies & Company and an attorney at Akin Gump Strauss Hauer & Feld LLP. **Current Committee Membership:** • Compensation Committee • Arbitration and Budget Committee	Nil[2],[3]
Courtenay Wolfe Co-Executive Chair, Director **Residence**: Ontario, Canada **Period as a Director**: July 31, 2017 to date	Principal of Canopy Capital Inc. since 2011; Chair of the board of directors of Vital Alert Communication Inc. since 2009; Director of FB Sciences, Inc. since September 2016; Executive Chair of the board of directors of Founders Advantage Capital Corp. (formerly FCF Capital Inc. and Brilliant Resources Inc.) from October 2013 to February 2016; President and Chief Executive Officer of Salida Capital LP from 2008 to 2013. **Current Committee Membership:** • Audit Committee • Compensation Committee • Arbitration and Budget Committee	1,000,000
Lawrence Haber Director **Residence**: Ontario, Canada **Period as a Director**: July 31, 2017 to date	Private adviser, consultant and Chair of the board of directors of Diversified Royalty Corp. (formerly Benev Capital Inc.) since August 2013; President and Chief Executive Officer of Diversified Royalty Corp. from June 2011 to August 2013; formerly a securities lawyer and a senior partner in the Toronto law firm of Fogler, Rubinoff LLP from 1985 to 2000; subsequently worked for 10 years as a senior executive with National Bank Financial and DundeeWealth Inc.; in 2014 and 2015, acted as a Special Advisor to the OSC staff regarding a number of policy projects and in 2015 and 2016 acted as a member of an Expert Committee tasked by the Ontario Minister of Finance to provide advice regarding the regulation of financial advice and financial planning advice.	Nil

Name, Position, Province/State and Country of Residence[(1)]	Principal Occupation and Biography[(1)]	No. of Shares[(1)]
	Current Committee Membership: • Nominating and Corporate Governance Committee • Compensation Committee • Audit Committee	
Peter McRae Director **Residence**: Ontario, Canada **Period as a Director**: July 31, 2017 to date	Director of Founders Advantage Capital Corp. since April 2015; Chairman of Freedom International Brokerage Company since December 2015; previously President and Chief Executive Officer of Freedom International Brokerage Company from February 1994 to December 2015.	Nil
	Current Committee Membership: • Nominating and Corporate Governance Committee • Audit Committee	
Anna Stylianides Director **Residence**: British Columbia, Canada **Period as a Director**: June 3, 2011 to date	Executive Chairman of the Board of Directors from January 2016 to July 2017 and President and Chief Executive Officer of the Company from May 2014 to January 2016 and from September 2011 to June 2012; Chief Executive Officer of Fintec Holdings Corp., a corporate financial services company, from 2011 to present; previously Chief Executive Officer of Callinex Mines Inc., a mineral exploration company, from March 2012 to December 2012; previously Chief Executive Officer and a director of Surgical Spaces, Inc., a private health care consolidator.	279,495[(3)]
	Current Committee Membership: • Nominating and Corporate Governance Committee	

Notes:
(1) The information as to province/state and country of residence, principal occupation or employment and Shares beneficially owned, or controlled or directed, directly or indirectly, is not within the knowledge of the management of the Company and has been furnished by the respective nominees. The description of the principal occupation or employment for all of the proposed nominees is for the past five years.
(2) Trexs, an affiliate of TICAF, owns 18,355,733 Shares (or 15.7% of the currently issued and outstanding Shares). Pursuant to the Investment Agreement, Trexs has nominated Mr. Kay as its nominee on the Board of Directors. Mr. Kay is a partner at Tenor and the portfolio manager of TICAF and accordingly has direction over the securities of the Company held by Trexs.
(3) In accordance with the Arrangement, the Conversion that occurred on March 16, 2017 will be rescinded. Accordingly, 35,216 and 7,747,508 Shares of Ms. Stylianides and Trexs, respectively, will, as a result of the rescission, be reduced from the total number of Shares owned by each of Ms. Stylianides and Trexs.

ORDERS & BANKRUPTCIES

Other than as mentioned below, none of the proposed nominees for election as a director the Company:

(a) is, as at the date of this Circular, or has been, within ten (10) years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

i. was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, which order was in effect

for a period of more than 30 consecutive days (an "**Order**") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

ii. was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

(b) is, as at the date of this Circular, or has been, within ten (10) years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the ten (10) years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

David Kay

On June 27, 2012, Mr. Kay was elected to the board of directors of Crystallex. Crystallex obtained an order from the Ontario Superior Court of Justice (Commercial List) for protection under the CCAA on December 23, 2011 to deal with a liquidity crisis resulting from the maturity of certain senior unsecured notes issued by Crystallex. On December 28, 2011, the Corporation obtained an order from the United States Bankruptcy Court for the District of Delaware under Chapter 15 of the U.S. Bankruptcy Code recognizing the initial CCAA order. The United States Bankruptcy Court has recognized Crystallex's CCAA proceedings as well as the initial order and subsequent stay extensions of the Ontario Superior Court of Justice (Commercial List).

Mr. Kay was elected to the board of managers of Lighting on September 9, 2011. On March 14, 2017, Lighting and its direct corporate parent, Los Lobos Renewable Power, LLC, each filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the District of New Mexico.

SECTION FIVE: THE ARRANGEMENT

REQUIRED SHAREHOLDER APPROVAL

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, approve the Arrangement Resolution. Subject to any further order of the Court, the Interim Order provides that approval of the Arrangement Resolution will require an affirmative vote of at least 66 2/3% of the votes cast by shareholders present in person or represented by proxy and entitled to vote at the Meeting with each shareholder entitled to one (1) vote for each Share held on the Record Date. The Arrangement Resolution must receive the requisite shareholder approval in order for the Company to seek the Final Order. In addition to receipt of the requisite shareholder approval, the Arrangement Resolution will be conditional on shareholders approving the other Conditional Resolutions such that the Arrangement Resolution will have no effect unless all of the Conditional Resolutions are approved. Notwithstanding the approval by shareholders of the Arrangement Resolution, the Company reserves the right to not proceed with the Arrangement.

If the Arrangement Resolution is approved at the Meeting and the other conditions to the Arrangement are met (see "Section Two: Background Information and Reasons for the Settlement"), the Company intends to promptly seek the Final Order and implement the Arrangement on the Effective Date pursuant to the terms of the Final Order.

ARRANGEMENT STEPS

The following summarizes the steps that will occur under the Plan of Arrangement on the Effective Date, if all conditions to the completion of the Arrangement have been satisfied or waived. The following description of steps is qualified in its entirety by reference to the full text of the Plan of Arrangement attached as Appendix "D" to this Circular.

Pursuant to the Arrangement, commencing at the Effective Time, the following events and transactions will occur and shall be deemed to occur in the following order in, unless otherwise stipulated, five (5) minute increments, without any further act or formality:

- each CVR Holder shall be deemed to have made its Transferred CVRs available for reallocation in accordance with the Plan of Arrangement and, in connection therewith, each CVR Holder shall be entitled to an amount equal to such CVR Holder's CVR Holder Amount;

- the following will occur concurrently:

    - the Rights shall be exercised;

    - each Participating Entitled Shareholder shall be entitled to its Interest in the Custody CVR to the extent they validly participated in the Basic Subscription Right and Additional Subscription Privilege and each such Participating Entitled Shareholder shall be entitled to a Receipt evidencing such fact;

    - the Company shall provide to the Custodian, for and on behalf of the Participating Entitled Shareholders, the Custody CVRs (and shall be required to furnish to the Custodian the Custodian CVR Certificate representing the Custody CVRs);

    - the Company shall provide each CVR Holder replacement CVRs (and shall be required to furnish to each CVR Holder a replacement CVR certificate) representing the balance of their CVRs not transferred;

    - the Company will be deemed to have directed the Agent to pay the Subscription Funds owing to the Company to each CVR Holder in an amount equal to the CVR Holder

Amount in full satisfaction of the Company's obligation to pay such amount to a CVR Holder for the Transferred CVRs;

- the Subscription Funds held by the Agent in respect of the purchase price for Receipts received from the Participating Entitled Shareholders shall cease to be held by the Agent on behalf of the Participating Entitled Shareholder depositing such funds and instead shall be held by the Agent on behalf of the CVR Holders in an amount equal to their CVR Holder Amount and the balance of the Subscription Funds, representing overpayments by Entitled Shareholders, shall continue to be held by the Agent on behalf of the Entitled Shareholder depositing such Subscription Funds, which shall be refunded pursuant to the Plan of Arrangement;

- the Security Sharing Agreement Amendment and Joinder shall become effective and binding on the parties thereto and the Custodian shall hold the economic benefits of such agreement for the benefit of the holders of Receipts;

- the Conversion shall be rescinded and deemed to have been of no force or effect, the New Shares shall be cancelled and the principal amount of the Notes converted as part of the Conversion shall be reinstated in the name of the holder of each such Note, such that the Notes shall be outstanding in the principal amount of each such Note immediately prior to the Conversion and all interest shall be deemed to have accrued on full principal amount of the Notes as if the Conversion had not occurred; and

- the May 8 Options will be terminated for no consideration and shall cease to have any effect whatsoever.

THE RIGHTS

Background

On September 8, 2017 the Company issued a non-transferable Right to each Registered Shareholder and Non-Registered Shareholder as of the Record Date. The Rights, which are uncertificated, represent, subject to the terms and conditions described below and in the Subscription Form, an entitlement to acquire an indirect interest in the economic benefit of the Claim Proceeds. Each Right will permit a Qualified Shareholder to subscribe for, under the Basic Subscription Right, a Receipt evidencing a non-transferable undivided Interest in the Custody CVRs which interest will, if the Basic Subscription Right is exercised in full, represent approximately 0.0002326% of the Claim Proceeds for every 1,000 Shares held by the Qualified Shareholder on the Record Date. Each Right will also permit a Qualified Shareholder to subscribe for, under the Additional Subscription Privilege, a *Pro Rata Share* of the Additional Receipts representing an Interest in the Custody CVRs not allocated under the Basic Subscription Right.

Terms and Conditions of the Rights

Each Right represents a right to acquire a Receipt which evidences an Interest in the Custody CVRs, which Custody CVRs (as more particularly described under the heading "Section Five: The Arrangement – The Receipts") entitle the holder thereof to a portion of the Claim Proceeds. The Custody CVRs will be held by the Custodian pursuant to the Custodian Agreement. Each Participating Entitled Shareholder that acquires an Interest in the Custody CVRs will have acknowledged and agreed to be bound by the terms of the Custodian and Depositary Agreement as described below under the headings "Section Five: The Arrangement – The Receipts" and "Section Five: The Arrangement – The Custodian and Depositary Agreement".

The Rights were distributed on a *pro rata* basis to all shareholders on the Record Date and are non-transferable.

While the Rights were distributed to all shareholders, only Qualified Shareholders will be permitted to exercise their Rights and acquire a Receipt. A Qualified Shareholder is an Entitled Shareholder (being a shareholder who is not currently a CVR Holder) who is resident in a Qualified Jurisdiction or who is resident in a Non-Qualified Jurisdiction but that, prior to October 4, 2017 (or such later date as the Company may determine in its sole and absolute discretion), demonstrates to the Agent and Company, in their sole and absolute discretion, that such shareholder is an "Approved Shareholder", being a shareholder that may hold and exercise the Rights: (i) in compliance with the laws of its Non-Qualified Jurisdiction of residence (ii) without obligating the Company or any of the CVR Holders to file or issue a prospectus, registration statement or any other similar document qualifying or registering the issue, sale or distribution of the Rights, the Receipts or the CVRs; and (iii) without imposing any significant costs on the Company in order to comply with applicable laws of such Non-Qualified Jurisdiction.

In determining whether an Entitled Shareholder resident in a Non-Qualified Jurisdiction is an Approved Shareholder, such shareholder must, in addition to satisfying the other conditions to the exercise of a Right, duly complete and return to the Agent the "Rep Letter" in the applicable form attached to the Subscription Form. Moreover, the Company or the Agent may require that the Entitled Shareholder (at its sole cost) furnish such evidence (including certificates and opinions of counsel), as shall be satisfactory to the Company and to the Agent in their sole and absolute discretion, to demonstrate that such Entitled Shareholder qualifies as an Approved Shareholder.

Each Right entitles a Qualified Shareholder, under the Basic Subscription Right, to subscribe for a Receipt evidencing up to its *Pro Rata Share* of the Basic Receipts. For these purposes, *Pro Rata Share* is calculated as the number determined by dividing (a) the number of Shares held by a Qualified Shareholder on the Record Date by (b) the total number of Shares held by Eligible Shareholders on the Record Date.

In addition to the Basic Subscription Right, the Rights represent an entitlement to participate in the Additional Subscription Privilege which will allow Qualified Shareholders that fully participate in the Basic Subscription Right to acquire their *Pro Rata Share* of the Additional Receipts which will evidence the remaining maximum number of Custody CVRs not allocated under the Basic Subscription Right. For these purposes, *Pro Rata Share* is calculated as the number determined by dividing (a) the number of Shares held by a Qualified Shareholder on the Record Date that exercises the Additional Subscription Privilege by (b) the total number of Shares held by all Qualified Shareholders on the Record Date that have exercised the Additional Subscription Privilege.

The Rights are non-transferable and the Agent will not permit any transfer of any Right and will not amend or revise the register of Rights to reflect any purported transfer of a Right.

A Qualified Shareholder may elect to exercise its Right in accordance with the procedures described in the Subscription Form and under the heading "Section Five: The Agreement – Rights – Exercise Procedure for the Rights" at any time up until 5:00 p.m. (Toronto time) on October 4, 2017. Once a Qualified Shareholder elects to exercise, in whole or in part, its Right, such Qualified Shareholder may not amend, withdraw, cancel, terminate or revoke such election. The deadline for receipt of Subscription Forms may be waived or extended by the Company in its sole discretion, without notice. The Company is under no obligation to accept or reject any particular late Subscription Form.

BY EXERCISING THE ADDITIONAL SUBSCRIPTION PRIVILEGE, A QUALIFIED SHAREHOLDER AGREES TO ACQUIRE ITS ENTIRE ENTITLEMENT TO ADDITIONAL RECEIPTS WHICH IS THE NUMBER OF RECEIPTS THAT REMAIN UNSUBSCRIBED FOLLOWING EXERCISE OF THE BASIC SUBSCRIPTION RIGHT ALLOCATED *PRO RATA* AMONG THOSE QUALIFIED SHAREHOLDERS AGREEING TO PARTICIPATE IN THE ADDITIONAL SUBSCRIPTION PRIVILEGE. ACCORDINGLY, THE NUMBER OF ADDITIONAL RECEIPTS WILL DEPEND ON THE PARTICIPATION OF QUALIFIED SHAREHOLDERS IN THE BASIC SUBSCRIPTION RIGHT AND THE ADDITIONAL SUBSCRIPTION PRIVILEGE. DEPENDING ON THESE FACTORS, A QUALIFIED SHAREHOLDER AGREEING TO PARTICIPATE IN THE ADDITIONAL SUBSCRIPTION PRIVILEGE MAY BE REQUIRED TO SUBSCRIBED AND PAY FOR ALL OF THE RECEIPTS AND OWE A MAXIMUM OF US$1,110,000.

QUALIFIED SHAREHOLDERS ARE CAUTIONED THAT NEITHER THE AGENT NOR THE COMPANY CAN, PRIOR TO THE SUBSCRIPTION DEADLINE, DETERMINE IF, AND TO WHAT EXTENT, A QUALIFIED SHAREHOLDER WILL PARTICIPATE IN THE ADDITIONAL SUBSCRIPTION PRIVILEGE AND THEREFORE THE SUBSCRIPTION FUNDS OWING BY A QUALIFIED SHAREHOLDER TO SATISFY ITS OBLIGATIONS UNDER THE ADDITIONAL SUBSCRIPTION PRIVILEGE CANNOT BE DETERMINED IN ADVANCE. THESE OBLIGATIONS CAN BE SIGNIFICANT AND WILL BE CONSIDERED AS INDEBTEDNESS OF THE QUALIFIED SHAREHOLDER.

Exercise Procedure for the Rights

Registered Shareholders should have received a BLUE copy of the Subscription Form and Non-Registered Shareholders should have received a GREEN copy of the Subscription Form with this Circular. If you did not receive a Subscription Form with this Circular please contact Kingsdale Advisors immediately by telephone at 1-866-851-2484 or by collect call outside North America at 1-416-867-2272 or by email at contactus@kingsdaleadvisors.com.

The procedures set out in this Circular and the Subscription Form must be complied with strictly in order for a Qualified Shareholder to validly exercise its Rights and participate in the Basic Subscription Right and the Additional Subscription Privilege, if it so chooses. The Subscription Form contains additional procedural information relating to the exercise of Rights and participation in the Basic Subscription Right and the Additional Subscription Privilege. **The Rights will be void and without value if not exercised prior to the Subscription Deadline in accordance with the Subscription Form and this Circular.** The Subscription Form should be reviewed carefully. The delivery of the Subscription Form and depositing of Subscription Funds pursuant to the procedures in the Subscription Form will constitute a binding agreement between the Qualified Shareholder and the Company upon the terms and subject to the conditions of the Arrangement.

The Rights are only exercisable by Qualified Shareholders and the Agent will not permit any Non-Qualified Shareholder to exercise any Rights. A Subscription Form and any Subscription Funds submitted by or on behalf of a Non-Qualified Shareholder will be rejected by the Agent.

In order for the exercise of a Right to be effective (i) the Subscription Form, (ii) sufficient Subscription Funds (including funds representing an amount equal to not less than 150% of the Full Subscription Price owing by any Qualified Shareholder electing to participate in the Additional Subscription Privilege) and (iii) such other documents as may be required by each of the Company or the Agent in connection with the exercise of the Rights, in its sole and absolute discretion, must be delivered prior to the Subscription Deadline to the Agent at, in the case of delivery by hand or courier at 130 King Street West, Suite 2950, Toronto, Ontario, M5X 1E2, Attention: Corporate Actions, or by mail at P.O. Box 361, 130 King Street West, Toronto, Ontario, M5X 1E2, Attention: Corporate Actions. As set out below, following the Subscription Deadline, Qualified Shareholders participating in the Additional Subscription Privilege may be required to fund additional amounts in order to satisfy their obligations under the Additional Subscription Privilege. **The method of delivery of these materials is at the option and risk of the Qualified Shareholder delivering such materials. We recommend that you use an overnight registered mail or hand delivery service, properly insured. All material will be deemed to have been received only upon actual receipt by the Agent. In all cases, you should allow sufficient time to assure delivery to the Agent before the expiration of the Subscription Deadline.**

Under the Basic Subscription Right, a Qualified Shareholder has the right to subscribe for up to its *Pro Rata Share* of the Basic Receipts. In order to do so, a Qualified Shareholder should complete the appropriate box found in the Subscription Form labelled “Basic Subscription Right” by inputting the subscription price for the Interest in the Custody CVRs the Qualified Shareholder wishes to subscribe for. The Qualified Shareholder will be permitted to subscribe for up to its *Pro Rata Share* of the Basic Receipts.

Under the Additional Subscription Privilege, a Qualified Shareholder has the right to subscribe for its *Pro Rata Share* of the Additional Receipts. In order to do so, a Qualified Shareholder should complete the

appropriate box found in the Subscription Form labelled “Additional Subscription Privilege” by marking an “X” in the space provided.

In any event, the Qualified Shareholder exercising its Right should (i) indicate in the appropriate box of the Subscription Form labelled “Recording of Ownership Interests” how it would like the Custodian to record its Interest in the Custody CVRs (the Receipts must be recorded in the name of the Rights Holder set out on the books and records of the Agent) and (ii) and complete and sign the box found in the Subscription Form labeled “Signature of Qualified Shareholder”.

Any person resident in any jurisdiction other than a Qualified Jurisdiction (including in the United States of America) will be deemed to be a Non-Qualified Shareholder unless, in addition to satisfying the other conditions to the exercise of a Right, such person duly completes and returns to the Agent the applicable “Rep Letter” attached to the Subscription Form.

Following completion of these steps, a Registered Shareholder should promptly return the Subscription Form, the required Subscription Funds and such other documents as may be required by each of the Company or the Agent in connection with the exercise of the Rights, in their sole and absolute discretion, to the Agent such that these materials are received by the Agent prior to the Subscription Deadline.

In addition to the foregoing, a Non-Registered Shareholder is also required to have its intermediary complete, sign and medallion or signature guarantee the box in the Subscription Form labelled “Beneficial Holders”. The signature guarantee must be guaranteed by a major Canadian Schedule I chartered bank or a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, MSP). The Guarantor must affix a stamp bearing the actual words “Signature Guaranteed”. In the United States of America, signature guarantees must be done by members of a “Medallion Signature Guarantee Program” only. Signature guarantees are not accepted from Treasury Branches, Credit Unions or Caisses Populaires unless they are members of the Stamp Medallion Program. Following such signature guarantee, the Non-Registered Shareholder should, or should direct its intermediary to, return the Subscription Form, the required Subscription Funds and such other documents as may be required by each of the Company or the Agent in connection with the exercise of the Rights, in its sole and absolute discretion, to the Agent such that these materials are received by the Agent prior to the Subscription Deadline. **Non-Registered Shareholders are cautioned that their intermediary has its own internal procedure for completing a Subscription Form, including the deadline by which such Subscription Form must be completed. Such intermediary’s deadline may be in advance of the Subscription Deadline noted above. Non-Registered Shareholders are encouraged to immediately contact their intermediary to inquire about its procedures for completing a Subscription Form. Non-Registered Shareholders should carefully follow the instructions, and adhere to the deadlines, provided to them by their intermediary.**

The deadline for receipt of Subscription Forms may be waived or extended by the Company at its sole discretion, without notice. The Company is under no obligation to accept or reject any particular late Subscription Form.

The decision of a Qualified Shareholder to exercise, in whole or in part, its Right is irrevocable and once made cannot be withdrawn, amended, cancelled, terminated, revoked, or modified. It is important to note that a Subscription Form which is dated or deemed to be dated at a later date than a previously validly submitted Subscription Form will not withdraw, amend, cancel, terminate, revoke or modify the previously delivered Subscription Form.

In order to participate in the Basic Subscription Right, Qualified Shareholders must, by the Subscription Deadline, return to the Agent with their Subscription Form, Subscription Funds owing by such Qualified Shareholders to satisfy its Basic Subscription Right together with such other documents as may be required by each of the Company or the Agent, in their sole and absolute discretion. If the foregoing conditions are not satisfied or the Qualified Shareholder is otherwise determined to be ineligible to participate in the Basic Subscription Right, all Subscription Funds will be returned to the Qualified

Shareholder and the Qualified Shareholder will be deemed not to have exercised its Right or to have elected to participate in the Basic Subscription Right.

In order to qualify to participate in the Additional Subscription Privilege, Qualified Shareholders must, by the Subscription Deadline, return to the Agent with their Subscription Form, funds representing an amount equal to not less than 150% of the Full Subscription Price together with such other documents as may be required by each of the Company or the Agent, in their sole and absolute discretion. If the foregoing conditions are not satisfied or the Qualified Shareholder is otherwise determined to be ineligible to participate in the Additional Subscription Privilege, any amount in excess of Full Subscription Price actually funded to the Agent will be returned to such Qualified Shareholder and the Qualified Shareholder will be deemed not to have elected to participate in the Additional Subscription Privilege.

All Subscription Funds must be paid to the Agent by way of certified cheque or bank draft in United States dollars. Payment of the Subscription Funds will constitute a representation to the Company and Agent by the shareholder that it is either (i) not a citizen or resident of a Non-Qualified Jurisdiction or (ii) it is an Approved Shareholder.

Notwithstanding the payment by Qualified Shareholders participating in the Additional Subscription Privilege of an amount equal to not less than 150% of the Full Subscription Price, neither the Agent nor the Company can, prior to the Subscription Deadline, determine if, and to what extent, the Qualified Shareholder will participate in the Additional Subscription Privilege. Accordingly, the payment of an amount equal to not less than 150% of the Full Subscription Price may, or may not, be sufficient to satisfy the Qualified Shareholder's obligations to pay for the Additional Receipts under the Additional Subscription Privilege. Following the Subscription Deadline, the Agent will advise each Qualified Shareholder that has elected to participate in the Additional Subscription Privilege of the number of Additional Receipts it will purchase in connection therewith and the additional Subscription Funds, if any, required to be paid by such Qualified Shareholders in order to satisfy its obligation to acquire such Additional Receipts. By agreeing to participate in the Additional Subscription Privilege, a Qualified Shareholder agrees to fund any deficit by way of certified cheque or bank draft in United States dollars which payment must be made no later than 5:00 p.m. (Toronto time) on the fifth (5^{th}) business day following delivery of the funding instructions provided by the Agent, failing which such Qualified Shareholder will be deemed to have not elected to participate in the Additional Subscription Privilege. Following such five (5) business day period, if Subscription Funds to acquire the maximum Interest in the Custody CVRs has not been provided to the Agent (either because a Qualified Shareholder participating in the Additional Subscription Privilege has failed to fund the deficit owing by it or for any other reason), the Agent will, at the direction of the Company either: (i) deliver such additional notices as required to ensure the maximum Interest in the Custody CVRs will be subscribed for by Qualified Shareholders participating in the Additional Subscription Privilege, or (ii) with the consent of Trexs and the Shareholder Group, allow all Qualified Shareholders participating in the Additional Subscription Privilege who have funded their obligations under the Additional Subscription Privilege and have deposited more funds with the Agent than otherwise required to acquire their *Pro Rata Share* of the Additional Receipts, to acquire (on a *pro rata* basis to the amount actually over-funded) Receipts representing the aggregate remaining Interest in the Custody CVRs. Qualified Shareholders who wish to participate in the Additional Subscription Privilege are encouraged (**but not required**) to fund more than 150% of their Full Subscription Price initially in order to facilitate the funding of any additional payments that may be required pursuant to the Additional Subscription Privilege. A Qualified Shareholder failing to deposit any funds by the applicable deadline required under the Additional Subscription Privilege will be deemed to have not elected to participate in the Additional Subscription Privilege.

On the Effective Date, as a step in the Plan of Arrangement, the Rights which have been properly exercised in accordance with the terms set out in this Circular and the Subscription Form shall be exercised and thereafter all Rights will be cancelled by the Agent. The Agent will advise the Company and the Custodian of the name, address, entitlement to Receipts and all other relevant details pertaining to all Qualified Shareholders who have exercised, in whole or in part, any Rights under the Basic Subscription Right and Additional Subscription Privilege. The Receipts are non-transferable and will be held on the books and records of the Custodian in non-certificated form. Nonetheless, it is expected that,

promptly following the Effective Date, the Custodian will give notice to all holders of Receipts of the entitlement received under the Arrangement. See "The Receipts" and "The Custodian and Depositary Agreement" below.

The Agent will pay all amounts deposited with it as follows: (i) on the Effective Date, the Subscription Funds actually required to satisfy the obligations of Rights Holders subscribing for an Interest in the Custody CVRs under the Basic Subscription Right and the Additional Subscription Privilege shall be paid to the Company or as directed by the Company in accordance with the Plan of Arrangement; and (ii) within three (3) business days of the Effective Date, the Agent will send to each Rights Holder who remitted funds in excess of the amount owing for their ultimate allocation of Receipts a cheque representing the amount of such excess funds (without interest or deduction). If the Arrangement does not proceed, the Agent will, forthwith upon the direction of the Company, pay all funds held by it in respect of the Rights to the Right Holder depositing such funds. It is expected that all payments from the Agent to a Rights Holder will be made by way of cheque (which need not be certified), or alternatively, the Agent may return any cheque or bank draft provided by a Qualified Shareholder.

The Company has full discretion to determine whether any Subscription Form, the deposit of Subscription Funds or any type of exercise of Rights is complete and proper and the Company has the absolute right to determine whether to accept or reject any or all Subscription Forms, deposit of Subscription Funds or exercise of Rights not in proper form.

THE RECEIPTS

Each Receipt evidences an Interest in the Custody CVRs, which Custody CVRs (as more particularly described hereunder) entitle the holder thereof to a portion of the Claim Proceeds. Holders of Receipts are not entitled to become registered holders of Custody CVRs and will hold their Interest in the Custody CVRs solely through a Receipt. The Custody CVRs will be held by the Custodian as a safekeeping agent and depositary of the Custody CVRs for the benefit the Participating Entitled Shareholders and the rights of Participating Entitled Shareholders to the economic benefit under the Claim Proceedings will be limited to their Interest in the Custody CVRs pursuant to the terms of the Custodian Agreement. The Receipts are non-transferable and will be evidenced solely by an entry in the Register maintained by the Custodian. Holders of Receipts will not receive and are not entitled to request a physical certificate evidencing such Receipts, although it is expected that the Custodian will provide a written confirmation to each Participating Entitled Shareholder of its Interest in the Custody CVRs. Holders of Receipts will not, as such, be entitled to attend or vote at any meeting of the shareholders of the Company.

THE CUSTODIAN AND THE CUSTODIAN AGREEMENT

The following is a summary of certain material terms of the Custodian Agreement, the form of which is available under the Company's profile on SEDAR at www.sedar.com. This summary and certain capitalized terms referred to in this summary do not contain all the information about the Custodian Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to the Custodian Agreement. Therefore, shareholders should read the Custodian Agreement, once available, carefully and in its entirety, as the rights and obligations of the Participating Entitled Shareholder and other parties thereto are governed by the Custodian Agreement and not by this summary or any other information contained in this Circular.

As part of the Plan of Arrangement, the Company will enter into the Custodian Agreement with the Custodian on or before the Effective Date. **Pursuant to the terms of the Subscription Form, each Participating Entitled Shareholder will acknowledge and agree to be a party to the Custodian Agreement.**

The Custodian Agreement provides that the Custodian will hold the Custody CVRs for and on behalf of Participating Entitled Shareholders, maintain a register of Participating Entitled Shareholders (the "**Register**") and issue to the Participating Entitled Shareholders Receipts evidencing their Interest in the Custody CVRs. The Custodian will also receive all amounts payable by the Company to it as the holder of

the Custody CVRs and the Investment Transaction Documents, for the benefit of all Participating Entitled Shareholders, and will, upon written notice from the Company or the Committee, distribute such amounts (net of any out-of-pocket fees and expenses incurred by the Custodian) to the Participating Entitled Shareholders on a *pro rata* basis based on their Interest in the Custody CVRs. In addition, the Custodian will hold in safekeeping certain documents relating to the CVRs, Receipts or Interests in the Custody CVRs, including the Investment Transaction Documents, on behalf of the Participating Entitled Shareholders.

Under the Custodian Agreement, a direction committee (the "**Committee**"), initially consisting of Courtenay Wolfe and Peter McRae, will be authorized to act on behalf of the Participating Entitled Shareholders as a group. The Committee will be under no obligation to take any actions and shall retain the right not to act (and shall not be held liable for refusing to act), and may decide in its sole and absolute discretion to act only in limited circumstances. The Committee is entitled to, before taking any action on behalf of the Participating Entitled Shareholders, require the deposit of funds and an indemnity from the Participating Entitled Shareholders against any costs or expenses the Committee may incur in connection with any such action. The members of the Committee will not receive any fees for their role.

The Custodian will act on behalf of the Participating Entitled Shareholders on the instructions of the Committee or pursuant to an extraordinary resolution of Participating Entitled Shareholders holding an aggregate Interest in the Custody CVRs representing not less than 66 2/3% of the entitlement to the Claim Proceeds represented by the Custody CVRs (an "**Extraordinary Resolution**"). To the extent the Participating Entitled Shareholders represented in the vote taken under the Custodian Agreement do not meet the threshold required to pass an Extraordinary Resolution, the question or item requiring approval will be resolved by the Committee and its decision will be binding on the Custodian and Participating Entitled Shareholders.

An Extraordinary Resolution may not be approved for the purpose of or have the effect of (i) terminating the Custodian Agreement or (ii) providing for more powers or rights than those granted to the Committee under such agreement. Notwithstanding the foregoing, the Participating Entitled Shareholders may, by Extraordinary Resolution, remove and appoint members of the Committee.

The Custodian shall have the right to treat the person whose name appears on the Register as the beneficial owner of the applicable Interest in the Custody CVRs, and shall be entitled to rely on the Register (and not the Receipts) to determine the allocation of the Interest in the Custody CVRs.

Pursuant to the Plan of Arrangement and the Custodian Agreement, the Custodian will be required to execute the Security Sharing Agreement Amendment and Joinder. Under the Security Sharing Agreement, in the event that the Company fails to pay or reimburse Trexs for its expenses, disbursements or advances in the administration of its duties under the Security Sharing Agreement, each of the CVR Holders other than Trexs will be liable to severally indemnify Trexs in respect of such expenses (except for any such expenses incurred as a direct result of or in connection with the gross negligence or willful misconduct of Trexs), unless it provides written notice to Trexs that it does not agree with or support the action, in which case it will not be able to benefit from or participate in the proceeds or other results of such action.

However, pursuant to the Custodian Agreement and the Security Sharing Agreement Amendment and Joinder, the Custodian will have no direct obligation whatsoever to indemnify Trexs under the Security Sharing Agreement and, instead, each of the Participating Entitled Shareholders shall be directly and personally (severally on a *pro rata* basis based on its entitlement to receive Claim Proceeds) responsible for, and by completing a Subscription Form will have agreed to, any such indemnity under the Security Sharing Agreement. Under the terms of the Custodian Agreement, the Custodian will be required to deliver, within seven (7) business days of receiving the same, written notice to the Participating Entitled Shareholders of any claim for indemnity from Trexs pursuant to the Security Sharing Agreement. The notice may be sent by mail or email and is required to include a brief summary of the nature of the action. If a Participating Entitled Shareholder fails to fund its *pro rata* portion (based on its entitlement to receive Claim Proceeds) of the indemnity claim referred to above, within forty-five

(45) days of delivery of notice of the indemnity claim from the Custodian, such Participating Entitled Shareholder shall be deemed to have provided (i) a written notice to Trexs that it does not agree with or support the action and (ii) an acknowledgement that it shall not benefit from or participate in the proceeds or other results of any such action, which notice and acknowledgement will be binding for all purposes. Thereafter, the Custodian will provide written notice to the Participating Entitled Shareholders who have funded the full amount of their *pro rata* portion of the indemnity claim, of the aggregate amount of the funding deficit. The Participating Entitled Shareholders who have funded the full amount of their *pro rata* portion of the indemnity claim will then have the opportunity to, on a *pro rata* basis with all other Participating Entitled Shareholders who have provided such funding, fund the deficit within ten (10) business days of receiving from the Custodian such further notice and be entitled to benefit from or participate in the proceeds or other results of such action taken by Trexs with respect to which an indemnity is sought in an additional amount that is proportionate to their additional funding.

The Custodian will, within ninety (90) days of receiving the initial request for indemnity from Trexs, remit to Trexs any funds it receives from Participating Entitled Shareholders. If the Custodian does not make any payments whatsoever in respect of any indemnity claim from Trexs under the Security Sharing Agreement within such ninety (90) day period, then such failure shall be deemed to be (i) a written notice to Trexs from all the Participating Entitled Shareholders that they do not agree with or support such action and (ii) an acknowledgement that none of the Participating Entitled Shareholders shall benefit from or participate in the proceeds or other results of any such action taken by Trexs.

The Company may, from time to time, issue additional CVRs with identical terms as the Custody CVRs (other than the issuance date and the *pro rata* entitlement to the Claim Proceeds) which additional CVRs may also be held by the Custodian for and on behalf of the holders of such additional CVRs on the same terms and conditions as the Custody CVRs.

The Custodian Agreement will contain indemnity provisions pursuant to which the Company and the Participating Entitled Shareholders will jointly and severally indemnify the Custodian and certain related persons for any fees, judgments or other amounts incurred in connection with the services it provides under the Custodian Agreement, subject to certain exceptions, up to a maximum of an amount equal to the fees paid to the Custodian for its services under the Custodian Agreement.

Pursuant to the terms of the Custodian Agreement, the Custodian Agreement may be terminated by the Committee or the Company with 120 days' notice or by Extraordinary Resolution. The Custodian may resign by providing the Company with at least 60 days' notice or such shorter notice as the Company accepts as sufficient if a new custodian and depositary has been appointed.

THE CONTINGENT VALUE RIGHTS (CVRs)

*The following is a summary of certain material terms of the form of certificate for the Custody CVRs (the "**Custodian CVR Certificate**"), a copy of which is appended hereto as Appendix "E". This summary and certain capitalized terms referred to in this summary do not contain all the information about the CVRs. This summary does not purport to be complete and is qualified in its entirety by reference to the attached form of Custodian CVR Certificate. Therefore, shareholders should read the form of Custodian CVR Certificate carefully and in its entirety, as the rights and obligations of the parties are governed by such form of Custodian CVR Certificate and not by this summary or any other information contained in this Circular.*

The form of Custodian CVR Certificate contains representations and warranties that will be made by the parties thereto. These representations and warranties, which are set forth in the form of Custodian CVR Certificate, will be made by the parties thereto for the purposes of the CVRs (and not to other parties such as the shareholders) and will be subject to qualifications and limitations. In addition, these representations and warranties may be subject to a contractual standard of materiality different from what may be viewed as material to shareholders.

General

The Custodian CVR Certificate will be registered in the name of the Custodian and it will be held for and on behalf of the Participating Entitled Shareholders, pursuant to the Custodian Agreement and represents the rights of the Participating Entitled Shareholders to a specified percentage of the gross amount of the Claim Proceeds. The Custodian Certificate does not entitle the Custodian, as such, to attend or vote at any meeting of the shareholders of the Company.

Representations and Warranties

The Custodian CVR Certificate contains representations and warranties of the Company including regarding the Company's corporate existence, its power and authority to issue the Custodian CVR Certificate, the performance of its obligation under the Custodian CVR Certificate, the absence of certain litigation, the absence of Defaults or Events of Defaults, its solvency, its ownership and title to the Claim Proceedings and Claim Proceeds and the existence of liens and its status as a "reporting issuer" under applicable securities laws.

Covenants

Pursuant to the Custodian CVR Certificate, the Company has made certain covenants in favour of the Custodian, including covenants relating specifically to:

- the ability of the Company to maintain its corporate existence and conduct its existing business and operations in accordance with applicable law and in a proper, efficient and businesslike manner, including by filing all tax returns and paying all taxes due and payable, maintaining proper books and records, maintaining all consents, approvals, actions, authorizations, exceptions, notices and filings with any governmental authority that are required to be obtained by it, using commercially reasonably efforts to continue the listing and trading of the Shares on a recognized stock exchange in North America and maintaining its status as a "reporting issuer" not in default under applicable securities laws and otherwise ensuring that the Company complies in all material respects with all applicable securities laws;

- the delivery of certain notices by the Company to the Custodian, including notices regarding (i) the occurrence of a Default or an Event of Default, (ii) any litigation or proceeding, whether threatened or commenced, against the Company in which more than US$250,000 of the amount claimed is not covered by insurance; (iii) the occurrence of a Material Adverse Event (as defined in the Custodian CVR Certificate) or the occurrence of any event which will result in a Material Adverse Effect, (iv) any offer to settle the Claims Proceedings, (v) any settlement of the Claim Proceedings or any award, order issuance or payment of any Claim Proceeding Rights; (vi) the occurrence of any event with respect to the Claim Proceedings that could reasonably be expected to result in the dismissal, discontinuation or annulment of any Claim Proceedings or the denial of any Claim Proceeding Rights; and (vii) persons becoming named parties in the Claim Proceeding or alleging to have any right, title or interest in or to any of the Claim Proceeding Rights;

- the delivery of the Company's financial statements and other financial information to the Custodian upon reasonable request from the Custodian in connection with the business, operations and assets and financial condition of the Company together with an executed certificate of an officer of the Company stating, to the best of such officer's knowledge, during such period no Default or Event of Default has occurred except as specified in the Custodian CVR Certificate; and

- the Claim Proceedings, including covenants to prepare and report on compliance with the Budget for the Claim Proceedings on a monthly basis, to work to bring about the reasonable monetization of the Claim Proceedings, to collect and enforce any settlement, final judgment or award, to

retain, remunerate, cooperate with and facilitate the work of the arbitration professionals retained by the Company in connection with the Claim Proceedings, to manage the incurrence of expenses in connection with the Claims Proceedings in an efficient and cost effective manner, and to pay the Obligations owing to the Custodian when due.

The Company has also covenanted that it will not, among other things, create indebtedness (subject to certain exceptions); create CVRs or similar rights or interests; make any changes to its articles or similar documents that could, or could reasonably be expected to, materially and negatively impact the rights of the Custodian under the Custody CVRs; dispose of its properties or assets except for the sale of assets other than Claim Proceeding Rights provided that (i) such sale is completed on commercially reasonable terms and for fair market value consideration in cash, and (ii) the consideration shall not exceed US$250,000 in any one instance or an aggregate amount of US$1,000,000 in any calendar year; issue or agree to create or issue any Shares or any existing or new classes of shares except as specifically permitted in accordance with the Custodian CVR Certificate; enter into any transaction, whether or not in the ordinary course of business, with any officer, director, shareholder or affiliate of the Company, other than upon terms and conditions that would be obtainable in a comparable arm's length transaction and which are approved by the Board of Directors; enter into any business or undertake any action or proceeding that could reasonably be expected to adversely affect the Claim Proceedings; enter into any transaction or series of transactions that could be reasonably expected to materially negatively impact the Claim Proceedings Rights or take any steps to adversely effect, suspend or terminate the Claim Proceedings.

Interest

The Custodian CVR Certificate provides that, in the event that the Contingent Value Rights Amount is not paid to the Custodian on the CVRA Payment Date, interest shall accrue on the Contingent Value Rights Amount from the day immediately following the CVRA Payment Date and until actual payment in full, at the rate of 12% per annum, calculated monthly in arrears. The Company has also agreed to ensure that no receipt by the Custodian of any interest payment made to the Custodian will be in breach of section 347 of the *Criminal Code* (Canada).

Payment Mechanics

In the event that the Claim Proceeds are paid pursuant to any Claim Proceeding, the Company is required to request the Republic of Colombia (or any other person liable to pay any of the Claim Proceeds) to deposit the Claim Proceeds directly into a Claim Proceeds Escrow Account. Within two (2) business days following the Final Award Date, and prior to any distribution of any and all Claim Proceeds, the Company shall calculate the Contingent Value Rights Amount and shall submit a statement to the Custodian setting out such calculation and the proposed distribution of the Claim Proceeds (the "**Distribution Statement**"). Any such Distribution Statement shall strictly conform with the following descending order of payments for the distribution of the Claim Proceeds:

(i) first, to pay any accrued and unpaid default interest owing to the Custodian pursuant to the Custodian CVR Certificate, if any, and any unpaid fees, expenses or indemnity obligations owing to the Custodian under the Custodian CVR Certificate or any other agreement between the Company and the Custodian;

(ii) second, to pay any principal amount then outstanding, if any, owing to the Custodian by the Company pursuant to any other agreement between the Custodian and the Company;

(iii) third, the total amount payable to the Custodian equal to the specified percentage of the gross amount of the Claim Proceeds; and

(iv) fourth, the remaining balance of the Claim Proceeds to be paid to or for the account of the Company in accordance with applicable law including for the payment of any taxes payable or required to be withheld by the Company.

Pursuant to the Custodian CVR Certificate, if the Custodian does not approve the Distribution Statement submitted to it by the Company, both the Custodian and the Company agree to work together to produce a Distribution Statement that is satisfactory to both parties and, failing which, such dispute will be submitted for resolution as provided for in the Claim Proceeds Escrow Agreement.

Events of Default, Acceleration and Remedies

The Custodian CVR Certificate defines certain events that constitute "Events of Default" under the Custody CVRs which includes, among others, breaches of representation and warranties, breaches of covenants (subject to cure periods in certain instances), certain insolvency events, judgments against the Company for payment of money in excess of US$500,000, dismissal, discontinuation or termination of the Claim Proceedings, certain circumstances that adversely impact the Company's security interest in the Collateral (as defined in the Custodian CVR Certificate), adverse deviations of 10% or more from the Budget, a change of control of the Company and the resignation or termination of certain key members of management of the Company or the death of any such key member of management if his or her designated replacement is not satisfactory to the Custodian, acting reasonably.

Upon the occurrence and continuance of an Event of Default, the Company is obligated to pay the Custodian the Obligations owing under the Custody CVRs. If the Event of Default occurs after the Final Award Date, the Obligations owing under the Custody CVRs consist of an amount equal to the specified percentage of the Claim Proceeds plus any other amounts owing under the Custody CVRs. If the Event of Default occurs prior to the Final Award Date, the Obligations owing by the Company to the Custodian under the Custody CVRs consist of the Contingent Value Rights Amount. Under the Custodian CVR Certificate, the Custodian has the unilateral right to: (i) waive an Event of Default; (ii) elect not to accelerate the Obligations; or (iii) elect not to enforce any of its rights and remedies under the Custodian CVR Certificate or any other agreement between the Company and the Custodian.

Security

The obligations of the Company in respect of the CVRs are secured against substantially all of the assets of the Company.

Indemnification

The Company agrees to indemnify the Custodian and certain related parties (referred to as "Indemnified Parties" in the Custodian CVR Certificate) from and against any and all losses, claims, damages, liabilities or other expenses to which such Indemnified Party may become subject arising out of or in any way relating to or resulting from, the Custodian CVR Certificate and the Company agrees to reimburse each Indemnified Party for all actual and reasonable legal or other expenses incurred in connection with investigating, defending or participating in any such loss, claim, damage, liability or action or other proceeding, except for those determined by a court to have resulted from negligence or willful misconduct of such Indemnified Party.

In addition, the Company agrees to pay or reimburse the Custodian for all of its reasonable out-of-pocket costs and expenses incurred in connection with the negotiation, preparation, execution and enforcement of the Custodian CVR Certificate and any other documents prepared in connection therewith, and the consummation of the transactions contemplated thereby, including, without limitation, the fees and disbursements of legal counsel to the Custodian (on a full indemnity basis). However, the indemnity shall not apply to any losses, claims, damages, liabilities or expenses to which an Indemnified Party may become subject which arise from a claim or allegation brought by a Participating Entitled Shareholder against the Indemnified Party solely in respect of conduct undertaken by or on behalf of the Custodian,

unless (i) such conduct was also undertaken by or on behalf of the CVR Holders, (ii) the claim or allegation would, if proven, have an adverse impact on any material rights of a CVR Holder or any other holder of CVRs under its CVR certificate or (iii) the Company otherwise agrees to indemnify the Indemnified Party.

COURT APPROVAL

A plan of arrangement under the BCBCA requires Court approval. Prior to the mailing of this Circular, the Company obtained the Interim Order from the Court authorizing and directing the Company to call, hold and conduct the Meeting and to submit the Arrangement to the shareholders for approval. The Interim Order provides that approval of the Arrangement Resolution will require an affirmative vote of 66 2/3% of the votes cast by shareholders present in person or represented by proxy and entitled to vote at the Meeting. At the Meeting, each shareholder shall be entitled to one (1) vote for each Share held on the Record Date, provided, however, that as a result of the OSC Order, only 106,524,953 Shares are entitled to vote at the Meeting. In addition, the Company has filed a Notice of Hearing of Petition for the Final Order to approve the Arrangement. Copies of the Interim Order and the Notice of Hearing of Petition for the Final Order are attached as Appendices “B” and “C”, respectively, to this Circular.

Subject to the terms of the Settlement Agreement and approval of the Arrangement Resolution by shareholders at the Meeting in the manner required by the Interim Order, the Company will make an application to the Court for the Final Order.

The hearing in respect of the Final Order is expected to take place on October 12, 2017 at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard, at the Courthouse, 800 Smithe Street, Vancouver, British Columbia. At the hearing, any shareholder and any other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court and serving upon the Company a response in the form prescribed by the Supreme Court Civil Rules (British Columbia) together with any evidence or materials that such party intends to present to the Court on or before 4:00 p.m. (Vancouver time) on October 11, 2017. Service of such notice shall be effected by service upon the solicitors for the Company, Norton Rose Fulbright Canada LLP, 1800 - 510 West Georgia Street, Vancouver, British Columbia, V6B 0M3, Attention: James Goulden / Kaitlin Smiley.

The Company understands that the Court has broad discretion under the BCBCA when making orders with respect to plans of arrangement and that the Court will consider at the hearing to obtain the Final Order, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit.

Depending upon the nature of any amendments to the Plan of Arrangement required by the Court, the Company may determine not to proceed with the Arrangement.

CERTAIN CANADIAN INCOME TAX CONSIDERATIONS

Rights Holders should be aware that the acquisition, holding and exercise of a Right or Receipt may have tax consequences in Canada as well as the jurisdiction where they reside which is not described herein. Accordingly, Rights Holders should consult with their own tax advisors about the specific tax consequences to them, having regard to their particular circumstances, of acquiring, holding and exercising such Rights and Receipts.

SECTION SIX: CORPORATE GOVERNANCE

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance is the process and structure used to direct and manage the business and affairs of an issuer with the objective of enhancing value for its owners. NI 58-101 requires the Company to disclose its system of corporate governance in this Circular.

OUR BOARD OF DIRECTORS

The Board of Directors of the Company currently consists of five (5) directors, four (4) of whom are independent directors as defined in NI 58-101, meaning that, in each case, the director have no direct or indirect relationship with the Company which could, in the view of the Board of Directors, reasonably be expected to interfere with the exercise of the directors' independent judgment, and is not otherwise deemed not to be independent. Applying the criteria in NI 58-101, Ms. Wolfe, Mr. McRae, Mr. Kay and Mr. Haber are independent directors. Both Co-Executive Chairs of the Board of Directors are independent for the purposes of NI 58-101.

Ms. Stylianides is considered not to be independent on the basis that she acted as an executive within the last three (3) years.

The following current directors of the Company are directors of other issuers that are reporting issuers or the equivalent in Canada or elsewhere:

Name	Issuer
Lawrence Haber	Diversified Royalty Corp. (formerly, Benev Capital Inc.)
David Kay	Gabriel Resources Ltd., Crystallex International Corporation
Peter McRae	Founders Advantage Capital Corp. (formerly FCF Capital Inc. and Brilliant Resources Inc.), Focused Capital Corp.
Anna Stylianides	Sabina Gold & Silver Corp., Entrée Resources Ltd. (formerly , Entrée Gold Inc.), Altius Minerals Corporation

The independent directors may hold meetings at which non-independent directors and/or members of management are not in attendance. In 2017, the independent directors did not hold any such formal meetings.

To facilitate the functioning of the Board of Directors independently of management, the following structures and processes are in place:

- when appropriate, members of management are not present for the discussion and determination of certain matters at meetings of the Board of Directors;
- under the by-laws, any director may call a meeting of the Board of Directors;
- the independent directors may hold meetings at which non-independent directors and/or members of management are not in attendance;
- each committee of the Board of Directors includes an independent director as a member; and

- in addition to the above standing committees of the Board of Directors, independent committees may be appointed from time to time, when appropriate. The independent directors will, where necessary, hold separate meetings without management and/or any non-independent directors present and retain external advisors and experts as required to carry out their role.

During the period of January 1, 2016 to December 31, 2016, attendance by the directors at meetings of the Board of Directors was as follows:

Director	Board of Directors' Meetings
John Hayes[(1)]	8 of 10
David Kay[(2)]	4 of 5
Hubert R. Marleau[(3)]	13 of 14
Mark Moseley-Williams[(3)]	14 of 14
Kevin O'Halloran[(4)]	4 of 4
Juan Esteban Orduz[(5)]	5 of 7
Anna Stylianides	14 of 14
Derrick H. Weyrauch[(3)]	7 of 7

Notes:
(1) Mr. Hayes ceased to be a director of the Company on August 29, 2016.
(2) Mr. Kay was appointed as a director of the Company on July 26, 2016.
(3) Mr. Moseley-Williams resigned on July 26, 2017. Mr. Marleau, Mr. O'Halloran and Mr. Weyrauch resigned on July 31, 2017.
(4) Mr. O'Halloran was appointed as a director of the Company on August 29, 2016.
(5) Mr. Orduz ceased to be a director of the Company on June 2, 2016.

BOARD OF DIRECTORS' MANDATE

The Board of Directors has adopted a written mandate. The text of the Board of Directors' written mandate is attached to this Circular as Appendix "F". In connection with the Settlement Agreement and the re-composition of the Board of Directors contemplated therein (as more particularly described under the heading "Section Two: Background Information and Reasons for the Settlement"), the mandate of the Board of Directors was amended to, *inter alia*, (i) limit the Company's ability to revise the MIP, convert debt to equity or enter into transactions which, under MI 61-101, would be considered a "related party transactions" and (ii) authorize the formation of the Arbitration and Budget Committee.

POSITION DESCRIPTIONS

The Board of Directors has adopted written position descriptions for the Chief Executive Officer, Co-Executive Chairs of the Board of Directors and Chair of each of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee.

The Co-Executive Chairs of the Board of Directors are appointed annually by, and reports to, the Board of Directors. The Co-Executive Chairs of the Board of Directors' primary role is to co-chair meetings of the Board of Directors and to manage the affairs of the Board of Directors, including ensuring the Board of Directors is organized properly, functions effectively and meets its obligations and responsibilities. The Co-Executive Chairs facilitate effective relations among members of the Board of Directors, shareholders, other stakeholders and the public.

Each of the Co-Executive Chairs of the Board of Directors has the responsibility to:

(a) act as the primary spokesperson for the Board of Directors;

(b) assist in representing the Company in a general industry and community context;

(c) ensure management is aware of concerns of the Board of Directors, shareholders, other stakeholders and the public;

(d) ensure management strategies, plans and performance are appropriately represented to the Board of Directors;

(e) work with management in reviewing plans, defining issues, maintaining accountability and building relationships;

(f) facilitate a candid and full discussion of all key matters that come before the Board of Directors; and

(g) carry out other duties as requested by the Board of Directors.

ORIENTATION AND CONTINUING EDUCATION

The Board of Directors has adopted an Orientation of New Directors Policy which sets out the steps and procedures required for the orientation of new directors. These include providing new directors with copies of all current policies, charters, mandates, plans or codes adopted by the Board of Directors or its committees, all corporate technical and financial information relating to the Company and its properties and a memorandum from the Company's legal counsel regarding the duties and obligations of directors of a public company imposed under corporate, securities and other applicable legislation and the rules and policies of stock exchanges and markets on which the securities of the Company are listed. The policy also provides that the Co-Executive Chairs of the Board of Directors will: (a) meet with a new director to review the role of the Board of Directors and its committees, provide the new director with information regarding the Company, its business, industry and senior management team and to give the new director the opportunity to ask questions about the nature of the Company and its operations; (b) provide a new director with an opportunity to meet the Chief Executive Officer and other members of the senior management team; (c) arrange for a new director to participate, with the other Board of Directors members, in periodic site visits to familiarize the directors with the Company's operations; and (d) arrange such additional meetings and provide such additional materials as may be reasonably requested by the new director in connection with his or her orientation to the Board of Directors.

The Board of Directors does not have a formal continuing education program for directors. At their initiative, directors are encouraged to attend seminars at the Company's expense so that they may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the Company's business remains current.

ETHICAL BUSINESS CONDUCT

The Board of Directors has adopted a written Code of Business Conduct and Ethics (the "**Code**") which applies to the Company's Board of Directors, officers and employees. A copy of the Code is available under the Company's profile on SEDAR at www.sedar.com or on request as indicated under the heading "Section Eight: General Information – Additional Information".

The Company regards maintaining a culture of ethical business conduct as critically important. The Board of Directors monitors compliance with the Code by requiring all officers, directors and employees who become aware of any existing or potential violation of the Code to notify a member of the Audit Committee, who will report all complaints and allegations to the Board of Directors for investigation.

In addition, the Company uses a confidential and anonymous reporting system that allows officers and employees to report questionable accounting or auditing matters (including deficiencies in internal controls) through a toll free telephone number in both Spanish and English and/or by mail. The reporting system is run by an independent third party and generates reports for the Audit Committee. The Audit Committee reviews the reports on a quarterly basis and investigates any alleged breaches of the Code.

The Code calls on all directors, officers and employees of the Company to strive to avoid situations that create, have the potential to create or create the appearance of, a conflict of interest.

In accordance with applicable corporate legislation, directors and senior officers who: (a) hold a material interest in or (b) are directors or senior officers of, or have a material interest in, an entity which itself has a material interest in, a transaction which is material to the Company must disclose that interest to the Board of Directors. After such disclosure is made on the transaction the interested director must abstain from voting.

COMMITTEES

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee, which comprises three (3) directors, two (2) of whom are independent as defined in NI 58-101, is responsible for participating in the recruitment and recommendation of new candidates for appointment or election to the Board of Directors. The current members of the Nominating and Corporate Governance Committee are Mr. Haber (Chair), Mr. McRae, and Ms. Stylianides.

The Board of Directors has adopted a Nominating and Corporate Governance Committee Charter. A copy of the charter is available on the Company's website at www.eco-oro.com, under the Company's profile on SEDAR at www.sedar.com or on request as indicated under the heading "Section Eight: General Information – Additional Information".

The Nominating and Corporate Governance Committee meets as frequently as necessary to carry out its responsibilities, but not less than once per year.

The Nominating and Corporate Governance Committee's purpose is to: (a) identify individuals qualified to become Board of Directors members; (b) recommend candidates to fill Board of Directors vacancies and newly created director positions; (c) recommend whether incumbent directors should be nominated for re-election to the Board of Directors upon expiration of their terms; and (d) make recommendations to the Board of Directors with respect to developments in the areas of corporate governance and the practices of the Board of Directors.

In recommending candidates, the Nominating and Corporate Governance Committee considers such factors as it deems appropriate, including the competencies and skills the Board of Directors considers to be necessary for the Board of Directors as a whole to possess in light of the opportunities and risks facing the Company, the competencies and skills the Board of Directors considers each existing director to possess, and the competencies and skills each new nominee will bring to the Board of Directors. The Nominating and Corporate Governance Committee also considers whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board of Directors member.

The Nominating and Corporate Governance Committee also recommends assignment of Board of Directors members to the various committees of the Board of Directors and recommends committee chairs. The Board of Directors believes that the presence of a majority of independent directors on the Nominating and Corporate Governance Committee will ensure an objective nomination process that is in the interests of all shareholders.

Compensation Committee

The Compensation Committee currently consists of three (3) members, all of whom are independent within the meaning of NI 58-101. The current members of the Compensation Committee are Ms. Wolfe (Chair), Mr. Kay and Mr. Haber.

The Board of Directors has adopted a Compensation Committee Charter. A copy of the charter is available on the Company's website at www.eco-oro.com, under the Company's profile on SEDAR at www.sedar.com or on request as indicated under the heading "Section Eight: General Information – Additional Information".

The Compensation Committee meets as frequently as necessary to carry out its responsibilities, but not less than once per year.

The Compensation Committee discharges the Board of Directors' responsibilities relating to compensation of the Company's executive officers and the directors of the Company, executive compensation disclosure and oversight of the compensation structure and benefit plans and programs of the Company. Among other things, the Compensation Committee establishes and administers the Company's policies, programs and procedures for compensating and incentivizing its executive officers.

In particular, the Compensation Committee reviews all compensation arrangements for the Chief Executive Officer, and other executive officers of the Company, including salaries, bonuses and equity-based incentive compensation and makes recommendations to the Board of Directors for their approval.

The Compensation Committee also reviews and approves, at least annually, corporate goals and objectives relevant to the compensation of the Chief Executive Officer, and the other executive officers of the Company and evaluates the performance of such executive officers in the light of those corporate goals and objectives and sets compensation levels based on those evaluations and any other factors it deems appropriate.

The Compensation Committee also reviews director compensation levels and practices, and will recommend, from time to time, changes in such compensation levels and practices to the Board of Directors.

Audit Committee

The Audit Committee currently consists of three (3) members, all of whom are independent within the meaning of NI 58-101. The current members of the Audit Committee are Mr. McRae (Chair), Ms. Wolfe and Mr. Haber.

The disclosure required by Form 52-110F1- *Audit Committee Information Required in an AIF* relating to the Audit Committee is included in the Company's 2017 AIF, which document is available under the Company's profile on SEDAR at www.sedar.com.

Arbitration and Budget Committee

The Arbitration and Budget Committee currently consists of two (2) members, both of which are independent within the meaning of NI 58-101. The current members of the Arbitration and Budget Committee are Mr. Kay and Ms. Wolfe.

The Board of Directors has adopted an Arbitration and Budget Committee Mandate. A copy of such mandate is available on the Company's website at www.eco-oro.com, under the Company's profile on SEDAR at www.sedar.com or on request as indicated under the heading "Section Eight: General Information – Additional Information".

The Arbitration and Budget Committee meets as frequently as necessary to carry out its responsibilities.

The purpose of the Arbitration and Budget Committee is to provide non-binding recommendations to the Board of Directors with respect to the Company's pursuit of the Claim Proceedings against the Republic of Colombia with the World Bank's International Centre for Settlement of Investment Disputes to its conclusion and all related matters.

In particular, the Arbitration and Budget Committee makes non-binding recommendations to the Board of Directors and to the Compensation Committee regarding monetization of the Claim Proceedings, the reduction of operating costs, compensation and grants under the MIP and disposition of assets.

ASSESSMENTS

To date, given the small size of the Board of Directors, the Board of Directors has not found it necessary to institute any formal process in order to satisfy itself that the Board of Directors and its individual directors are performing effectively. The Nominating and Corporate Governance Committee conducts an annual review of the professional experience and particular areas of expertise of each of the members of the Board of Directors; the independence of the members of the Board of Directors; any potential conflicts of interest that any of the members of the Board of Directors may have; the performance of, and working relationship among, the members of the Board of Directors during the past year; and the current size of the Company's operations.

The Nominating and Corporate Governance Committee also reviews the composition of all committees and each committee annually reviews its own performance and effectiveness.

DIRECTOR TERM LIMITS AND RENEWAL OF THE BOARD OF DIRECTORS

The Board of Directors has not adopted term limits for directors or other specific mechanisms of Board of Directors renewal. The term of office of a director expires at the annual general meeting each year. As required by its Charter, the Nominating and Corporate Governance Committee, in consultation with the Co-Executive Chairs of the Board of Directors, evaluates and recommends whether an incumbent director should be nominated for re-election to the Board of Directors upon expiration of his or her term. Through its annual review process, the Nominating and Corporate Governance Committee determines whether the Board of Directors as a whole has the required competencies and skills, and whether an individual director is able to continue to make an effective contribution. The Board of Directors is of the view that its annual review process is more effective for the Company than term limits or other mandated mechanisms of Board of Directors renewal, such as a mandatory retirement age.

REPRESENTATION OF WOMEN ON THE BOARD OF DIRECTORS AND MANAGEMENT

Policy

The Board of Directors has not adopted a written policy relating to the identification and nomination of women directors. Instead, the Nominating and Corporate Governance Committee in consultation with the Co-Executive Chairs of the Board of Directors evaluates potential nominees to the Board of Directors by reviewing the competencies and skills the Board of Directors considers to be necessary for the Board of Directors as a whole to possess, the competencies and skills the Board of Directors considers each existing director to possess, and the competencies and skills each new nominee will bring to the Board of Directors. The Nominating and Corporate Governance Committee also considers whether or not each nominee can devote sufficient time and resources to his or her duties as a Board of Directors member.

Identification and Selection

The Nominating and Corporate Governance Committee considers diversity, including the level of representation of women on the Board of Directors, as one factor in identifying and nominating

candidates for election or re-election to the Board of Directors. However, the Nominating and Corporate Governance Committee evaluates potential nominees to the Board of Directors by reviewing qualifications of prospective members and determines their relevance taking into consideration the then-current Board of Directors composition and the anticipated skills required to round out the capabilities of the Board of Directors.

Executive Officer Appointments

While the Company considers diversity, including the level of representation of women, when making executive officer appointments, the Company believes that each candidate should be evaluated based on his or her individual skills and experience. The Company is committed to treating people fairly, with respect and dignity, and to offering equal employment opportunities based upon an individual's qualifications and performance. The Company evaluates candidates for executive officer positions based on their experience, skill and ability.

Targets

While the Nominating and Corporate Governance Committee considers gender diversity when considering new candidates for director and executive positions, the Board of Directors has not set specific targets for director or executive officer composition at this time. The Company believes that each potential nominee should be evaluated based on his or her individual merits and experience, taking into account the needs of the Company and the current composition of the Board of Directors and management team, including the current level of representation of women in such positions.

Current Composition

Women represent 40% of the Company's current Board of Directors and 25% of its executive officers. Of the five (5) directors standing for election or re-election at the Meeting, two (2) are women. Of the Company's four (4) Executive Officers, one (1), Courtenay Wolfe, as Co-Executive Chair of the Board of Directors, is a woman.

SECTION SEVEN: COMPENSATION GOVERNANCE

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information regarding all direct and indirect compensation awarded, granted, paid, made payable or provided to the Company's NEOs and directors for the most recently completed fiscal year and the decision-making process relating to the compensation. For the purposes of this disclosure, the Company's NEOs as at December 31, 2016 were: Ms. Stylianides, Executive Chairman and former President and Chief Executive Officer; Mr. Moseley-Williams, President and Chief Executive Officer and former President and Chief Operating Officer, Mr. Robertson, Chief Financial Officer and Corporate Secretary and former Vice President Legal.

Currencies

Unless otherwise stated, all amounts in this "Section Seven: Compensation Governance" are stated in Canadian dollars ("**$**") and United States dollars are referenced as "US$". The following table provides the exchange rates used to convert amounts into United States dollars as appropriate.

$1 = C$	**2014**	**2015**	**2016**
Average for the year	1.1042	1.2782	1.3248
At December 31	1.1601	1.3840	1.3427

Philosophy and Objectives

The Company's compensation program for NEOs comprises of salary, discretionary bonuses and incentive options. The Company's compensation program is designed to attract and retain the most capable executives while motivating these individuals to continue to enhance shareholder value.

The Company's objectives in determining executive compensation are: (a) to attract and retain qualified and experienced executives in today's competitive marketplace; (b) to encourage and reward outstanding performance by those people who are in the best position to enhance the Company's near-term results and long-term prospects; (c) to align executive compensation with shareholders' interests; and (d) to encourage the retention of key executives for leadership succession.

The Company's executive compensation programs include safeguards designed to mitigate risks related to compensation. The following measures impose appropriate limits to avoid excessive or inappropriate risk taking or payments: (a) discretionary bonus payments are determined by the Compensation Committee based on annual performance reviews; (b) adoption of an option vesting policy pursuant to which incentive options granted to executive officers and management vest over time, which discourages excessive risk-taking to achieve short-term goals; (c) other equity-based compensation awards, such as share appreciation rights, have specific, performance-based conditions if, in the opinion and sole discretion of the Board of Directors, satisfied; and (d) implementation of trading black-outs under the Company's Disclosure and Trading Policy limits the ability of executive officers to trade in securities of the Company. Inappropriate and excessive risks by executives are also mitigated by regular meetings of the Board of Directors at which activity by the executives must be approved by the Board of Directors if such activity is outside previously Board of Directors-approved actions and/or as set out in a Board of Directors-approved budget. Given the current composition of the Company's executive management team, the Board of Directors and the Compensation Committee are able to closely monitor and consider any risks that may be associated with the Company's compensation practices. Risks, if any, may be

identified and mitigated through regular meetings of the Board of Directors during which financial and other information of the Company are reviewed, including executive compensation.

The Company does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, management is not aware of any NEO or director purchasing such an instrument.

Elements of Compensation

Salary

In setting salaries, the Compensation Committee does not rely upon benchmarking, mathematical formulas or hierarchy. Salary levels for NEOs are based on the executive's qualifications, experience and responsibilities within the Company, and are intended to be competitive with salaries paid to others in comparable positions within the same industry. The Compensation Committee has not engaged in benchmarking for the purpose of establishing compensation levels relative to any predetermined level and does not compare its compensation to a specific peer group of companies. With a very small executive group, the Compensation Committee rather looks at the positioning of each on an individual basis and the competitiveness and suitability of mix of that NEO's package for his or her individual circumstances. For annual salary increases, the Compensation Committee considers an executive's increased level of experience, whether or not the executive's responsibilities have increased over the past year and overall success of the Company for the prior year. The Compensation Committee annually reviews key corporate performance indicators such as finance and project advancement but does not set specific performance goals for each NEO. The Company is an exploration and development stage company and will not be generating revenues from operations for a significant period of time, as the Company's efforts are now focused on the Claim Proceedings. As a result, the use of traditional performance standards, such as corporate profitability and earnings per share, are not considered by the Compensation Committee to be relevant in the evaluation of corporate or NEO performance. The salary element of compensation is designed to ensure the Company's access to skilled employees necessary to achieve its corporate objectives.

Discretionary Bonuses

The Compensation Committee considers on an annual basis discretionary cash bonuses to reward extraordinary performance during the preceding fiscal year. In determining whether a bonus will be given, the Compensation Committee considers such factors as the NEO's performance over the past year, the Company's achievements in the past year and the NEO's role in effecting such achievements. As noted above, due to the nature of the Company's business, traditional performance standards are not considered by the Compensation Committee to be relevant to the evaluation of corporate or NEO performance.

Incentive Options

The incentive option component of the Company's executive compensation program is intended to encourage and reward outstanding performance over the short and long terms, and to align the interests of the Company's NEOs with those of its shareholders. Options are awarded to NEOs by the Board of Directors based on the recommendations of the Compensation Committee, which bases its decisions upon the level of responsibility and contribution of the individuals towards the Company's goals and objectives. The Compensation Committee also takes into consideration the amount and terms of outstanding stock options in determining its recommendations regarding the options to be granted during any fiscal year. The Company has historically established a practice of granting stock options to the directors, officers and employees of the Company on an annual basis after the Company's annual general meeting.

The option component of executive compensation acts as an incentive for the Company's NEOs to work to enhance the Company's value over the long term and to remain with the Company.

See "Amended and Restated Incentive Share Option Plan" for a detailed description of the Company's share option plan.

The Compensation Committee is of the view that the Company's compensation structure appropriately takes into account the factors relevant to the resource industry, the Company's performance within that industry, and the individual contributions to the Company's performance made by its NEOs.

Compensation Governance

As noted above under the heading "Section Six: Corporate Governance – Committees – Compensation Committee", the Compensation Committee currently consists of three (3) members, two (2) of whom are independent within the meaning of NI 58-101. The current members of the Compensation Committee are Ms. Wolfe (Chair), Mr. Kay and Mr. Haber.

The current members of the Compensation Committee do not have direct experience that is relevant to their responsibilities in executive compensation. However, each of the Compensation Committee members has skills and experiences that enable the member to make decisions on the suitability of the compensation policies and practices of the Company as set out below.

Courtenay Wolfe

Ms. Wolfe is an accomplished board member and a seasoned executive with over twenty (20) years of experience in various fields, including corporate strategy, turnarounds, restructuring, strategic negotiations, marketing and business development. Previously, Ms. Wolfe served as the Executive Chair of Founders Advantage Capital Corp. (formerly FCF Capital Inc. and Brilliant Resources Inc.) and as President and Chief Executive Officer of Salida Capital LP, a private investment management firm. Ms. Wolfe is currently the principal of Canopy Capital Inc., a venture capital company, and serves on multiple other boards, including FB Sciences Inc. and Vital Alert Communication Inc.

David Kay

Mr. Kay is a partner at Tenor and the portfolio manager of TICAF. Mr. Kay joined Tenor in 2009. Previously, Mr. Kay was an investment banker at Jefferies & Company and an attorney at Akin Gump Strauss Hauer & Feld LLP. Mr. Kay currently serves on multiple boards for companies in the mineral, mining and energy industries.

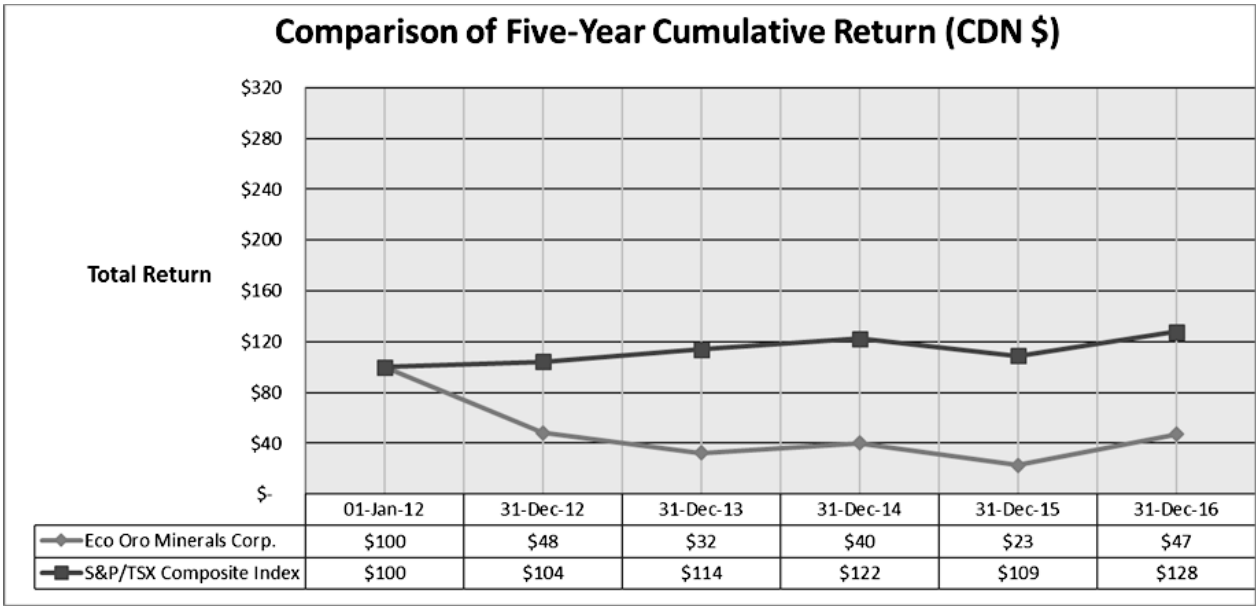
Lawrence Haber

Mr. Haber is a private adviser and consultant with significant experience in providing financial advisory services, formerly acting as a Special Advisor to the OSC staff regarding a number of policy projects and as a member of an Expert Committee tasked by the Ontario Minister of Finance to provide advice regarding the regulation of financial advice and financial planning advice. Mr. Haber was a senior executive with National Bank Financial and DundeeWealth Inc. and the President and Chief Executive Officer of Diversified Royalty Corp. (formerly, Benev Capital Inc.) Mr. Haber presently acts as the Chair of the board of directors of Diversified Royalty Corp.

The responsibilities, powers and operation of the Compensation Committee are set out in the Compensation Committee Charter and are described above under the heading "Section Six: Corporate Governance – Committees – Compensation Committee".

Performance Graph

The following graph compares the cumulative total shareholder return on the Shares of the Company over the last five fiscal years with the cumulative total return of the S&P/TSX Composite Index over the same period, based on an investment of $100 on January 1, 2012.



As discussed above, compensation for the Company's NEOs is comprised of different elements. These include elements relating to factors that do not directly correlate to the market price of the Shares, such as base salary, as well as elements that more closely correlate to the Company's performance and changes in the market price of its Shares, such as incentive options. Salary levels for NEOs are based on the executive's qualifications, experience and responsibilities within the Company. In this regard, there is no correlation between the trend in share performance over the past five years and the trend in NEO compensation over that same period.

Summary Compensation Table

The following table sets forth details of all compensation paid in respect of the NEOs at December 31, 2016:

Name and Principal Position	Year	Salary ($)	Share-Based Awards[1] ($)	Option-Based Awards[1] ($)	Non-Equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compen-sation ($)	Total Compen-sation ($)
					Annual Incentive Plans[2]	Long-Term Incentive Plans			
Anna Stylianides Former Executive Chairman, President and Chief Executive Officer[3]	2016	Nil	N/A	Nil	N/A	N/A	N/A	120,000[4]	120,000
	2015	Nil	N/A	124,628	N/A	N/A	N/A	243,000	367,628
	2014	Nil	N/A	56,688	N/A	N/A	N/A	177,933	234,621
Mark Moseley- Williams Former President and Chief Executive Officer, President and Chief	2016	230,473	N/A	Nil	N/A	N/A	N/A	N/A	230,473
	2015	Nil	N/A	131,692	N/A	N/A	N/A	45,544	177,236

Operating Officer[3]									
Paul Robertson Chief Executive Officer and former Chief Financial Officer and Corporate Secretary[5]	2016	Nil	N/A	Nil	N/A	N/A	N/A	162,325[6]	162,325
	2015	Nil	N/A	83,085	N/A	N/A	N/A	176,800	259,885
	2014	Nil	N/A	34,013	N/A	N/A	N/A	109,488	143,501
James Atherton Former Corporate Secretary[7]	2016	Nil	N/A	Nil	N/A	N/A	N/A	38,490[8]	38,490
	2015	67,642	N/A	83,085	N/A	N/A	N/A	129,988	280,715
	2014	135,376	N/A	34,013	N/A	N/A	N/A	106,679	276,068

Notes:
(1) The options were granted pursuant to the Company's Option Plan. For compensation purposes, the Black-Scholes model has been used to determine the fair value on the date of grant. This is consistent with the accounting values used in the Company's financial statements. The Company selected the Black-Scholes model given its prevalence of use. The key assumptions used under the Black-Scholes model for the option valuations are: expected life of the stock option: 5 years; expected volatility of the Company's common share price: (2016: 93.91%; 2015: 93.91%; 2014 88.32%); expected dividend yield: 0%; and risk free interest rate: (2016; 0.54%; 2015: 0.54%; 2014: 1.32%).
(2) Represents the annual incentive bonus paid in cash in that year.
(3) Ms. Stylianides acted as President and Chief Executive Officer of the Company from May 1, 2014 to October 1, 2015 and as Chief Executive Officer from May 1, 2014 to January 4, 2015. Mr. Moseley-Williams was appointed President and Chief Operating Officer on October 1, 2015 and as President and Chief Executive Officer on January 4, 2016. Mr. Moseley-Williams resigned as President and Chief Executive Officer on July 26, 2017.
(4) Includes $120,000 paid to Fintec Holding Corp., a company controlled by Ms. Stylianides, to provide the services of Ms. Stylianides as the Company's President and Chief Executive Officer pursuant to a services agreement dated May 1, 2014.
(5) Mr. Robertson was appointed Chief Financial Officer of the Company on April 11, 2014. Mr. Robertson had previously acted as Chief Financial Officer of the Company until January 14, 2013. Mr. Robertson resigned as Chief Financial Officer and was appointed as Chief Executive Officer (Interim) on August 3, 2017.
(6) Fees paid to Quantum, a limited liability partnership of which Mr. Robertson is an incorporated partner, pursuant to a services agreement dated April 1, 2014.
(7) Mr. Atherton acted as Vice President Legal and Corporate Secretary until April 1, 2014, when he ceased to act as Vice President Legal. He continued to act as Corporate Secretary until his resignation on April 30, 2016.
(8) Legal fees paid to James H. Atherton Law Corporation, a law firm in which Mr. Atherton is a shareholder, pursuant to a services agreement dated April 1, 2014.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all awards outstanding for the NEOs at the end of the most recently completed financial year, including awards granted to the NEOs in prior years.

	Option-Based Awards				Share-Based Awards		
Name	**No. of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised In-The-Money Options ($)[1]**	**No. of Shares or Units of Shares That Have Not Vested (#)**	**Market or Payout Value of Share-Based Awards That Have Not Vested ($)**	**Market or Payout Value or Share-Based Awards Not Paid Out or Distributed ($)**
Anna Stylianides	50,000	$2.41	Apr. 27/17	Nil	N/A	N/A	N/A
	50,000	$1.74	Jul. 1/17	Nil			
	100,000	$0.82	May 10/18	Nil			
	75,000	$0.52	Jul. 12/18	13,500			
	300,000	$0.275	Jun. 2/19	127,500			
	300,000	$0.50	Sept. 2/20	60,000			
Mark Moseley- Williams	100,000	$0.50	Sept. 2/20	20,000	N/A	N/A	N/A
	200,000	$0.63	Oct. 7/20	14,000			
Paul Robertson	180,000	$0.275	Jun. 2/19	76,500	N/A	N/A	N/A

	200,000	$0.50	Oct. 7/20	40,000			

Note:
(1) Based on the closing price of $0.70 for the Shares of the Company on December 30, 2016 and the exercise prices of the options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned by the NEOs for incentive plan awards for the most recently completed financial year.

Name	Option-Based Awards – Value Vested During the Year ($)[1]	Share-Based Awards – Value Vested During the Year ($)	Non-Equity Incentive Plan Compensation – Value Earned During the Year ($)[2]
Anna Stylianides	N/A	N/A	N/A
Mark Moseley-Williams	N/A	N/A	N/A
Paul Robertson	3,300	N/A	N/A
James Atherton[3]	3,300	N/A	N/A

Notes:
(1) Based on the closing price of the Shares of the Company as of the date of vesting and the exercise prices of the options.
(2) On January 13, 2017, the independent members of the Board of Directors (excluding Ms. Stylianides, former Executive Chairman, Mr. Moseley-Williams, former President and Chief Executive Officer and Mr. Kay, the Trexs nominated director) unanimously approved and the Company implemented the MIP to incentivize certain key personnel to continue to assist the Company with the prosecution and collection of the Company's Claim Proceedings. Implementation of the MIP is a requirement under the terms of the Investment Agreement (as defined herein). Pursuant to the terms of the MIP, the MIP Committee has been appointed to administer the MIP. The MIP Committee will, among other things, be responsible for determining whether to grant participants under the Plan certain cash retention amounts that will not exceed, in aggregate, 7% of the Claim Proceeds (to be reduced to 5% pursuant to the MIP Amendments). For greater certainty, cash retention amounts will only be awarded upon successful prosecution and collection of the Company's Claim Proceedings. Awards under the MIP will be at the sole discretion of the MIP Committee, who is under no obligation to grant participants any cash retention amounts. In exercising their discretion, the MIP Committee will take into consideration, among other things, the amount of the Claim Proceeds and the time dedicated by each participant to the Claim Proceedings. To date, no amounts have been awarded under the MIP. At the Meeting, shareholders will be asked to approve the MIP Amendment as more fully described under the heading "Section Three: Matters to be Voted On at the Meeting – 7. Amendments to Material Agreements – B. MIP Amendment".
(3) Mr. Atherton acted as Vice President Legal and Corporate Secretary until April 1, 2014, when he ceased to act as Vice President Legal. He continued to act as Corporate Secretary until his resignation on April 30, 2016.

For a summary of the key terms of the Company's share option plan, please see "Amended and Restated Incentive Share Option Plan".

Termination and Change of Control Benefits

The Company recognizes the valuable services that the NEOs provide to the Company and the importance of the continued focus of these NEOs in the event of a possible change of control. Because a change of control could give rise to the possibility that the employment of a NEO would be terminated without cause or adversely modified, the Board of Directors determined that it would be in the best interests of the Company to ensure that any distraction or anxiety associated with a possible change of control be alleviated by ensuring that, in the event of a change of control, each NEO would have the rights set out below.

For the purposes of the change of control agreements and provisions referenced below:

"**Change of Control**" means the occurrence of any of the following events, whether by way of a single transaction or a series of related transactions: (a) any change of the holding of voting securities of the Company whereby as a result of such change a person (not affiliated with the Company) or a group of persons (none of which is affiliated with the Company) acting in concert, hold or control, directly or indirectly, by or for the benefit of such person or persons, voting securities of the Company carrying more than 50% of the votes for the election of directors whether such change in the holding or control of such

securities occurs by way of reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, acquisition or otherwise; (b) the acquisition by a person (not affiliated with the Company) or a group of persons (none of which is affiliated with the Company) acting in concert, pursuant to a take-over bid, as defined in the applicable securities legislation or securities regulatory instruments, of voting securities of the Company that, together with the voting securities of the Company already held by such person or group, constitute 20% or more of the outstanding voting securities of the Company, if within six (6) months following take-up under such take-over bid, the Board of Directors of the Company is reconstituted so that the majority of the Board of Directors comprises persons who, prior to such take-over bid, were not directors of the Company in which case the Change of Control is deemed to occur as of the effective date of such reconstitution; (c) the sale or other disposition, whether by way of purchase, joint venture, exchange or otherwise, to any person (not affiliated with the Company) or a group of persons (none of which is affiliated with the Company) acting in concert, of assets of the Company, or interests therein, having a value greater than 50% of the fair market value of the assets of the Company and any subsidiaries on a consolidated basis determined as at the date of the entering into of the transaction, if within six (6) months following completion of such disposition, the Board of Directors is reconstituted so that the majority of the Board of Directors comprises persons who, prior to such disposition, were not directors of the Company in which case the Change of Control is deemed to occur as of the effective date of such reconstitution; or (d) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its affiliates and another corporation or other entity as a result of which the holders of voting securities of the Company prior to the completion of the transaction hold less than 50% of the outstanding voting securities of the successor corporation after completion of the transaction; and

"**Good Reason**" means without the NEO's express written consent: (i) a material reduction of the NEO's duties, position, authority or responsibilities, relative to the NEO's duties, position, authority or responsibilities in effect immediately prior to such reduction provided that the NEO's acceptance of a new position on or after a Change of Control will not in and of itself constitute express written consent that such position does not constitute a material reduction in the NEO's duties, position, authority or responsibilities; (ii) a material reduction of the facilities and perquisites (including office space and location) available to the NEO immediately prior to such reduction unless other executive officers of the Company are similarly treated; (iii) a material reduction in the compensation of the NEO in effect immediately prior to such reduction; (iv) a material reduction in the kind or level of benefits to which the NEO was entitled immediately prior to such reduction with the result that such NEO overall benefits package is materially reduced unless other executive officers of the Company are similarly treated. Notwithstanding the foregoing, Good Reason will not be deemed to exist based on conduct described above unless the NEO provides the Company with written notice specifying the particulars of the conduct constituting Good Reason, and the conduct described (if reasonably susceptible of cure) has not been cured within thirty (30) days following receipt by the Company of such notice.

Employment Agreement with Mark Moseley-Williams

Mr. Moseley-Williams was employed as the Company's President and Chief Operating Officer pursuant to an employment agreement dated October 1, 2015 between the Company and Mr. Moseley-Williams. On January 4, 2016, Mr. Moseley-Williams was appointed as the Company's President and Chief Executive Officer. Under the terms of that amended agreement, the Company may terminate Mr. Moseley-Williams's employment, without cause, by providing written notice of termination and paying him the corresponding compensation according to Colombian law. Based on the assumption that the triggering event occurred on December 31, 2016, the estimated incremental payment to Mr. Moseley-Williams under the foregoing provision would have been $32,902. Pursuant to a change of control provision within that agreement, if within six (6) months following a Change of Control the Company removes Mr. Moseley-Williams from that position without cause or Mr. Moseley-Williams resigns from the position for Good Reason, Mr. Moseley-Williams will be paid a lump sum payment equal to twice the sum of his then current base annual salary and the bonus, if any, earned for the fiscal year prior to the year the termination takes place, less applicable withholdings, deductions and remittances, and any stock options Mr. Moseley-Williams has been granted in connection with his involvement with the Company will fully vest immediately. Based on the assumption that such a triggering event occurred on December 31, 2016,

the estimated incremental payment to Mr. Moseley-Williams pursuant to the foregoing provision would have been $460,000. On January 4, 2016, Ms. Moseley-Williams was appointed President and Chief Executive Officer and this employment agreement was amended to reflect this role. On July 26, 2017, Mr. Moseley-Williams resigned as Chief Executive Officer.

Agreements with Paul Robertson and Quantum Advisory Partners LLP (Paul Robertson)

Mr. Robertson is employed as the Company's Chief Financial Officer pursuant to an employment agreement dated April 11, 2014 between the Company and Mr. Robertson. Under the terms of that agreement, the Company may terminate Mr. Robertson's employment, without cause, by providing thirty (30) days' written notice of termination. Pursuant to a change of control agreement dated October 1, 2015 between the Company and Mr. Robertson, if within six (6) months following a Change of Control the Company removes Mr. Robertson from that position without cause or Mr. Robertson resigns from the position for Good Reason, Mr. Robertson will be paid a lump sum payment of $270,000 less applicable withholdings, deductions and remittances, and any stock options Mr. Robertson has been granted in connection with his involvement with the Company will fully vest immediately. Based on the assumption that such a triggering event occurred on December 31, 2016, the estimated incremental payment to Mr. Robertson pursuant to the foregoing provision would have been $270,000.

Quantum, a limited liability partnership of which Mr. Robertson is a partner and through which Mr. Robertson practises accounting, is engaged to provide accounting services to the Company pursuant to a services agreement dated April 1, 2014 between the Company and Quantum. Pursuant to that agreement, if the Company terminates Quantum's engagement, without cause and without adequate (six (6) months') notice of termination, Quantum will be entitled to an amount equal to six (6) months of the then in effect base fee by way of a lump sum payment. Based on the assumption that the triggering event occurred on December 31, 2016, the estimated incremental payment to Quantum under the foregoing provision would have been $67,500.

DIRECTOR COMPENSATION

Director Compensation Table

The following table sets forth details of all amounts of compensation provided to the directors other than the NEOs (the "**Other Directors**") for the Company's most recently completed financial year.

Name	Fees Earned ($)	Share-Based Awards ($)	Option-Based Awards ($)[1]	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
John Hayes[2]	6,000	N/A	N/A	N/A	N/A	N/A	6,000
David Kay[3]	0	N/A	N/A	N/A	N/A	N/A	0
Hubert R. Marleau	9,000	N/A	N/A	N/A	N/A	N/A	9,000
Kevin O'Halloran[4]	3,000	N/A	N/A	N/A	N/A	N/A	3,000
Juan Esteban Orduz[5]	3,750	N/A	N/A	N/A	N/A	N/A	3,750
Derrick H. Weyrauch	5,250	N/A	N/A	N/A	N/A	N/A	5,250

Notes:
(1) There were no options granted in the 2016 financial year.
(2) Mr. Hayes ceased to be a director of the Company on August 29, 2016.
(3) Mr. Kay was appointed as a director of the Company on July 26, 2016.
(4) Mr. O'Halloran was appointed as a director of the Company on August 29, 2016.
(5) Mr. Orduz ceased to be a director of the Company on June 2, 2016.

Non-executive directors receive an annual retainer of $9,000 paid in quarterly instalments. These directors are also granted stock options annually following the Company's annual general meeting.

Share-Based Awards, Option-Based Awards and Non-Equity Incentive Plan Compensation

The following table sets forth details of all awards outstanding for the Other Directors at the end of the most recently completed financial year, including awards granted to the Other Directors in prior years.

	Option-Based Awards				Share-Based Awards		
Name	**No. of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised In-The-Money Options ($)[1]**	**No. of Shares or Units of Shares That Have Not Vested (#)**	**Market or Payout Value of Share-Based Awards That Have Not Vested ($)**	**Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)**
John Hayes[2]	N/A	N/A	N/A	N/A	N/A	N/A	N/A
David Kay[3]	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hubert R. Marleau	50,000 100,000 75,000 100,000 150,000	$2.41 $0.82 $0.52 $0.275 $0.50	Apr. 27/17 May 10/18 Jul. 12/18 Jun. 2/19 Sep. 2/20	Nil Nil 13,500 42,500 30,000	N/A	N/A	N/A
Kevin O'Halloran[4]	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Juan Esteban Orduz[5]	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Derrick H. Weyrauch	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:
(1) Based on the closing price of $0.70 for the Shares of the Company on December 30, 2016 and the exercise prices of the options.
(2) Mr. Hayes ceased to be a director of the Company on August 29, 2016.
(3) Mr. Kay was appointed as a director of the Company on July 26, 2016.
(4) Mr. O'Halloran was appointed as a director of the Company on August 29, 2016.
(5) Mr. Orduz ceased to be a director of the Company on June 2, 2016.

The following table sets forth details of the value vested or earned by the Other Directors for option-based awards and share-based awards for the most recently completed financial year.

Name	**Option-Based Awards – Value Vested During the Year ($)[1]**	**Option-Based Awards – Value Vested During the Year ($)**	**Non-Equity Incentive Plan Compensation – Value Earned During the Year ($)**
John Hayes[2]	N/A	N/A	N/A
David Kay[3]	N/A	N/A	N/A
Hubert R. Marleau	N/A	N/A	N/A
Kevin O'Halloran[4]	N/A	N/A	N/A
Juan Esteban Orduz[5]	N/A	N/A	N/A

Derrick H. Weyrauch	N/A	N/A	N/A

Notes:
(1) Based on the closing price of the Shares of the Company as of the date of vesting and the exercise prices of the options.
(2) Mr. Hayes ceased to be a director of the Company on August 29, 2016.
(3) Mr. Kay was appointed as a director of the Company on July 26, 2016.
(4) Mr. O'Halloran was appointed as a director of the Company on August 29, 2016.
(5) Mr. Orduz ceased to be a director of the Company on June 2, 2016.

For a summary of the key terms of the Company's share option plan, please see "Amended and Restated Incentive Share Option Plan".

Amended and Restated Incentive Share Option Plan

The Company has in place the Option Plan pursuant to which the Board of Directors may grant options to eligible participants to purchase Shares of the Company on such terms as they may determine, subject to any restrictions set out in the Option Plan. The key features of the Option Plan are as follows:

(a) the eligible participants are directors, officers, employees, part-time employees and consultants of the Company or any affiliate;

(b) the aggregate number of Shares that may be issued from time to time under the Option Plan shall not exceed 10% of the Shares issuable from time to time in the capital of the Company;

(c) the aggregate number of Shares that may be issued to insiders under the Option Plan at any one time or within any one year period, together with any other security based compensation arrangement, shall not exceed 10% of the Shares issuable in the capital of the Company;

(d) the aggregate number of Shares reserved for issuance under the Option Plan and all other plans of a similar nature to any one person shall not at any time exceed 5% of the Company's outstanding capital;

(e) the directors determine the exercise price of each option at the time of grant which, in no case, can be lower than the closing market price of the Company's Shares on the TSX on the last trading day prior to the date of grant;

(f) the term of each option is also determined by the directors at the date of grant which, in no case, can exceed ten years, subject to the extension for options expiring within a blackout period as described below;

(g) the options may be subject to vesting provisions at the discretion of the Board of Directors; however, although the Board of Directors may in its discretion accelerate the vesting terms of any option, upon the announcement of a transaction which, if completed, would constitute a Change of Control (as defined in the Option Plan), all options that have not vested shall be deemed to be fully vested and exercisable solely for the purposes of permitting the optionees to exercise such options in order to participate in such transaction or distribution;

(h) an optionee may elect to dispose of the optionee's rights under all or part of his options in exchange for that number of Shares of the Company calculated as follows:

$$\text{number of Shares issuable on exercise of options being exchanged} \times \frac{\text{(current market price-option exercise price)}}{\text{current market price}}$$

(i) options may terminate prior to expiry of the option term in the following circumstances:

i. on death of an optionee, options held as at the date of death are exercisable until the earlier of one (1) year from such date and expiry of the option term;

ii. on retirement of an optionee, options held as at the date of retirement are exercisable until the earlier of six (6) months from such date and expiry of the option term; if an optionee ceases to be employed by the Company for cause or is removed from office as a director or officer or becomes disqualified from such position by law, options held as at the date of cessation of employment, removal from office or disqualification will expire on such date;

iii. if an optionee ceases to be employed by the Company for any reason other than cause or death or ceases to be a director or officer for any reason other than death, removal or disqualification, options held on the date of cessation are exercisable until the earlier of sixty (60) days following such date and expiry of the option term; or

iv. if, at the request of the Board of Directors, an optionee resigns as an employee, director, officer or consultant, the Board of Directors may, in its absolute discretion, extend the term of the option held by such optionee so that it is exercisable for a period equal to the earlier of six (6) months from the date of resignation or until expiry of the original option term; and

(j) if a director who holds an option ceases to be a director but continues to be or, concurrently with such ceasing to be a director, becomes or is appointed as an officer, employee or consultant, then such option continues in full force and effect;

(k) options and rights related thereto held by an optionee are not assignable except on death of the optionee;

(l) subject to the exceptions noted below, the Board of Directors may amend the Option Plan or any option at any time in its absolute discretion without shareholder approval to:

i. amend the time or times that the Shares subject to each option will become purchasable by an optionee, including accelerating the vesting terms, if any, applicable to an option;

ii. amend the process by which an optionee who wishes to exercise his or her option can do so, including the required form of payment for the Shares being purchased, the form of exercise notice and the place where such payments and notices must be delivered;

iii. reduce the exercise price or extending the term of an option, other than an option held by an insider of the Company;

iv. amend the terms of the Option Plan relating to the effect of termination, cessation or death of an optionee on the right to exercise options (including options held by an insider of the Company);

v. make any amendments of a typographical, grammatical or clerical nature; and

vi. make any amendments necessary to bring the Option Plan into compliance with the securities and corporate laws and the rules and policies of the TSX.

Amendments which reduce the exercise price or extend the term of an option held by an insider or which increase the fixed maximum percentage of Shares issuable under the Option Plan will require disinterested shareholder approval;

(m) the directors have the authority under the Option Plan to authorize the Company to lend money to an eligible participant to assist such participant to exercise an option. However, to date, no such assistance has been provided; and

(n) if an option expires:

i. within a self-imposed black out period, the expiry date will be a date which is ten (10) business days after expiry of the black-out period; or

ii. immediately following a self-imposed black out period, the expiry date will be a date which is ten (10) business days after expiry of the black-out period less the number of business days between the date of expiry of the option and the date on which the black-out period ends.

The expiry dates for black-out periods is fixed under the Option Plan and is not subject to the discretion of the Board of Directors.

During the financial year ended December 31, 2016, no amendments to the Option Plan were adopted either with or without shareholder approval.

As at the date hereof, there are currently outstanding options to purchase an aggregate of 5,267,000 Shares (4.3% of the fully diluted issued capital) and there are 6,445,495 options available for grant (5.2% of the fully diluted issued capital).

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as of the end of the Company's financial year ended December 31, 2016, all information required with respect to compensation plans under which equity securities of the Company are authorized for issuance:

Plan Category	**Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)**	**Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)**	**Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)**
Equity compensation plans approved by securityholders	2,656,500	$0.59	7,969,010
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	2,656,500	$0.59	7,969,010

SECTION EIGHT: GENERAL INFORMATION

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, and during the financial year ended December 31, 2016, no executive officers, directors, employees or former executive officers, directors and employees of the Company or any of its subsidiaries (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) the Company or its subsidiaries, or (ii) any other entity which is, or was at any time during the financial year ended December 31, 2016, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as set forth herein, management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Company since the commencement of the Company's last completed financial year, or of any proposed nominee for election as a director of the Company, or of any associate or affiliate of any of such persons, in any manner to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

Plan of Arrangement

Each of Trexs, Amber, Paulson and Ms. Stylianides have an interest in the Arrangement. Specifically, under the Arrangement, (i) each will be deemed to have made their Transferred CVRs available for reallocation in accordance with the Plan of Arrangement and in connection therewith, each CVR Holder shall be entitled to an amount equal to such CVR Holder's CVR Holder Amount, (ii) the Conversion will be rescinded and, as a result, the New Shares currently held by Trexs, Amber, Paulson and Ms. Stylianides, respectively, will be cancelled and the Company will reinstate and reissue to Trexs, Amber, Paulson and Ms. Stylianides that portion of the Notes originally converted as part of the Conversion, each as more fully described under heading "Section Five: The Arrangement".

In addition, each of Ms. Stylianides and Mr. Robertson are holders of the May 8 Options that will under the Arrangement be terminated for no consideration and shall cease to have any effect whatsoever, as more fully described under heading "Section Five: The Arrangement".

Investment Agreement Amendment

Trexs is a party to the Investment Agreement and therefore has an interest in the Investment Agreement Amendment, as more fully described under heading "Section Three: Matters to be Voted On at the Meeting – 7. Amendments to Material Agreements – A. Investment Agreement Amendment and Security Sharing Agreement Amendment".

MIP Amendment

Each of Ms. Stylianides, Mr. Haber and Ms. Wolfe are entitled to participate in the MIP. Pursuant to the MIP Amendment, Ms. Stylianides will be removed from the definition of "Participant" under the MIP and Mr. Haber and Ms. Wolfe, respectively, will replace Mr. O'Halloran and Mr. Weyrauch, both former directors, as members of the MIP Committee, as more fully described under heading "Section Three: Matters to be Voted On at the Meeting – 7. Amendments to Material Agreements – B. MIP Amendment".

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Circular, no informed person of the Company, proposed nominee for election as a director, or any associate or affiliate of the foregoing, had any material interest, direct or

indirect, in any transaction or proposed transaction since January 1, 2016 which has materially affected or would materially affect the Company or any of its subsidiaries.

Pursuant to the Investment Agreement, Trexs (located at 1180 Avenue of the Americas, Suite 1940, New York, NY 10036), made an aggregate investment in the Company of US$14,000,000 and was issued 10,608,225 Shares (or 9.9%), a Note in the principal amount of US$7,000,000 and secured CVRs, entitling Trexs to 51% of the Claim Proceeds. Pursuant to the terms of the Investment Agreement, Trexs nominated Mr. Kay as its nominee on the Board of Directors. Mr. Kay is a partner at Tenor and the portfolio manager of TICAF, both of which are affiliates of Trexs, and accordingly has direction over the securities of the Company held by Trexs. Under the Arrangement, Trexs will be deemed to have made its Transferred CVRs available for reallocation in accordance with the Plan of Arrangement and in connection therewith it shall be entitled to an amount equal to its CVR Holder Amount, as more fully described under heading “Section Five: The Arrangement”.

On November 9, 2016, pursuant to the Investment Agreement, the Company issued a Note in the principal amount of US$1,495,454.56 and secured CVRs to Amber (located at 900 Third Avenue, Suite 1103, New York, NY 10022), a Note in the principal amount of US$1,050,000.01 and secured CVRs to Paulson (located at 1251 Avenue of the Americas, New York, NY 10020) and a Note in the principal amount of US$31,818.18 and secured CVRs to Ms. Stylianides, a director of the Company (located at Suite 300, 1055 W. Hastings Street, Vancouver, British Columbia, V6E 2E9). Under the Arrangement, Amber, Paulson and Ms. Stylianides will transfer CVRs to the Custodian for the benefit of the Qualified Shareholders who exercise their Rights and acquire an Interest in the Custody CVRs, as more fully described under heading “Section Five: The Arrangement”.

On March 16, 2017, the Company announced that it had converted approximately US$4,721,258 in principal amount of its outstanding unsecured convertible indebtedness through the issuance of the New Shares at an effective price of US$0.5930 per Share (together, the “**Conversion**”). Following the Conversion, approximately US$4,951,470 of the Notes remain outstanding. As a result of the Conversion, Trexs increased its ownership from approximately 9.9% to 15.7%. Certain other Noteholders, being Amber, Paulson and Ms. Stylianides, participated in the Conversion and retained their approximate *pro rata* ownership in the Company following the Conversion. **As a step in the Plan of Arrangement, the Conversion will be rescinded, the New Shares will be cancelled and the Company will reinstate and reissue that portion of the Notes originally converted and that existed immediately prior to the issuance of the New Shares to the Noteholders.**

On September 11, 2017, the Company announced that, pursuant to the terms of a loan agreement, Trexs loaned the Company US$4 million on an unsecured basis. The loan is for a term of 150 days and bears interest at a rate of 5% per annum.

MANAGEMENT CONTRACTS

No management functions of the Company or any of its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Company or subsidiary, except as disclosed herein.

DIRECTORS’ AND OFFICERS’ INSURANCE

The Company maintains insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers. The Company has purchased in respect of directors and officers an aggregate of US$25,000,000 in coverage. The approximate amount of premiums paid by the Company during the financial year ended December 31, 2016 in respect of such insurance was US$43,000.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the Company's website at www.eco-oro.com or under the Company's profile on SEDAR at www.sedar.com. Shareholders may contact the Corporate Secretary of the Company at Suite 300 – 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9 or by telephone at 604-682-8212 to request copies of the Company's financial statements and MD&A. Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year.

DIRECTORS' APPROVAL

The contents of this Circular and its sending to shareholders have been approved by the Board of Directors. A copy of this Circular has been sent to each director, each shareholder entitled to notice of the Meeting and the auditors of the Company.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) *"Paul Robertson"*

Paul Robertson,
Chief Executive Officer (Interim)

Vancouver, British Columbia
September 12, 2017

APPENDIX A

Arrangement Resolution

"RESOLVED AS A SPECIAL RESOLUTION that:

1. the capitalized terms used and not otherwise defined herein shall have the meanings set forth in the accompanying management information circular dated September 12, 2017 (the "**Circular**");

2. the Arrangement under Division 5 Part 9 of the BCBCA of Eco Oro, as more particularly described and set forth in the Circular (as the Arrangement may be amended, modified or supplemented) is hereby authorized, approved and adopted;

3. the Plan of Arrangement of the Company (as if has been or may be amended, modified or supplemented), the full text of which is set out in Appendix "D", to the Circular, is hereby authorized, approved or adopted;

4. (i) the Arrangement and related transactions, and (ii) actions of the directors of the Company in approving the Arrangement, are hereby ratified and approved;

5. notwithstanding that this special resolution has been passed (and the Arrangement adopted) by the shareholders of the Company or that the Arrangement has been approved by the Court, the directors of the Company are hereby authorized and empowered to, without notice to or approval of the shareholders of the Company, (i) to amend, modify or supplement the Plan of Arrangement, and (ii) not to proceed with the Arrangement or related transactions;

6. any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing; and

7. the foregoing resolutions are conditional on the approval of the Conditional Resolutions.

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APPENDIX B
Interim Order

No. S178452
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE *BUSINESS CORPORATIONS ACT*, SBC 2002, C 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING ECO ORO MINERALS CORP.

RE: ECO ORO MINERALS CORP.

PETITIONER

ORDER MADE AFTER APPLICATION
INTERIM ORDER

BEFORE) MASTER) 12/Sept/2017
) TAYLOR)

ON THE APPLICATION of the petitioner, Eco Oro Minerals Corp. ("**Eco Oro**" or the "**Company**"), without notice, coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on Tuesday, September 12, 2017; and ON HEARING Kaitlin Smiley, counsel for Eco Oro; AND ON READING the Petition to the Court and Affidavit #1 of Lawrence Paul Haber affirmed September 6, 2017 (the "**Haber Affidavit**"), both filed herein; AND ON HEARING MATTHEW NIED, counsel for Tyrex Investments LLC;

THIS COURT ORDERS that:

Definitions

1. As used in this Interim Order, unless otherwise defined, terms beginning with capital letters have the respective meanings set out in the draft Notice of Meeting (the "**Notice of Meeting**") and draft Management Information Circular (the "**Circular**") found at **Exhibit "A"** to the Haber Affidavit.

The Meeting

2. Pursuant to Sections 289 and 291 of the *Business Corporations Act*, SBC 2002, c. 57 (the "**BCBCA**"), the Company is authorised and directed to call, hold and conduct a meeting (the "**Meeting**") of the holders of common shares of Eco Oro (the "**Shareholders**") to be held at the offices of Norton Rose Fulbright Canada LLP located at Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario M5J 2Z4 on Tuesday, October 10, 2017 at 10:00 a.m. (Eastern Time) to, at that Meeting:

   (a) consider and, if deemed appropriate, pass, with or without variation, a special resolution to approve a proposed arrangement (the "**Arrangement**") pursuant to section 288 of the BCBCA substantially in the form set out in the Plan of Arrangement attached as **Appendix "D"** to the Circular (the "**Arrangement Resolution**"); and

   (b) to transact such further or other business as is contemplated in the Circular, or as may otherwise properly come before the Meeting and any adjournment(s) or postponement(s) thereof.

3. David Kay and Courtenay Wolfe shall jointly act as the co-chairs of the Meeting (the "**Co-Chairs**") and shall appoint such person(s) as deemed appropriate to act as secretary of the Meeting. The Meeting shall be called, held and conducted in accordance with the BCBCA, the Notice of Meeting, the Circular, the articles and by-laws of Eco Oro, this Interim Order and any further Order of this Court, and in accordance with the rulings and the directions of the Co-Chairs, such ruling and directions not to be inconsistent with this Interim Order.

Record Date

4. The record date (the "**Record Date**") for determination of the shareholders entitled to notice of, and to vote at, the Meeting and, subject to other conditions set forth in the Circular, exercise a Right distributed by the Company to acquire an interest in the Custody CVRs, shall be August 11, 2017, as previously approved by the Board of Directors of Eco Oro.

Permitted Attendees

5. The only persons entitled to attend or speak at the Meeting shall be:

   (a) the Shareholders or their respective proxyholders;

   (b) Eco Oro's officers, directors, and advisors; and

   (c) other persons who may receive the permission of the Co-Chairs of the Meeting.

Scrutineer

6. One or more representatives of Computershare Investor Services Inc. is authorised to act as scrutineer (the "**Scrutineer**") for the Meeting.

Amendments

7. Prior to the Meeting, Eco Oro is authorised to make such amendments, revisions and/or supplements to the Arrangement (as agreed to by Trexs and the Shareholder Group) without any additional notice to the Shareholders, and the Arrangement, as so amended, revised and/or supplemented, shall be the Arrangement submitted to the Meeting, and the subject of the Arrangement Resolution.

8. Eco Oro is authorised to make such amendments, revisions and/or supplements to the draft Circular as it may determine and the Circular, as so amended, revised and/or supplemented, shall be the Circular to be distributed in accordance with paragraph 12 of this Interim Order.

Adjournments and Postponements

9. Notwithstanding the provisions of the BCBCA, Eco Oro, if it deems advisable, is specifically authorised to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournment or postponement shall be given by press release or newspaper advertisement, or by notice sent to the Shareholders in a manner specified in paragraph 12 of this Interim Order. This provision shall not limit the authority of the Co-Chairs of the Meeting in respect of adjournments and postponements of the Meeting.

10. The Record Date shall not change in respect of adjournments or postponements of the Meeting.

Notice of Meeting

11. The Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290(1)(a) of the BCBCA, and the Company shall not be required to send to the Shareholders any other or additional statement pursuant to Section 290(1)(a) of the BCBCA.

12. The Circular (including the Notice of Meeting and the Notice of Hearing of Petition), the forms of proxy and the Subscription Forms, all in substantially the same form as contained in **Exhibits "A", "B", "C"** and **"D"** to the Haber Affidavit (collectively referred to as the "**Meeting Materials**"), with such deletions, amendments or additions thereto as counsel for the petitioner may advise are necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order, shall be sent to:

(a) the Shareholders as they appear on the securities register of the Company maintained by its registrar and transfer agent as at the Record Date, such Meeting Materials to be sent at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting, by one or more of the following methods:

(i) by prepaid ordinary or air mail addressed to the Shareholder at his, her or its address as it appears on the applicable securities register of Eco Oro as at the Record Date;

(ii) by delivery in person or by courier delivery to the address specified in paragraph 12(a)(i) above; or

(iii) by e-mail or facsimile transmission to any Shareholder who identifies himself, herself or itself to the satisfaction of the Company, acting through its representatives, who requests such e-mail or facsimile transmission;

(b) the directors and auditors of the Company by mailing the Meeting Materials by prepaid ordinary or air mail, or by e-mail or facsimile transmission, to such persons at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing or transmittal and the date of the Meeting; and

(c) in the case of non-registered Shareholders, by providing copies of the Meeting Materials to intermediaries and registered nominees for sending to both non-objecting beneficial owners and objecting beneficial owners in accordance with National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators;

and substantial compliance with this paragraph shall constitute good and sufficient notice of the Meeting.

13. Accidental failure or omission by Eco Oro to give notice of the Meeting or to distribute the Meeting Materials to any person entitled by this Interim Order to receive notice or Meeting Materials, or any failure or omission to give such notice or Meeting Materials as a result of events beyond the reasonable control of Eco Oro, or the non-receipt of such notice or Meeting Materials, shall not constitute a breach of this Interim Order or, in relation to notice to Shareholders, a defect in the calling of the Meeting, and shall not invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of Eco Oro, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances (including press release or newspaper advertisement if that is determined by the Board of Directors of the Company to be the most appropriate method of communication).

14. Eco Oro is hereby authorised to make such supplements to the Meeting Materials as Eco Oro may determine and deliver those materials, or any other materials that the Company wishes to deliver to Shareholders ("**Additional Materials**"). Notice of such Additional Materials may, subject to paragraph 13 above, be delivered in accordance

with paragraph 12 of this Interim Order. Notwithstanding the foregoing, Additional Materials may be delivered to the Shareholders by the method and in the time most reasonably practicable in the circumstances (including press release or newspaper advertisement if that is determined by the Board of Directors of the Company to be the most appropriate method of communication).

15. Distribution of the Meeting Materials pursuant to paragraph 12 of this Interim Order shall constitute notice of the Meeting and good and sufficient service of the within Petition upon the persons described in paragraph 12 and those persons are bound by any orders made on the within Petition. Further, no other form of service of the Meeting Materials or this Petition, or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by this Interim Order.

16. The Meeting Materials and any Additional Materials shall be deemed, for the purposes of this Interim Order, to have been received:

    (a) in the case of mailing, the day, Saturdays, and holidays excepted, following the date of mailing;

    (b) in the case of delivery in person, the day of personal delivery or the day of delivery to the person's address in paragraph 12 above;

    (c) in the case of any means of transmitted, recorded or electronic communication, when dispatched or delivered for dispatch; and

    (d) in the case of a press release or newspaper advertisement, on the date of release or publication.

Solicitation and Revocation of Proxies

17. Eco Oro is authorised to use the subscription forms and proxies substantially as contained in **Exhibits "B"** and **"C"** to the Haber Affidavit, with such amendments and additional information as Eco Oro may determine are necessary or desirable. Eco Oro is authorised, at its expense, to solicit proxies, directly or through its officers, directors or employees, and through such agents or representatives as they may retain for that purpose, and by mail or such other forms of communication as it may determine.

18. The procedure for the use of proxies at the Meeting and the use of Subscription Forms shall be as set out in the Meeting Materials. Eco Oro may waive generally, in its discretion, the time limits set out in the Circular for the deposit or revocation of proxies by Shareholders or delivery of Subscription Forms, if Eco Oro deems it advisable to do so.

19. Shareholders shall be entitled to revoke their proxies in accordance with the *Business Corporations Regulation*, BC Reg 65/2004 (except as the procedures of that section are varied by this paragraph) provided that any instruments in writing delivered pursuant to

s. 3.8 of Table 2 of the *Business Corporations Regulation* may be deposited at the registered office of Eco Oro or with the transfer agent of Eco Oro as set out in the Circular.

Quorum and Voting

20. The quorum at the Meeting shall be not less than two Shareholders who are entitled to vote at the Meeting, holding in aggregate not less than 5% of the shares entitled to vote at the Meeting, voting either in person or by proxy.

21. The only persons entitled to vote in person or by proxy on the Arrangement Resolution, shall be those Shareholders who hold common shares of Eco Oro as of the close of business on the Record Date, and are otherwise entitled to vote. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

22. In respect of matters properly brought before the Meeting pertaining to items of business affecting Eco Oro each Shareholder is entitled to one vote for each common share held.

23. The votes required to pass the Arrangement Resolution at the Meeting shall be the affirmative vote of at least two-thirds (66 2/3%) of the votes cast in respect of the Arrangement Resolution at the Meeting in person or by proxy by the Shareholders. Such votes shall be sufficient to authorise Eco Oro to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis consistent with what is provided for in the Circular without the necessity of any further approval by the Shareholders, subject only to final approval of the Arrangement by this Honourable Court.

Hearing of Application for Approval of the Arrangement

24. Upon approval with or without variation, by the Shareholders of the Plan of Arrangement in the manner set forth in this Interim Order, Eco Oro may apply to this Honourable Court, pursuant to s. 291 of the BCBCA, for (i) final approval of the Arrangement and (ii) a declaration that the terms and conditions of the Arrangement are fair and reasonable (the "**Final Order**"). The hearing of the application for the Final Order will be held at October 12, 2017 at 9:45 a.m. (Vancouver time) at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, or as soon thereafter as the application can be heard or at such other date and time as this Court may direct.

25. The form of Notice of Hearing of Petition for Final Order attached as **Appendix "C"** to the Circular is hereby approved as the form of notice of proceedings for such approval. Any Shareholder has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for Final Order.

26. Distribution of the Notice of Hearing of Petition for Final Order and this Interim Order, when sent in accordance with paragraph 12 or 13, as the case may be, shall constitute

good and sufficient service of the within Petition and this Interim Order and no other form of service need be effected and no other material need be served unless a Response is served in accordance with paragraph 27.

27. Any Shareholder seeking to appear at the hearing of the application for the Final Order shall:

(a) file a Response, in the form prescribed by the *Supreme Court Civil Rules*, with this Court; and

(b) deliver the filed Response to the petitioner's solicitors at:

Norton Rose Fulbright Canada LLP
1800 – 510 West Georgia Street
Vancouver BC V6B 0M3
Attention: James H. Goulden / Kaitlin Smiley,

as soon as reasonably practical and in any case, before 4:00 p.m. (Vancouver time) on October 11, 2017.

28. Subject to further order of this Honourable Court, the only persons entitled to appear and be heard at the hearing of the within Petition shall be:

(a) Eco Oro; and

(b) any person who has filed a Response herein in accordance with the Petition, this Interim Order and the *Supreme Court Civil Rules*.

29. Any materials to be filed by Eco Oro in support of the within Petition for final approval of the Arrangement may be filed up to one day prior to the hearing of the Petition without further order of this Honourable Court.

30. In the event the hearing of the application for the Final Order does not proceed on the date set forth in the Notice of Hearing, and is adjourned, only those persons who served and filed a Response in accordance with paragraph 27 of this Order need to be served and provided with notice of the adjourned hearing date.

Precedence

31. To the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing or collateral to the voting common shares, or the articles or by-laws of Eco Oro, this Interim Order shall govern.

Variance

32. Eco Oro shall be entitled, at any time, to apply to vary this Interim Order.

33. Rules 8-1 and 16-1 of the Supreme Court Civil Rules will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS NOTED ABOVE:

Signature of
☐ party ☒ Lawyer for the petitioner
Eco Oro Minerals Corp.

Kaitlin Smiley

By the Court.

Registrar

CHECKED

APPENDIX C

Notice of Hearing of Petition for the Final Order

No. S178452
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE *BUSINESS CORPORATIONS ACT*, SBC 2002, C 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING ECO ORO MINERALS CORP.

RE: ECO ORO MINERALS CORP.

PETITIONER

NOTICE OF HEARING OF PETITION FOR FINAL ORDER

To: The holders of common shares of Eco Oro Minerals Corp. (collectively, the "Shareholders" or the "Respondents")

NOTICE IS HEREBY GIVEN that a Petition has been filed by the Petitioner, Eco Oro Minerals Corp. (the "Company") in the Supreme Court of British Columbia (the "Court") for approval of a plan of arrangement (the "Arrangement") pursuant to the *Business Corporations Act*, SBC 2002, c 57, as amended;

AND NOTICE IS FURTHER GIVEN that by an Order of the Court pronounced on September 11, 2017 (the "Interim Order"), the Court has given directions as to the calling of a special meeting of the Shareholders for the purpose of, among other things, considering and voting upon a special resolution to approve the Arrangement;

AND NOTICE IS FURTHER GIVEN that an application for a final order approving the Arrangement and for a determination that the terms and conditions of the Arrangement are fair and reasonable (the "Final Order") shall be made before the presiding Judge in Chambers at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, on October 12, 2017, at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard (the "Final Application");

AND NOTICE IS FURTHER GIVEN that the Final Order approving the Arrangement will, if made, serve as the basis of an exemption from the registration requirements of the United States Securities Act of 1933, as amended, pursuant to Section 3(a)(10) thereof with respect to securities distributed under the Arrangement.

IF YOU WISH TO BE HEARD, any person affected by the Final Order sought may appear (either in person or by counsel) and make submissions at the hearing of the Final Application if such person has filed with the Court at the Court Registry, 800 Smithe Street, Vancouver,

British Columbia, a Response to Petition ("Response") in the form prescribed by the *Supreme Court Civil Rules*, together with any affidavits and other material on which that person intends to rely at the hearing of the Final Application, and delivered a copy of the filed Response, together with all affidavits and other material on which such person intends to rely at the hearing of the Final Application, including an outline of such person's proposed submissions, to the Petitioner at its address for delivery set out below by or before 4:00 p.m. (Vancouver time) on October 11, 2017.

The Petitioner's address for delivery:

Norton Rose Fulbright Canada LLP
1800 – 510 West Georgia Street
Vancouver, British Columbia
V6B 0M3
Attention: James H. Goulden / Kaitlin Smiley

IF YOU WISH TO BE NOTIFIED OF ANY ADJOURNMENT OF THE FINAL APPLICATION, YOU MUST GIVE NOTICE OF YOUR INTENTION to be heard by filing and delivering the form of Response as aforesaid. You may obtain a form of Response at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

AT THE HEARING OF THE FINAL APPLICATION the Court may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court deems fit.

IF YOU DO NOT FILE A RESPONSE and attend either in person or by counsel at the time of such hearing of the Final Application, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, all without any further notice to you. A copy of the said Petition and other documents in the proceeding will be provided to any Respondent upon request in writing addressed to the solicitors of the Petitioner at the address for delivery set out above.

1. Date of hearing

☐ The parties have agreed as to the date of the hearing of the petition.

☒ The parties have not agreed as to the date of the hearing but notice of the hearing will be given pursuant to the Interim Order of the Court in this matter.

☐ The petition is unopposed, by consent or without notice.

2. Duration of hearing

☐ It has been agreed by the parties that the hearing will take 20 minutes.

☒ The parties have not agreed as to how long the hearing will take and

(a) the time estimate of the petitioner is 20 minutes, and

(b) the petition respondents have not given a time estimate.

3. Jurisdiction

☐ This matter is within the jurisdiction of a master.

☒ This matter is not within the jurisdiction of a master.

Norton Rose Fulbright Canada LLP

Date: September , 2017

per: _____

Signature of
☐ petitioner ☒ Lawyer for petitioner
Eco Oro Minerals Corp.

James H. Goulden / Kaitlin Smiley

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APPENDIX D

Plan of Arrangement

ECO ORO MINERALS CORP.

PLAN OF ARRANGEMENT UNDER PART 9, DIVISION 5 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

1. INTERPRETATION

(a) Definitions: In this Plan of Arrangement, unless the context otherwise requires, the following words and terms shall have the meanings hereinafter set out:

(i) "**2017 Meeting**" means the annual general and special meeting of shareholders of the Company to be held on October 10, 2017, including any adjournment or adjournments or postponement or postponements thereof;

(ii) "**Additional Receipts**" means the Receipts available for subscription under the Additional Subscription Privilege, being Receipts evidencing an Interest in the Custody CVRs not allocated under the Basic Subscription Right;

(iii) "**Additional Subscription Privilege**" means the privilege of Qualified Shareholders that have complied with the conditions set out in the Subscription Form and Circular to subscribe for their respective *Pro Rata Share* of Additional Receipts after the exercise of all their Rights under the Basic Subscription Right;

(iv) "**Additional Subscription Privilege Funding Notice**" has the meaning ascribed thereto in Subsection 3(e);

(v) "**Additional Subscription Privilege Second Funding Obligation**" has the meaning ascribed thereto in Subsection 3(e);

(vi) "**Agency Agreement**" means the rights agency and custodial agreement dated September 12, 2017 between the Subscription Agent and the Company pertaining to the issuance and exercise of the Rights;

(vii) "**Approved Shareholder**" means an Entitled Shareholder who is resident in a Non-Qualified Jurisdiction but that, prior to October 4, 2017, demonstrates to each of the Subscription Agent and Company, in its sole and absolute discretion, that such Entitled Shareholder may hold and exercise a Right: (i) in compliance with the laws of such

Non-Qualified Jurisdiction; (ii) without obligating the Company or any of the CVR Holders to file or issue a prospectus, registration statement or any other similar document qualifying or registering the issue, sale or distribution of the Rights, Receipts or the Custody CVRs; and (iii) without imposing any significant costs on the Company in order to comply with applicable laws of such Non-Qualified Jurisdiction and in doing so, the Company or the Agent may require that the Entitled Shareholder (at its sole cost) furnish such evidence (including certificates and opinions of counsel), as shall be satisfactory to each of the Company and the Agent in their sole and absolute discretion, to demonstrate that such Entitled Shareholder qualifies as an Approved Shareholder;

(viii) "**Arrangement**" means the arrangement under the provisions of Part 9, Division 5 of the BCBCA, to be effected on the terms and conditions set forth in this Plan of Arrangement, subject to any amendment or supplement hereto made in accordance with the Settlement Agreement and the provisions hereof or made at the direction of the Court in the Final Order;

(ix) "**Basic Receipts**" means the Receipts, available for subscription under the Basic Subscription Right, being a Receipt evidencing an Interest in the Custody CVRs;

(x) "**Basic Subscription Right**" means the right of Qualified Shareholders to subscribe for up to their respective *Pro Rata Share* of the Basic Receipts upon the exercise of their Rights;

(xi) "**BCBCA**" means the *Business Corporations Act* (British Columbia) as now enacted and as may be subsequently amended and the regulations thereto;

(xii) "**Business Day**" means a day which is not a Saturday, Sunday or civic or statutory holiday in Toronto, Ontario or Vancouver, British Columbia;

(xiii) "**Circular**" means the management information circular of the Company sent to Eco Oro Shareholders in connection with the 2017 Meeting;

(xiv) "**Claim Proceedings**" means any and all present or future claim, right of action, action, litigation, arbitration, mediation, collection effort or other dispute resolution proceeding or effort of any kind of the Company and its direct or indirect subsidiaries, including, but not limited to, any and all present or future proceedings under the Free Trade Agreement between Canada and Colombia signed on November

21, 2008 and which came into force on August 15, 2011 or before ICSID, UNCITRAL, ICC, CRCICA or such other applicable dispute resolution bodies or courts, in each case relating to the Company's dispute with the Republic of Colombia arising in connection with the Company's ability to explore and exploit the Angostura mineral project and all present and future claims, rights, action, litigation, arbitration, mediation, collection effort or other dispute resolution proceeding or efforts regarding same;

(xv) "**Claim Proceeds**" shall mean all present and future value, order, award, entitlement or remuneration of any kind and in any form including, without limitation, any property, assets, cash, bonds, or any other form of payment or restitution, permit, license, consideration, refund or reimbursement of fees or similar right in each case paid, payable, recovered, owing to, due to, awarded to, ordered or otherwise received or to be received by the Company or any of its direct or indirect subsidiaries or affiliates of any kind, or any of their respective successors or assigns pursuant to or in respect of any settlement, award, order, entitlement, collection, judgment, sale, disposition, agreement or any other monetization of any kind of, in any way relating to the Claim Proceedings;

(xvi) "**Converting Noteholders**" means, collectively, the CVR Holders other than Manas Dichow;

(xvii) "**Court**" means the Supreme Court of British Columbia;

(xviii) "**Custodian**" means Kingsdale Partners LP, which will hold the Custody CVRs for and on behalf of the Participating Entitled Shareholders pursuant to the terms of the Custodian Agreement;

(xix) "**Custodian Agreement**" means the custodian and depositary agreement dated **[●]**, 2017 between the Custodian and the Company, and agreed to by the Participating Entitled Shareholders pursuant to the Subscription Forms, pertaining to the Custodian holding the Custody CVRs for and on behalf of the Participating Entitled Shareholders;

(xx) "**Custody CVRs**" means the CVRs which are to be held by the Custodian pursuant to the terms of the Custodian Agreement, which CVRs represent the right to receive up to 14.1% of the Claim Proceeds;

(xxi) **"CVR Holder Amount**" means, for each CVR Holder, an amount equal to (i) the entitlement to the Claim Proceeds (expressed as a percentage) transferred to the Company under Section 5(a)(i)

represented by their CVRs transferred thereunder, (ii) divided by 12.1% and (iii) multiplied by $1,110,000;

(xxii) "**CVR Holders**" means, collectively, the holders of the CVRs on the Record Date;

(xxiii) "**CVRs**" means contingent value rights issued or to be issued hereunder by the Company entitling the holders thereof to a percentage of the gross amount of the Claim Proceeds, if any;

(xxiv) "**Depository**" means Canadian Depository for Securities Limited or its nominee and includes any successor corporation or any other depository recognized as a depository by the securities regulatory authority in Canada for the purpose of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

(xxv) "**Eco Oro**" or the "**Company**" means Eco Oro Minerals Corp., a corporation existing under the laws of the Province of British Columbia;

(xxvi) "**Eco Oro Shares**" means common shares in the capital of Eco Oro;

(xxvii) "**Eco Oro Shareholders**" means holders, at the applicable time, of Eco Oro Shares;

(xxviii) "**Effective Date**" means the date agreed to by Eco Oro, Trexs and the Shareholder Group in writing as the effective date of the Arrangement after all of the conditions precedent to the completion of the Arrangement have been satisfied or waived, and the Final Order has been granted by the Court;

(xxix) "**Effective Time**" means 12:01 a.m., Vancouver time, on the Effective Date or such other time agreed to by the Eco Oro, Trexs and the Shareholder Group in writing;

(xxx) "**Entitled Shareholder**" means a Person, other than the CVR Holders, which is an Eco Oro Shareholder on the Record Date and entitled to vote at the 2017 Meeting;

(xxxi) "**Final Order**" means the final order of the Court approving the Arrangement, as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal provided that such order is satisfactory in form and substance to the Company, Trexs and the Shareholder Group;

(xxxii) "**Full Subscription**" has the meaning ascribed thereto in Subsection 3(b)(i);

(xxxiii) "**Interest in the Custody CVRs"** means an indirect interest in the economic benefits of the Custody CVRs;

(xxxiv) "**Investment Transaction Documents**" means the documents set out in Schedule "I" to the Settlement Agreement, the Security Sharing Agreement Amendment and Joinder, the Security Confirmation and all amendments or supplements to any such documents;

(xxxv) "**New Shares**" means the 10,600,000 Eco Oro Shares that were issued to the Converting Noteholders pursuant to the Note Conversion;

(xxxvi) "**Non-Qualified Jurisdiction**" means any jurisdiction other than each of the Qualified Jurisdictions;

(xxxvii) "**Notes**" means the convertible unsecured notes dated, as the case may be, July 21, 2016 or November 9, 2016 and issued by the Company to the CVR Holders;

(xxxviii) "**Note Conversion"** means the conversion of $4,721,258 of the principal amount of the outstanding Notes into New Shares that was effected by the Company on March 16, 2017;

(xxxix) "**Options**" means the stock options issued by the Company to each of Anna Stylianides, Paul Robertson, Hubert R. Marleau, Mark Moseley-Williams, Derrick H. Weyrauch and Kevin O'Halloran on May 8, 2017;

(xl) "**Participant**" means, in relation to a Depository, a broker, dealer, bank or other financial institution or other person on whose behalf such Depository or its nominee holds Eco Oro Shares pursuant to a book-based system operated by such Depository;

(xli) "**Participating Entitled Shareholders**" means Entitled Shareholders who participate in the Arrangement and acquire Receipts pursuant to the terms thereof;

(xlii) "**Person**" means any individual, corporation, firm, partnership (including, without limitation, a limited partnership), sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, governmental entity, tribunal or any other entity or organization whether or not having legal status;

(xliii) "***Pro Rata Share***" means: (i) in respect of Basic Receipts, the number determined by dividing (x) the number of Eco Oro Shares held by a

Qualified Shareholder on the Record Date by (y) the total number of Eco Oro Shares held by all Entitled Shareholders on the Record Date; and (ii) in respect of Additional Receipts, the number determined by dividing (x) the number of Eco Oro Shares held by a Qualified Shareholder on the Record Date that duly exercised the Additional Subscription Privilege by (y) the total number of Eco Oro Shares held by all Qualified Shareholders on the Record Date that have duly exercised the Additional Subscription Privilege;

(xliv) "**Qualified Jurisdictions**" means the provinces and territories of Canada;

(xlv) "**Qualified Shareholder**" means an Entitled Shareholder who is either (i) resident in a Qualified Jurisdiction or (ii) an Approved Shareholder;

(xlvi) "**Receipt**" means a written confirmation to be issued by the Custodian reflecting proof of purchase of an Interest in the Custody CVRs;

(xlvii) "**Record Date**" means the close of business on August 11, 2017;

(xlviii) "**Released Parties**" has the meaning ascribed thereto in Section 6;

(xlix) "**Requisitioned Meeting**" means the meeting of shareholders requisitioned by certain members of the Shareholder Group, which meeting was originally scheduled for April 25, 2017;

(l) "**Right**" means a non-transferable right to acquire an Interest in Custody CVRs;

(li) "**Security Confirmation**" means the confirmation to be executed by the Company in connection with the Arrangement in relation to the security documents;

(lii) "**Security Sharing Agreement Amendment and Joinder**" means the agreement titled as such to be made among the CVR Holders and the Custodian and acknowledged and consented to by the Company;

(liii) "**Settlement Agreement**" means the amended and restated settlement agreement among Eco Oro, the CVR Holders, the Shareholder Group and certain other Eco Oro Shareholders dated September 11, 2017;

(liv) "**Shareholder Group**" means, collectively, Harrington Global Opportunities Fund Ltd., Harrington Global Limited and Courtenay Wolfe;

(lv) "**Subscription Agent**" means Kingsdale Partners LP, a limited partnership existing under the laws of Canada;

(lvi) "**Subscription Deadline**" means 5:00 p.m. (Toronto time) on October 4, 2017;

(lvii) "**Subscription Form**" means the subscription forms delivered to the Eco Oro Shareholders pursuant to Subsection 3(a) to be completed by Qualified Shareholders in order to exercise their Rights and participate in the Basic Subscription Right and (if applicable) the Additional Subscription Privilege;

(lviii) "**Subscription Funds**" means any and all monies deposited with the Subscription Agent by the Qualified Shareholders for the purchase of Interests in the Custody CVRs under the Basic Subscription Right and Additional Subscription Privilege, which monies must be in the form of a certified cheque or bank draft payable to the Subscription Agent; and

(lix) "**Transferred CVRs**" means, in respect of each CVR Holder, the CVRs to be transferred by such CVR Holder to the Company under Subsection 5(a)(i) hereof which CVRs shall represent an entitlement, expressed as a percentage, to the Claim Proceeds equal to an amount equal to $(A - B) \times {}^{C}/_{D}$, where:

A. is the entitlement, expressed as a percentage, to the Claim Proceeds of all Custody CVRs to be issued under this Plan of Arrangement,

B. is 2.0%,

C. is the entitlement to the Claim Proceeds of the applicable CVR Holder represented by its CVRs, and

D. is the entitlement to the Claim Proceeds of all CVR Holders represented by all of their CVRs.

(b) Interpretation Not Affected by Headings. The headings contained in this Plan of Arrangement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Plan of Arrangement. The terms **"this Plan of Arrangement", "hereof", "herein", "hereto"**, **"hereunder"** and similar expressions refer to this Plan of Arrangement and not to any particular article, section, subsection, paragraph, subparagraph, clause or sub-clause hereof and include any agreement or instrument supplementary or ancillary hereto.

(c) Date for any Action. If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

(d) Rules of Construction. In this Plan of Arrangement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include both genders and neuter. References in this Plan of Arrangement to the words ‘‘include’’, ‘‘includes’’ or ‘‘including’’ shall be deemed to be followed by the words ‘‘without limitation’’ whether or not they are in fact followed by those words or words of like import.

(e) References to Persons, Statutes and Agreements. A reference to a Person includes any successor to that Person. A reference to any statute includes all regulations made pursuant to such statute and the provisions of any statute or regulation which amends, supplements or supersedes any such statute or regulation. References to any agreement, contract or plan are to that agreement, contract or plan as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.

(f) Currency. Unless otherwise stated, all references herein to amounts of money are expressed, and all payments provided for herein are to be made, in lawful money of the United States of America and $ refers to the lawful currency of the United States of America.

2. SETTLEMENT AGREEMENT

This Plan of Arrangement is made pursuant to and subject to the provisions of the Settlement Agreement. At the Effective Time, the Arrangement shall be binding upon Eco Oro, the Custodian, the Subscription Agent, the CVR Holders, the Eco Oro Shareholders at the Effective Time, including the Shareholder Group and all Participating Entitled Shareholders, without any further act or formality on the part of any person except as expressly provided herein. Other than as expressly provided herein, no portion of this Plan of Arrangement shall take effect with respect to any party or Person until the Effective Time.

3. SUBSCRIPTION PROCESS

(a) The Subscription Agent will deliver or cause to be delivered by first class mail to each (i) registered Eco Oro Shareholder, at the address of such Entitled Shareholder as it appears on the register or shareholders’ lists for Eco Oro Shares and (ii) Participant of each beneficial Eco Oro Shareholder, a Subscription Form and a return addressed envelope (together with the materials for the 2017 Meeting). Any Qualified Shareholder may elect to subscribe for Receipts under the Arrangement by delivering to the Subscription Agent (x) a duly completed Subscription Form, (y) the requisite Subscription Funds (including funds equal to no less than 150% of the Subscription Funds under the Basic Subscription Right owing by any Qualified Shareholder electing to participate in the Additional Subscription Privilege) and (z) such other documents as may be requested by each of the Company or the Subscription Agent in connection with the exercise of the Rights, in its sole and absolute discretion, all in accordance with the timing

requirements and terms specified in the Subscription Form and the Circular.

(b) In the Subscription Form, a Qualified Shareholder may elect to participate in the Arrangement as follows:

(i) A Qualified Shareholder has the option to exercise its Basic Subscription Right. Under the Basic Subscription Right, a Qualified Shareholder will be entitled to acquire up to its *Pro Rata Share* of the Basic Receipts. If a Qualified Shareholder elects to exercise its Basic Subscription Right, it may do so by subscribing for some or the full amount of its *Pro Rata Share* of the Basic Receipts (such full amount, a "**Full Subscription**").

(ii) If a Qualified Shareholder elects to make a Full Subscription under its Basic Subscription Right, it has the option to exercise its Additional Subscription Privilege, if the aggregate number of Receipts subscribed for by all Participating Entitled Shareholders under the Basic Subscription Right represent, in aggregate, Interest in the Custody CVRs that equal less than CVRs entitling the holders thereof to 14.1% of the Claim Proceeds. Under the Additional Subscription Privilege, a Participating Entitled Shareholder validly participating in the Additional Subscription Privilege will be required to acquire all of its *Pro Rata Share* of the Additional Receipts.

(c) In determining a Participating Entitled Shareholder's *Pro Rata Share* of the Basic Receipts or *Pro Rata Share* of the Additional Receipts, the Subscription Agent shall verify that the number of Eco Oro Shares set out in the Subscription Form agrees with the records of the transfer agent or Participant, as the case may be, and represent validly issued and outstanding Eco Oro Shares. In verifying that the number of Eco Oro Shares set out in the Subscription Form of a beneficial Eco Oro Shareholder agrees with the records of a Participant, the Subscription Agent, acting reasonably, may rely on the number of Eco Oro Shares set out in a Participating Entitled Shareholder's Subscription Form so long as such number is confirmed by the beneficial Eco Oro Shareholder's Participant by such Participant inputting the same number of Eco Oro Shares in the appropriate space on the applicable Subscription Form and affixing the appropriate signature or medallion guarantee. In furtherance hereof, the Company or the Subscription Agent, in its sole and absolute discretion, may require that the Participating Entitled Shareholder furnish such other documents to demonstrate its Eco Oro Share holdings (or to demonstrate such other fact or matter as reasonably necessary in connection therewith).

(d) Pursuant to the Additional Subscription Privilege, Participating Entitled Shareholders who (x) elected to make a Full Subscription under the Basic

Subscription Right, (y) made payment to the Subscription Agent, prior to the Subscription Deadline, of an amount not less than 150% of the subscription price for their Full Subscription and (z) delivered such other documents as may be requested by each of the Company or the Subscription Agent in connection with the exercise of the Rights, in its sole and absolute discretion, will have the right to subscribe for the full amount of their *Pro Rata Share* of Additional Receipts that will result in the issue of Receipts that represents, in aggregate, Interest in the Custody CVRs representing 14.1% of the Claim Proceeds. If a Participating Entitled Shareholder elects to exercise its Additional Subscription Privilege, it will be required to purchase, under the Additional Subscription Privilege, its *Pro Rata Share* of Receipts in order to enable Receipts sold under the Arrangement to represent, in aggregate, Interests in Custody CVRs equal to CVRs representing 14.1% of the Claim Proceeds.

(e) If insufficient funds are delivered to the Agent to allow Participating Entitled Shareholders duly participating in the Additional Subscription Privilege to acquire their *Pro Rata Share* of the Additional Receipts, the Subscription Agent will notify in writing all Participating Entitled Shareholders that participated in the Additional Subscription Privilege (or by such other manner as agreed to by Trexs and the Shareholder Group, including by e-mail or facsimile transmission to the address or number set out in the Participating Entitled Shareholder's Subscription Form) of such fact and the amount of additional funding required by each such Participating Entitled Shareholder to acquire its *Pro Rata Share* of the Additional Receipts such that Receipts representing, in aggregate, Interest in the Custody CVRs representing 14.1% of the Claim Proceeds will be issued under the Arrangement (such notice is referred to as the "**Additional Subscription Privilege Funding Notice**"), and in such circumstances each such Participating Entitled Shareholder will be required to fund any such funding deficit within five Business Days of the Subscription Agent sending the Additional Subscription Privilege Funding Notice (such funding obligation is referred to herein as the "**Additional Subscription Privilege Second Funding Obligation**"). The failure by a Participating Entitled Shareholder that participated in the Additional Subscription Privilege to fund its Additional Subscription Privilege Second Funding Obligation within such five Business Days will be deemed for all purposes as an agreement by such Participating Entitled Shareholder that it is not eligible to participate in the Additional Subscription Privilege and such Participating Entitled Shareholder shall be deemed for all purposes to have never participated in the Additional Subscription Privilege.

(f) If a Participating Entitled Shareholder that participated in the Additional Subscription Privilege fails to fund its Additional Subscription Privilege

Second Funding Obligation as required pursuant to an Additional Subscription Privilege Funding Notice, the Subscription Agent will, at the direction of the Company, either:

(i) deliver such additional notices, in the manner and form set out in Section 3(e), as required to require Participating Entitled Shareholders that continue to fund their obligations under the Additional Subscription Privilege to fully acquire their *Pro Rata Share* of Additional Receipts (after taking into account any Additional Receipts available as a result of a Participating Entitled Shareholder failing to fund any amount required to be paid in connection with the Additional Subscription Privilege), or

(ii) with the consent of Trexs and the Shareholder Group, allow all Participating Entitled Shareholders who have funded their obligations under the Additional Subscription Privilege and have deposited more funds with the Subscription Agent than otherwise required to acquire their *Pro Rata Share* of the Additional Receipts, to acquire (on a *pro rata* basis based on the amount actually over-funded) Receipts representing the aggregate remaining Interest in the Custody CVRs without any further notice to the other Participating Entitled Shareholders.

(g) In the event that a Qualified Shareholder remits Subscription Funds in excess of the amount owing by such Qualified Shareholder pursuant to its subscriptions under the Basic Subscription Right and the Additional Subscription Privilege, if applicable, the Subscription Agent shall, no later than three Business Days following the Effective Date, deliver by first class mail a cheque representing the amount of such excess funds (without interest or deduction) to such Qualified Shareholder.

(h) In the event that the total subscriptions made by Participating Entitled Shareholders under the Basic Subscription Right and the Additional Subscription Privilege result in the issue of Receipts that in aggregate would represent Interests in Custody CVRs representing less than 14.1% of the Claim Proceeds, then those CVRs will remain with the CVR Holders on a *pro rata* basis based on the interests in CVRs agreed to be disposed of by each CVR Holder, and the amount of CVRs to be transferred by the CVR Holders pursuant to Subsection 5(a)(i) shall be adjusted accordingly.

(i) The Company has full discretion to determine whether any Subscription Form, the deposit of Subscription Funds or any type of exercise of Rights is complete and proper and the Company has the absolute right to determine whether to accept or reject any or all Subscription Forms, deposit of Subscription Funds or exercise of Rights not in proper form.

4. RECEIPT OF SUBSCRIPTION FUNDS

(a) As a precondition to the Arrangement and pursuant to the Agency Agreement, at least one Business Day prior to the Effective Date, the Subscription Agent shall have provided to the Company and the Custodian (with copies to Trexs and the Shareholder Group) a notice setting out: (i) the aggregate amount of the Subscription Funds it has received, (ii) the name, address and entitlement to Receipts of each Participating Entitled Shareholder (including calculations setting out the Interests in the Custody CVRs that each such Participating Entitled Shareholder has duly elected to purchase under the Arrangement and the purchase price paid by each such Participating Entitled Shareholder) and (iii) all other relevant details pertaining to all Participating Entitled Shareholders who have exercised, in whole or in part, any Rights under the Basic Subscription Right and Additional Subscription Privilege.

(b) Within two Business Days following the Subscription Deadline, the Subscription Agent shall deliver the Additional Subscription Privilege Funding Notices, if applicable, to the Participating Entitled Shareholders who elected to exercise their Additional Subscription Privilege, and shall provide such other notices as required of it pursuant to Section 3(f).

5. THE ARRANGEMENT

(a) Commencing at the Effective Time, the following events and transactions shall occur and shall be deemed to occur in the following order in, unless otherwise stipulated, five (5) minute increments, without any further act or formality:

(i) Each CVR Holder shall be deemed to have made its Transferred CVRs available for reallocation in accordance with Subsection 5(a)(ii) and in connection therewith each CVR Holder shall be entitled to an amount equal to such CVR Holder's CVR Holder Amount;

(ii) Concurrently:

A. the Rights shall be exercised;

B. each Participating Entitled Shareholder shall be entitled to its Interest in the Custody CVR to the extent they validly participated in the Basic Subscription Right and Additional Subscription Privilege and each such Participating Entitled Shareholder shall be entitled to a Receipt evidencing such fact;

C. the Company shall provide to the Custodian, for and on behalf of the Participating Entitled Shareholders, the Custody CVRs (and shall be required to furnish to the

Custodian a CVR certificate representing the Custody CVRs);

D. the Company shall provide each CVR Holder replacement CVRs (and shall be required to furnish to each CVR Holder a replacement CVR certificate) representing the balance of their CVRs not transferred hereunder;

E. the Company will be deemed to have directed the Subscription Agent to pay the Subscription Funds owing to the Company to each CVR Holder in an amount equal to the CVR Holder Amount in full satisfaction of the Company's obligation to pay such amount to a CVR Holder for the Transferred CVRs;

F. the Subscription Funds held by the Subscription Agent in respect of the purchase price for Receipts received from the Participating Entitled Shareholders shall cease to be held by the Subscription Agent on behalf of the Participating Entitled Shareholder depositing such Subscription Funds and instead shall be held by the Subscription Agent on behalf of the CVR Holders in an amount equal to their CVR Holder Amount, and the balance of the Subscription Funds representing overpayments by Entitled Shareholders shall continue to be held by the Subscription Agent on behalf of the Entitled Shareholder depositing such Subscription Funds, which shall be refunded pursuant to Section 3(g);

(iii) the Security Sharing Agreement Amendment and Joinder shall become effective and binding on the parties thereto and the Custodian shall hold the economic benefits of such agreement for the benefit of the holders of Receipts;

(iv) the Note Conversion shall be rescinded and deemed to have been of no force or effect, the New Shares shall be cancelled and the principal amount of the Notes converted as part of the Note Conversion shall be reinstated in the name of the holder of each such Note, such that the Notes shall be outstanding in the principal amount of each such Note immediately prior to the Note Conversion and all interest shall be deemed to have accrued on the full principal amount of the Notes as if the Note Conversion had not occurred; and

(v) the Options will be terminated for no consideration and shall cease to have any effect whatsoever.

(b) All transfers of any securities pursuant to this Plan of Arrangement shall be free and clear of all security, liens and other encumbrances.

6. **RELEASE**

At the Effective Time, all Persons upon which the Arrangement is binding and their respective subsidiaries and affiliates and their respective present and former shareholders, officers, directors, employees, auditors, advisors, legal counsel and agents (collectively, the "**Released Parties**") shall be released and discharged from any and all present and future claims, liabilities, actions, causes of action, counterclaims or suits of whatever nature that any Person (including any Person who may claim contribution or indemnification against or from any Released Party) may be entitled to assert, whether known or unknown and even if not discoverable until after the Effective Time, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Date relating to, arising out of, or in connection with the Arrangement, the Settlement Agreement, the Investment Transaction Documents, the Requisitioned Meeting or the Litigation (as defined in the Settlement) and the transactions contemplated thereunder, and any other actions or matters related directly or indirectly to the foregoing, including without limitation any claim that any present or former director or officer of Eco Oro breached any duties, whether fiduciary, statutory or otherwise, in connection with the foregoing matters on or prior to the Effective Date, *provided, however* that nothing in this Section 6 shall release any Released Party from or in respect of any of their respective obligations under this Plan of Arrangement, the Settlement Agreement, any agreements entered into or documents delivered pursuant to the Plan of Arrangement or the Settlement Agreement (including the Custodian Agreement, the Agency Agreement, the Custody CVR and the certificate representing such CVR), or the Investment Transaction Documents.

7. **GENERAL**

(a) On the Effective Date, the Arrangement will become effective at the Effective Time and the transactions provided in this Plan of Arrangement to occur on the Effective Date will be implemented as so provided.

(b) Amendment.

(i) The Company reserves the right to amend, restate, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date with the consent of Trexs and the Shareholder Group (not to be unreasonably withheld or delayed), provided that any amendment, modification or supplement must be contained in a written document which is filed with the Court and if made following the 2017 Meeting: (i) approved by the Court, and (ii) if the Court directs, approved by the Eco Oro Shareholders and communicated to them, and, in either case, in the manner required by

the Court.

(ii) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court will be effective only if it is consented to by the Company, Trexs and the Shareholder Group and, if required by the Court, by the Eco Oro Shareholders.

(iii) Notwithstanding the foregoing provisions of this Section 7(b), no amendment, modification or supplement to this Plan of Arrangement may be made prior to the Effective Time except in accordance with the terms of the Settlement Agreement.

(iv) Any amended, restated, modified or supplemented Plan of Arrangement filed with the Court and, if required by this Section 7(b), approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporated in this Plan of Arrangement.

(c) Time shall be of the essence in this Plan of Arrangement.

(d) In this Plan of Arrangement, the deeming provisions are not rebuttable and are conclusive and irrevocable.

8. FURTHER ASSURANCES

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and be deemed to have occurred in the order set out herein, without any further act or formality, each of the parties to the Settlement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to implement this Plan of Arrangement and to further document or evidence any of the transactions or events set out herein.

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APPENDIX E

Form of Custodian CVR Certificate

AMENDED AND RESTATED CONTINGENT VALUE RIGHTS CERTIFICATE

Recitals:

(a) Reference is made to that certain settlement agreement dated July 31, 2017 (as amended, restated, supplemented or replaced from time to time, the "Settlement Agreement") among the Company (as hereinafter defined), Trexs Investments, LLC ("Trexs"), Amber Latin America LLC on behalf of and for the account of Series 3 and Amber Capital LP ("Amber"), PFR Gold Master Fund Ltd. ("Paulson"), Anna Stylianides ("Anna"), Manas Dichow ("Manas" and collectively with Trexs, Amber, Paulson and Anna the "Existing CVR Holders") and the various other parties who are a signatory thereto.

(b) The Company issued separate contingent value rights certificates (collectively, the "Initial CVR Certificates") to each of the Existing CVR Holders thereby irrevocably and unconditionally transferring, conveying, assigning and granting to and in favour of the Existing CVR Holders the absolute right to receive a portion of the gross amount of the Claim Proceeds (as hereinafter defined) (all such rights being collectively the "Initial Contingent Value Rights Amount").

(c) Pursuant to the Settlement Agreement (i) the Company and the Existing CVR Holders agreed to a re-allocation of the Initial Contingent Value Rights Amount by the Company amongst the Existing CVR Holders and the Entitled Shareholders (as such term is defined in the Settlement Agreement) (the "Re-allocated CVRs") and (ii) the Company agreed to issue additional rights to the Entitled Shareholders to receive an amount equal to two percent (2%) of the gross amount of the Claim Proceeds (the "Company 2% CVRs").

(d) In order to evidence the Re-allocated CVRs and the Company 2% CVRs, the Company has issued separate amended and restated contingent value rights certificates to each of the Existing CVR Holders and this amended and restated contingent value rights certificate (the "Certificate") to Kingsdale Partners LP to hold for and on behalf of the Entitled Shareholders (in such capacity, the "Holder") pursuant to a custodian and depositary agreement dated on or about the date hereof between the Company and the Holder and agreed to by the Entitled Shareholders agreeing to acquire an interest in the Certificate (the "Participating Entitled Shareholders") (as amended, restated, supplemented or replaced from time to time the "Custodian Agreement").

(e) Neither the re-allocation of the Re-allocated CVRs nor this Certificate shall be deemed to evidence or result in a novation or repayment of the Company's liabilities, indebtedness and obligations arising under the Initial CVR Certificates.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE NOT FREELY TRANSFERABLE, AND CONSEQUENTLY ANY CERTIFICATE REPRESENTING SUCH

SECURITIES IS NOT "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON ANY STOCK EXCHANGE.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF ECO ORO MINERALS CORP. (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE 1933 ACT, IF ANY, (C) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL SECURITIES LAWS AND REGULATIONS, IF AVAILABLE, (D) WITHIN THE UNITED STATES IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT PROVIDED BY RULE 144, IF AVAILABLE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (E) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT AND APPLICABLE STATE SECURITIES LAWS AFTER FIRST PROVIDING TO THE CORPORATION, IN EACH CASE OF (D) AND (E) ABOVE, A LEGAL OPINION OF U.S. COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION, ACTING REASONABLY, THAT THE OFFER, SALE, PLEDGE OR OTHER TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT, AND IN THE CASE OF (C) AFTER FIRST PROVIDING TO THE CORPORATION SUCH OTHER EVIDENCE OF COMPLIANCE WITH APPLICABLE SECURITIES LAWS AS THE CORPORATION SHALL REASONABLY REQUEST. NOTWITHSTANDING THE FOREGOING, THE SECURITIES REPRESENTED HEREBY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY SUCH SECURITIES, PROVIDED THAT ANY SUCH PLEDGEE MUST ALSO COMPLY WITH THE PROVISIONS SET FORTH IN THIS LEGEND.

AMENDED AND RESTATED CONTINGENT VALUE RIGHTS CERTIFICATE

●, 2017

1. Contingent Value Rights

In consideration for the payment by the Participating Entitled Shareholders on behalf of the Holder (which for purposes of this Contingent Value Rights Certificate (this "**Certificate**") includes any nominee or assignee of the Holder or of any of the Participating Entitled Shareholders) of [one million, one hundred and ten thousand dollars (US$1,110,000) ***[NTD: Amount to be confirmed]*** to Eco Oro Minerals Corp. (the "**Company**"), the Company hereby irrevocably and unconditionally transfers, conveys, assigns and grants to, and in favour of the Holder, at the address listed in Section 12, or such other place as the Holder may designate, the absolute right to receive an amount equal to [fourteen and ten one-hundredths percent (14.10%)] of the gross amount of the Claim Proceeds (the "**Contingent Value Rights Amount**") and, for greater certainty, it is the mutual intention of the parties that the transfer, conveyance, assignment and grant of the Contingent Value Rights Amount provided for in this Section 1: (a) is not a borrowing and does not involve an extension of credit; and (b) does not derogate from or in any way limit or restrict the Company's ownership of the Claim Proceeding Rights and the

Company's ability to prosecute the Claim Proceedings or otherwise result in the Holder owning or controlling the Claim Proceedings.

2. Definitions

In this Certificate, in addition to the terms defined above, the following definitions apply:

(a) "**Applicable Law**" means, in respect of any Person, property, transaction or event, all Applicable Law (including, without limitation, Securities Laws), statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any Governmental Authority having the force of law including without limitation any of the arbitration or other dispute resolution rules of any of the ICSID or the ICSID Convention, the UNCITRAL, the ICC, or any other applicable dispute resolution bodies or courts.

(b) ***[intentionally deleted]***

(c) "**Budget**" means the budget for the Company for the period from the date hereof to the final resolution of the Claim Proceedings (together with such related and subsequent budgets that are approved in writing by the Holder in its discretion).

(d) "**Business Day**" means a day other than a Saturday, a Sunday, or any other day on which the principal chartered banks located in New York, New York or Vancouver, British Columbia, are not open for business.

(e) ***[intentionally deleted]***

(f) "**Capital Stock**" any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants or options to purchase any of the foregoing.

(g) "**Change of Control**" will be deemed to have occurred if: (i) there is any sale of all or substantially all of the Company's assets or business to another Person or Persons pursuant to one or a series of transactions; (ii) at any time any Person or Persons (other than the Holder or any of its affiliates), acting jointly or in concert directly or indirectly, beneficially own in the aggregate more than fifty per cent (50%) of the outstanding voting securities of the Company; (iii) the Company completes an acquisition, share exchange, amalgamation, consolidation, merger, arrangement or other business combination and the shareholders of the Company immediately prior to the completion of such transaction hold in the aggregate less than sixty per cent (60%) of the votes attaching to the equity securities of the resulting or remaining parent company immediately after completion of such transaction. Notwithstanding the foregoing, a Change of Control resulting from a transfer by the Holder of all or a portion of the Common Shares held by it, shall be deemed hereunder not to constitute a Change of Control.

(h) "**Claim Proceedings**" means any and all present or future claim, right of action, action, litigation, arbitration, mediation, collection effort or other dispute resolution proceeding or effort of any kind of the Company, its branch and its direct or

indirect subsidiaries, including, but not limited to, any and all present or future proceedings under the Canada-Colombia Free Trade Agreement or before ICSID, UNCITRAL, ICC or such other applicable dispute resolution bodies or courts, in each case directly or indirectly relating to or in connection with the Company's dispute with the Colombian government arising in connection with the Company's ability to explore and exploit the Angostura Project including without limitation Concession Number 3452 and all present and future claims, rights, action, litigation, arbitration, mediation, collection effort or other dispute resolution proceeding or efforts regarding same in all cases commenced or initiated before or after the date hereof and prior to the date on which all Obligations have been paid in full.

(i) "**Claim Proceeding Rights**" the rights and entitlements of the Company or any affiliate, branch or subsidiary of the Company to and in connection with the Claim Proceedings, the Claim Proceeds, all rights in connection therewith and any interest therein, and any documents, books and records (or any copies thereof) used therein or related thereto in connection with the Claim Proceedings and/or any Claim Proceeds.

(j) "**Claim Proceeds**" shall mean all present and future value, order, award, entitlement or remuneration of any kind and in any form including, without limitation, any property, assets, cash, bonds, or any other form of payment or restitution, permit, license, consideration, refund or reimbursement of fees or similar right in each case paid, payable, recovered, owing to, due to, awarded to, ordered or otherwise received or to be received by the Company or any of its direct or indirect subsidiaries or affiliates of any kind, or any of their respective successors or assigns pursuant to or in respect of any settlement, award, order, entitlement, collection, judgment, sale, disposition, agreement or any other monetization of any kind of, in any way relating to the Claim Proceedings.

(k) "**Claim Proceeds Escrow Account**" an escrow account held by a depository bank or other escrow agent acceptable to the Holder, to which the Company is to deposit or cause to deposit all of the Claim Proceeds following the Final Award Date pursuant to this Certificate and which account is subject to an escrow agreement between such depository bank or escrow agent, the Company and the Holder in form and substance satisfactory to the Holder.

(l) "**Collateral**" means all present and after-acquired real and personal property of the Company and any and all proceeds derived therefrom in whatever form and wheresoever located including, without limitation, the Claim Proceeding Rights.

(m) "**Common Shares**" means (i) the Company's common shares and (ii) any shares into which such common shares have been changed or any share capital resulting from a reclassification of such common shares.

(n) "**Contingent Value Rights Amount**" has the meaning given to such term in Section 1.

(o) "**Convertible Notes**" means, collectively, the convertible promissory notes each dated on or about the date hereof in the aggregate principal amount of US$9,672,727.29 issued by the Company to each of the Existing CVR Holders,

as same may be amended, restated, supplemented or otherwise modified or replaced from time to time.

(p) "**CVRA Payment Date**" means the earlier of: (i) the Business Day upon which the Holder received the Contingent Value Rights Amount; and (ii) the fifth (5th) Business Day after receipt by the Company or by any other Person for and on behalf of the Holder of any of the Claim Proceeds.

(q) "**Default**" means any event or circumstance which would upon the expiry of any grace period, the giving of notice, the making of any determination or any combination of the foregoing constitute an Event of Default.

(r) ***[intentionally deleted]***

(s) "**Event of Default**" means the occurrence of one or more of the following events:

(i) failure by the Company to pay any of the Obligations when due including, without limitation, payment of any Contingent Value Rights Amount on the CVRA Payment Date in accordance with the terms hereof, and such default has continued for two (2) Business Days,

(ii) any representation or warranty made by the Company in this Certificate or in any certificate or other document at any time delivered to the Holder in connection with this Certificate was incorrect or misleading in any material respect,

(iii) the Company shall default in the observance or performance of any other provision, covenant or agreement contained in this Certificate (other than a default in payment as contemplated in clause (i) above) and such default shall continue for a period of ten (10) Business Days from the earlier to occur of (i) notice of such default by the Holder to the Company or (ii) the Company becoming aware of such default,

(iv) the Company shall default in any payment of principal of or interest on any amounts in excess of US$500,000 owing by it to any Person other than the Holder,

(v) this Certificate shall cease, for any reason, to be in full force and effect or enforceable in accordance with its terms or the Company shall so assert in writing,

(vi) the Company ceases to carry on its business; sells all or substantially all of its assets; commits an act of bankruptcy (as such term is defined pursuant to Insolvency Legislation); becomes bankrupt or insolvent (as such terms are defined pursuant to Insolvency Legislation); makes an assignment for the benefit of creditors, files a petition in bankruptcy or makes a proposal under Insolvency Legislation; admits the material allegations of any petition filed against it in any proceeding under Insolvency Legislation; petitions or applies to any tribunal or court for the appointment of any Receiver, trustee in bankruptcy or similar liquidator or administrator of it or all or a substantial part of its assets; commences any

proceeding pursuant to Insolvency Legislation; is wound-up, dissolved or liquidated or has its existence terminated unless in conjunction with a bona fide corporate reorganization not prohibited by this Certificate and completed with the prior consent of the Holder in which case a successor of the Company will succeed to the Company's obligations hereunder and enter into an agreement with the Holder to that effect or takes any action for the purpose of effecting any of the foregoing,

(vii) any petition shall be filed or other proceeding commenced in respect of the Company or any portion of its property under any Insolvency Legislation; including a proceeding requesting an order approving a reorganization of the Company, declaring the Company bankrupt, or appointing a receiver, interim receiver, receiver and manager, trustee, liquidator or administrator of the Company or of all or a substantial part of its assets, and (i) the Company shall not in good in faith be actively and diligently contesting and defending such proceeding in good faith and on reasonable grounds (provided further that in the opinion of the Holder acting reasonably, the existence of such proceeding does not materially adversely affect the ability of the Company to carry on its business and to perform and satisfy its obligations under this Certificate) or (ii) such petition or proceeding shall not be abandoned, dismissed or permanently stayed within a period of thirty (30) Business Days from the date of filing or commencement thereof,

(viii) a judgment or judgments for the payment of money in excess of US$500,000 in the aggregate is obtained or entered against the Company and remains unpaid for thirty (30) days (provided that such judgment or judgments will constitute an "Event of Default" prior to the expiry of such thirty (30) day period if such judgment or judgments are not being diligently appealed by the Company in good faith and on reasonable grounds),

(ix) any Person takes possession of any portion of the Collateral by way of or in contemplation of, enforcement of security, or a distress, execution, garnishment or similar process is levied or enforced against the Company and not discharged within ten (10) days affecting any Collateral having an aggregate value of at least US$500,000,

(x) any Governmental Authority takes any action with respect to the Collateral, including any condemnation, seizure or expropriation thereof, which materially and adversely affects the Collateral or the financial condition, business or operations of the Company,

(xi) any Change of Control of the Company,

(xii) any reports of the auditors of the Company or any financial statements of the Company contain any qualification which could reasonably be expected to adversely affect the Company's ability to perform its obligations under this Certificate,

(xiii) the occurrence of a Material Adverse Event,

(xiv) any event occurs relating to the Company, which in the reasonable opinion of the Holder, constitutes or could reasonably be expected to cause a Material Adverse Effect,

(xv) the Claim Proceedings shall be dismissed, discontinued, terminated, annulled or otherwise discredited by a final, non-appealable order of a court or arbitral tribunal of competent jurisdiction and the Company shall have no legal ability to re-file the Claim Proceedings before another competent court or tribunal,

(xvi) if there is an adverse deviation of 10% or more between the amount of the Company's actual total expenditures and the amount of the Company's total expenditures as set out in the Budget during any rolling six calendar month period provided that any such adverse deviation shall not constitute an Event of Default under this Certificate if the amount of the Company's actual aggregate total expenditures as of the date of calculation of such deviation does not exceed the amount of the Company's aggregate total expenditures set out in the Budget up to the date of calculation of such deviation,

(xvii) the Company shall use any proceeds from any amounts advanced by the Holder to the Company, whether by way of equity or debt, for any purpose or in any amounts other than as provided for in the Budget,

(xviii) any proceeding shall be commenced by the Company seeking, or otherwise consenting to, (i) the invalidation, subordination or other challenging of the Security Interest or (ii) any relief under Insolvency Legislation with respect to any Collateral,

(xix) the Security Interest shall cease to be effective to constitute a valid and perfected first priority Lien in favour of the Holder in the Collateral or the Company shall so assert in writing,

(xx) the occurrence of an Event of Default as such term is defined in the Convertible Notes,

(xxi) any Key Party (a) resigns, is terminated or otherwise removed without the prior written consent of the Holder or without a consulting or similar arrangement having been entered into ensuring such Key Party's continued availability and assistance with the prosecution of the Claims Proceedings on terms satisfactory to the Holder, in its sole discretion acting reasonably, or (b) dies and such Key Party's designated replacement is not satisfactory to the Holder acting reasonably,

(xxii) any Person other than the Company acquires (save and except for any right to any copies of any books, records or documents used or related to the Claim Proceeding or the Claim Proceeds) any rights, title or interest in or to the Claim Proceeding Rights, or becomes a plaintiff, complainant or similar named party in the Claim Proceedings,

(xxiii) save and except for stock options issued pursuant to the Company's stock option plan consistent with past practice to Persons who are not a party to any other management incentive plan, the Company declares any dividends on any shares of any class of its Capital Stock, or makes any payment on account of, or sets apart assets for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any shares of any class of its Capital Stock, or any warrants or options to purchase such Capital Stock, whether now or hereafter outstanding, or makes any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the Company,

(xxiv) save and except for any payments on account of the Convertible Notes, the Company makes any loans or distribution payments or advances money or property or assets to any Person or invests in or purchases or repurchases the shares or indebtedness or all or a substantial part of the property or assets of any Person, or

(xxv) the Company does not request the Claim Proceeds to be directly deposited by the Colombian government (or any other Person liable to pay any of the Claim Proceeds) into the Claim Proceeds Escrow Account or, to the extent the Claim Proceeds are received by the Company or any other Person for any reason whatsoever, the Claim Proceeds are not deposited by the Company (or caused by the Company to be deposited) into the Claim Proceeds Escrow Account within two (2) Business Days after receipt of same by the Company or any other Person for any reason whatsoever and regardless of the form of such Claim Proceeds.

(t) "Exchange" means the Toronto Stock Exchange or if the Common Shares are not listed on the Toronto Stock Exchange, such other stock exchange on which the Common Shares are listed at the applicable time; provided that such other stock exchange must be a "designated offshore securities market" (as defined in Rule 902 of Regulation S promulgated under the U.S. Securities Act of 1933, as amended).

(u) ***[intentionally deleted]***

(v) ***[intentionally deleted]***

(w) ***[intentionally deleted]***

(x) ***[intentionally deleted]***

(y) "**Final Award Date**" means the date on which any award is entered or any settlement is concluded in respect of the Claim Proceedings, which award or settlement has not been stayed, reversed, vacated, rescinded, modified or amended in any respect, and any applicable appeal period in respect of which has expired or if an appeal has been filed, such appeal has been dismissed on a final basis without further appeal.

(z) "**Financing Lease**" means (a) any lease of property, real or personal, the obligations under which are capitalized on a consolidated balance sheet of the Company and (b) any other such lease to the extent that the then present value of any rental commitment thereunder should, in accordance with GAAP, be capitalized on a balance sheet of the lessee.

(aa) "**GAAP**" means Canadian generally accepted accounting principles.

(bb) "**Governmental Authority**" means any applicable national, domestic or foreign nation or government, any state, province or territory or other political subdivision thereof (including any supra-national bodies, such as the European Union or the European Central Bank), body, bureau, agency, board, tribunal, commission or any other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any taxing authority or agency.

(cc) "**Holder Group Member**" means any affiliate or subsidiary of the Holder, each of which is an institutional "accredited investor" that meet the criteria set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the U.S. Securities Act of 1933, as amended, and is acquiring the Securities for investment purposes, and not with a view to resale, or other distribution in violation of applicable securities laws, in each case, wherever incorporated or otherwise formed.

(dd) "**ICC**" means the International Chamber of Commerce.

(ee) "**ICSID**" means the International Centre for Settlement of Investment Disputes, as established by the ICSID Convention.

(ff) "**ICSID Convention**" means the *Convention on the Settlement of Investment Disputes between States and Nationals of Other States*, entered into force on October 14, 1966.

(gg) "**Indemnified Party**" has the meaning given to such term in Section 13.

(hh) "**Insolvency Legislation**" means legislation in any applicable jurisdiction relating to reorganization, arrangement, compromise or re-adjustment of debt, dissolution or winding-up, or any similar legislation, and specifically includes for greater certainty the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) and the *Winding-up and Restructuring Act* (Canada).

(ii) "**Investment Agreement**" means that certain investment agreement dated July 21, 2016 between the Company and the Holder, as same may be amended, restated, supplemented or otherwise modified or replaced from time to time.

(jj) "**Key Party**" means any Person that the Company deems to be relevant or necessary for the successful prosecution of the Claim Proceedings as set out on Exhibit I and such other Persons as the Holder may designate, acting reasonably, from time to time.

(kk) "**Knowledge and Belief**" means with respect to any Person, means such Person's actual knowledge and belief after appropriate due diligence and

reasonable inquiry by such Person and includes any information such Person should have known based on appropriate due diligence and reasonable inquiry by such Person.

(ll) "**Lien**" any mortgage, pledge, hypothecation, security interest, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, claim or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, (i) any conditional sale or other title retention agreement, (ii) any Financing Lease having substantially the same economic effect as any of the foregoing, and (iii) any of the foregoing under or in connection with any security agreement, charge, hypothec, pledge or similar agreement.

(mm) "**Material Adverse Effect**" any event, circumstance or condition that has had, or would reasonably be expected to have, a material adverse effect on (a) the ability of the Company to perform its obligations under this Certificate, or (b) the rights and remedies of the Holder under this Certificate.

(nn) "**Material Adverse Event**" means if any advisor of the Company engaged by the Company in respect of the Claim Proceedings (including, without limitation, the arbitration counsel) or any current officer, director, employee or consultant of the Company (i) advises, notifies or otherwise communicates in writing to the board of directors of the Company or (ii) makes any statement in any manner or form whether orally or in writing, that in his or her opinion an event or condition has occurred, arisen or been discovered after the date hereof which in the Holder's sole discretion would reasonably be expected to render it unlikely that the Company would recover Claim Proceeds in the amount required to pay the Obligations in full.

(oo) ***[intentionally deleted]***

(pp) "**Obligations**" means (a) if calculated prior to the Final Award Date, [fourteen and ten one-hundreths percent percent (14.10%)] of the amount claimed by the Company pursuant to the Claim Proceedings or (b) if calculated on or after the Final Award Date, the Contingent Value Rights Amount ***plus*** any and all other amounts due and owing by the Company to the Holder from time to time pursuant to this Certificate or the Security Agreements.

(qq) "**Permitted Liens**" means with respect to the Collateral:

(i) liens for taxes, assessments or governmental charges or levies not at the time due or delinquent or the validity of which are being contested in good faith by appropriate proceedings so long as forfeiture of any part of such property or assets will not result from the failure to pay such taxes, assessments or governmental charges or levies during the period of such contest; and

(ii) the lien of any judgment rendered or the lien of any claim filed which is being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with GAAP so long as

forfeiture of any part of such property or assets will not result from the failure to satisfy such judgment or claim during the period of such contest.

(rr) "**Person**" includes any individual, corporation, limited liability company, partnership, Governmental Authority, joint venture, association, trust, or any other entity.

(ss) "**Receiver**" means a receiver, receiver-manager and receiver and manager.

(tt) "**Section 347**" has the meaning given to such term in Section 6(b).

(uu) "**Securities Laws**" means all applicable securities laws in each of the provinces and territories of Canada and the respective regulations, rules and forms thereunder together with applicable orders, rulings and published policy statements of the Canadian Securities Administrators and the securities commissions (or other similar regulatory bodies) in each of the provinces and territories of Canada and includes the rules of any applicable self-regulatory body (including the Toronto Stock Exchange).

(vv) "**Security Agreement**" has the meaning given to such term in Section 9.

(ww) "**Security Interest**" has the meaning given to such term in Section 9.

(xx) "**Taxes**" means all present or future taxes, assessments, rates, levies, imposts, deductions, withholdings, dues, duties, fees and other charges of any nature, including any interest, fines, penalties or other liabilities with respect thereto, imposed, levied, collected, withheld or assessed by any Governmental Authority (of any jurisdiction), and whether disputed or not.

(yy) "**UNCITRAL**" means the United Nations Commission on International Trade Law, established by the United Nations General Assembly by resolution 2205 (XXI) of 17 December 1966.

(zz) "**US$**" and "**$**" means lawful money of the United States of America.

(aaa) ***[intentionally deleted]***

3. Interpretation Generally

Where this Certificate uses the word "including," it means "including without limitation," and where it uses the word "includes," it means "includes without limitation." Unless specified otherwise, any reference in this Certificate to a statute includes the regulations, rules, and policies made under that statute and any provision that amends, supplements, supersedes, or replaces that statute or those regulations, rules, or policies. The headings used in this Certificate and its division into articles, sections, schedules, exhibits, appendices, and other subdivisions do not affect its interpretation. References in this Certificate to articles, sections, schedules, exhibits, appendices, and other subdivisions are to those parts of this Certificate. Unless the context requires otherwise, words importing the singular number include the plural and vice versa; words importing gender include all genders. Whenever any decision or determination is to be made hereunder by the Holder, such decision or determination, as

applicable, shall be made in the absolute, sole and unfettered discretion of the Holder unless expressly stated otherwise.

4. Representations and Warranties

The Company represents and warrants to the Holder, acknowledging that the Holder is relying on these representations and warranties, as follows:

(a) It has delivered to the Holder such financial statements, statements of income and other financial reporting as requested by the Holder. Such financial disclosure present fairly in all material respects the consolidated financial condition and results of operations of the Company as at such dates and for such periods. All such financial disclosure, including any related schedules and notes thereto have been prepared in accordance with GAAP applied consistently throughout the periods involved.

(b) It (a) is duly organized and validly existing under the laws of the jurisdiction of its organization, (b) has full corporate power and authority and possesses all governmental franchises, licenses, permits, authorizations and approvals necessary to enable it to use its corporate name in all material respects and to own, lease or otherwise hold its properties and assets and to carry on its business as presently conducted, in each case in all material respects, (c) is duly qualified and in good standing to do business in each jurisdiction in which the nature of its business or the ownership, leasing or holding of its properties makes such qualification necessary, and (d) is in compliance in all respects material to its business with all Applicable Law.

(c) It has the corporate power and authority to issue this Certificate and incur the obligations evidenced hereby. It has taken all necessary action to authorize the execution, delivery and performance of the obligations under or pursuant to this Certificate. No consent or authorization of, or filing with, any Person (including, without limitation, any Governmental Authority) is required in connection with the execution, delivery or performance by the Company, or for the validity or enforceability in accordance with its terms against it, of this Certificate, and consents, authorizations and filings which have been obtained or made and are in full force and effect.

(d) It has duly executed and delivered this Certificate and this Certificate constitutes a legal, valid, and binding obligation of the Company, enforceable against it in accordance with its terms.

(e) The execution, delivery and performance of this Certificate does not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other Governmental Authority applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets including, without limitation, the Claim Proceeding Rights.

(f) As of the date of this Certificate, (i) no litigation by, investigation known by it, or proceeding of, any Governmental Authority is pending against it with respect to the validity, binding effect or enforceability of this Certificate or any other agreement between the Company and the Holder and the other transactions

contemplated hereby and (ii) other than the Claim Proceedings or as disclosed to the Holder, no lawsuits, claims, proceedings or investigations are pending or, to the best of its Knowledge and Belief, threatened against it or any of its properties, assets, operations or businesses including, without limitation any proceedings relating to the bankruptcy, insolvency, liquidation, dissolution, or winding up of the Company.

(g) The Company is not required to register as an "investment company" (as defined or used in the Investment Company Act of 1940, as amended).

(h) No amounts invested by the Holder in the Company will be used for any purpose which violates the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System. The Company is not engaged and will not engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under said Regulation U of the Board of Governors of the Federal Reserve System.

(i) No Default or Event of Default has occurred and is continuing. No default or event of default under any material obligation of the Company has occurred and is continuing and no such event or circumstance would occur as a result of issuing this Certificate or performing its obligations under this Certificate.

(j) All consents, approvals, actions, authorizations, exceptions, notices, filings and registrations that are required to have been obtained by it with respect to this Certificate have been duly obtained and are in full force and effect and all conditions of any such consents, approvals, actions, authorizations, exceptions, notices, filings and registrations have been duly complied with.

(k) It has filed or caused to be filed all tax returns of any type which are to be filed as required by Applicable Law and has paid all currently due taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any amount which is currently being contested in good faith by appropriate proceedings and with respect to which reserves (or other sufficient provisions) in conformity with GAAP have been provided on the books of the Company) as required by Applicable Law; and no tax Lien has been filed.

(l) The execution, delivery, and performance of its obligations under this Certificate do not and will not breach or result in a default under: (i) the Company's articles, or any unanimous shareholders agreement, (ii) any law, statute, rule, or regulation to which the Company is subject, any judgment, order, or decree of any court, agency, tribunal, arbitrator, or other authority to which the Company is subject, or any agreement to which the Company is a party or by which it is bound.

(m) It has made its own independent decisions with respect to the issuance of this Certificate and has determined that it is appropriate or proper to do so based upon its own judgment and upon advice from such advisers as it has deemed necessary.

(n) It is capable of assessing the merits of and understanding (on its own behalf or through independent professional legal advice), the terms, conditions and risks associated with this Certificate and the obligations arising hereunder.

(o) All applicable information that is or has been furnished to the Holder by or on behalf of the Company, as of the date of such information, is true, accurate and complete in every material respect.

(p) It is not insolvent, is able to pay its debts when they fall due, and has no insolvency proceedings threatened or outstanding against it.

(q) With respect to the Claim Proceedings and Claim Proceeds: (i) it is the sole legal and beneficial owner of, and has good title to, the Claim Proceedings and Claim Proceeds, free and clear of any adverse Liens or claims from third parties; (ii) other than to the Holder expressly as provided for in Section 1 with respect to the Claim Proceeds, it has not disposed of, transferred, encumbered or assigned all or any portion of the Claim Proceedings or the Claim Proceeds (or any interest therein) or any proceeds thereof, whether by way of security or otherwise (including any set off or agreement to set off any amounts related to the Claim Proceedings or the Claim Proceeds); (iii) it has not taken any steps or executed any documents, nor is it aware of any asserted or unasserted claim, Lien or judgment against it, which could reasonably be expected, either individually or in the aggregate, to have a material impact on the Claim Proceedings or the Claim Proceeds, and it is not aware of anyone else doing or purporting to do so; (iv) it has not received any notice, and is not otherwise aware, that the Claim Proceedings or the Claim Proceeds or any portion thereof is invalid or void; (v) it has disclosed to the Holder all documentation and other information (in any and all media) that the Holder has requested and which is in its possession or control relevant to the Claim Proceedings or the Claim Proceeds (including the enforcement and collection of any related settlement, award or judgment); (vi) there is no information in the Knowledge and Belief, possession or control of the Company or any of its representatives that is or is likely to be material to the Holder's assessment of the Claim Proceedings or the Claim Proceeds that has not been disclosed to the Holder; and the Company believes (and does not have, and has not been informed by any of its representatives of, any belief to the contrary), based on the information available to it at this time, that the Claim Proceedings or the Claim Proceeds are meritorious and likely to prevail; and (vii) it has full power and authority to bring the Claim Proceedings or the Claim Proceeds and has obtained all necessary corporate and other authorizations to do so.

(r) It is not relying on any communication (written or oral) of the Holder as legal advice or as a recommendation to issue this Certificate and incur the Obligations.

(s) There are (a) no Liens (whether created by contract, operation of law or as a result of any court order or similar order or decree issued by any Governmental Authority whether pursuant to insolvency proceedings or otherwise) on the Claim Proceeding Rights other than the Security Interest granted pursuant to the Security Agreements, and (b) with respect to any Collateral of the Borrower other than the Claim Proceeding Rights, there are no Liens (whether created by contract, operation of law or as a result of any court order or similar order or

decree issued by any Governmental Authority whether pursuant to insolvency proceedings or otherwise) except for the Security Interest granted pursuant to the Security Agreements and Permitted Liens.

(t) Upon delivery to the Holder of the Security Agreements, the Security Agreements will create a legal, valid and enforceable first priority Lien on the Collateral in favour of the Holder.

(u) The Company does not have any subsidiaries or affiliates other than Eco Oro S.A.S.

(v) The public filings of the Company posted under the Company's profile on www.sedar.com since January 1, 2015 do not contain any "misrepresentations" as defined under Securities Laws as of the date of filing and the Company has not made any confidential filings.

(w) The financial statements of the Company for the year ended December 31, 2015 that have been publicly filed fairly present the financial position of the Company as of the date thereof.

(x) There is currently no undisclosed "material change" regarding the Company.

(y) The Company is a "reporting issuer" under Securities Laws and is not noted on the reporting issuer lists maintained by the applicable Canadian securities commissions as being in default.

(z) [The Common Shares are listed and posted for trading on the Toronto Stock Exchange or another stock exchange recognized by the securities regulatory authorities in Canada.]

(aa) None of the securities of the Company, including without limitation, the Common Shares, are subject to any "cease-trade" order under Applicable Law.

5. Covenants

The Company hereby covenants and agrees with the Holder that for so long as any of the Obligations remain outstanding, the Company shall:

(a) pay all Obligations owing when due;

(b) carry on and conduct its existing business and operations in a proper, efficient and businesslike manner, in accordance with good business practice and not enter into any other business, either directly or through any subsidiary, other than any business which is directly complementary to its existing business;

(c) preserve and maintain its corporate existence, except to the extent that the failure to do so would not have a material impact on its ability to perform its obligations under this Certificate;

(d) maintain in full force and effect all consents, approvals, actions, authorizations, exceptions, notices, filings and registrations of or with any Governmental

Authority that are required to be obtained by it and shall use all commercially reasonable efforts to obtain any that may become necessary in the future;

(e) comply in all material respects with all Applicable Law, including but not limited to, if failure so to comply could reasonably be expected, either individually or in the aggregate, to have a material impact on the Claim Proceedings or its ability to perform its obligations under this Certificate;

(f) deliver to the Holder within two (2) Business Days after it knows or has reason to believe that any Default or Event of Default has occurred, a notice of such default describing the same in reasonable detail and, together with such notice or as soon thereafter as possible, a description of the action that the Company has taken or proposes to take with respect thereto;

(g) deliver to the Holder within five (5) Business Days after it becomes aware of same notice of (i) any litigation or proceeding, is threatened or commenced, against the Company in which more than US$250,000 of the amount claimed is not covered by insurance, (ii) the occurrence of a Material Adverse Event or the occurrence of any event which will result in a Material Adverse Effect, (iii) any offer to settle the Claim Proceedings; (iv) any settlement of the Claim Proceedings or any award, order, issuance or payment of any Claim Proceeding Rights; and (iv) the occurrence of any event with respect to the Claim Proceedings that could reasonably be expected to result in the dismissal, discontinuation or annulment of any Claim Proceedings or the denial of any Claim Proceeding Rights;

(h) keep proper books of record and account in accordance with GAAP and permit any representatives designated by the Holder, upon reasonable prior notice from the Holder, to review such books and discuss the Company's affairs, finances and condition (in each case as they may be reasonably related to the Claim Proceedings) with those of the Company's directors, officers and employees reasonably designated as having substantial knowledge of such matters, all at such reasonable times and as often as reasonably requested by the Holder;

(i) deliver to the Holder, such financial statements and other financial information as the Holder may from time to time reasonably request in connection with the business, operations, assets and financial condition of the Company together with an executed certificate of an officer of the Company stating that, to the best of such officer's knowledge, during such period no Default or Event of Default has occurred except as specified in such certificate;

(j) use commercial best efforts to: (i) pursue the Claim Proceedings and all of the Company's legal and equitable rights arising in connection with the Claim Proceedings in a timely and prudent manner; (ii) work to bring about the reasonable monetization of the Claim Proceedings through a settlement or final judgment or award, and (iii) collect and enforce any settlement, final judgment or award;

(k) prior to making any material filing, proposing or taking any other material step that could reasonably be expected to materially impact the Claim Proceeding Rights seek the advice of its arbitration counsel; provided that this covenant is

not intended to derogate from any legal, regulatory or fiduciary obligation that the Company or its board of directors may have pursuant to Applicable Laws;

(l) retain and promptly remunerate the arbitration professionals retained by the Company to prosecute the Claim Proceedings in accordance with any retainer or similar agreements entered into between the Company and such arbitration professionals;

(m) promptly remunerate the arbitration professionals retained by the Company who are administering the Claim Proceedings and pay all expenses required to be paid by the Company with respect to the Claim Proceedings;

(n) cooperate with the applicable arbitration professionals retained by the Company and the institutions administering the Claim Proceedings in all matters pertaining to the Claim Proceedings (including: (i) providing requested documents and information; (ii) adequately preparing for, appearing for and causing others within the Company's power to appear for examinations and hearings, and (iii) actively participating in the preparation of legal documents);

(o) actively manage the incurrence of expenses in connection with all of the foregoing with the goal of the efficient and cost effective resolution of the Claim Proceedings;

(p) file all tax returns and pay all taxes due and payable and all other taxes, fees or other charges imposed by any Governmental Authority;

(q) deliver notice to the Holder promptly upon any Person other than a Company becoming a named party in the Claim Proceedings or any Person other than the Company alleging to have any right, title or interest in or to any of the Claim Proceeding Rights;

(r) use commercially reasonable efforts to continue the listing and trading of its Common Shares on a recognized stock exchange in North America and ensure that all Common Shares whose issuance is contemplated hereunder are approved by the Exchange;

(s) use commercially reasonable efforts to maintain its status as a “reporting issuer” not in default under Securities Laws;

(t) use commercially reasonable efforts to prepare, file and diligently pursue all necessary consents, approvals and authorizations and make such necessary filings, as are required to be obtained under Applicable Law with respect to the issuance and enforceability of this Certificate (excluding, for greater certainty, the preparation or filing of a prospectus, offering memorandum, registration statement or similar document in any jurisdiction). In this regard, the Company shall keep the Holder informed regarding the status of such approvals, and the Holder, its representatives and counsel shall have the right to participate in any substantive discussions with the Exchange and any other applicable Governmental Authority with respect to the issuance and enforceability of this Certificate and to provide input into any applications for approval and related correspondence which input will be incorporated by the Company. The

Company will provide reasonable notice to the Holder and its counsel of any proposed substantive discussions with the Exchange or any Governmental Authority with respect to the issuance and enforceability of this Certificate. On the date all such consents, approvals and authorizations have been obtained by the Company and all such filings have been made by the Company, the Company shall notify the Holder of same;

(u) it shall use its commercially reasonable efforts to comply in all material respects with all applicable Securities Laws;

(v) ***[intentionally deleted]***

(w) ***[intentionally deleted]***

(x) ***[intentionally deleted]***

(y) ***[intentionally deleted]***

(z) within thirty (30) days after the last day of each calendar month, deliver to the Holder a report certified by an officer of the Company in form and substance satisfactory to the Holder acting reasonably comparing the actual amounts paid by the Company on (by reference to the Budget) for the calendar month on the last day of such month, and the amount of any adverse deviation, with a reasonably detailed explanation of the significant variances;

(aa) not create, incur, assume or suffer to exist (a) any Liens (whether created by contract, operation of law or as a result of any court order or similar order or decree issued by any Governmental Authority whether pursuant to insolvency proceedings or otherwise) on the Claim Proceeding Rights other than the Liens granted pursuant to the Security Agreements and (b) with respect to any Collateral other than the Claim Proceeding Rights, any Liens (whether created by contract, operation of law or as a result of any court order or similar order or decree issued by any Governmental Authority whether pursuant to insolvency proceedings or otherwise) except for those Liens granted pursuant to the Security Agreements and Permitted Liens;

(bb) not create, incur, assume or suffer to exist any indebtedness, except for with respect to legal fees or other costs associated with the Claim Proceedings, incurred in accordance with the Budget, ordinary course unsecured trade payables of the business not to exceed US$250,000 in the aggregate, the Obligations and such indebtedness as may be permitted in writing by the Holder in its sole discretion;

(cc) not create, issue or grant any contingent value or similar rights or interests in respect of any of the Company's present and future property, assets and undertaking including, without limitation, the Claim Proceeding Rights save and except as provided for in this Certificate;

(dd) not (a) make any change to its articles or other similar constating documents that could, or could reasonably be expected to, materially and negatively impact the

rights of the Holder under this Certificate nor (b) enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or engage in any type of business other than of the same general type now conducted by it;

(ee) not convey, sell, lease, assign, transfer or otherwise dispose of (including through a transaction of merger or consolidation) any of its property, assets or undertaking (including, without limitation, all accounts receivables), whether now owned or hereafter acquired, save and except for any sale of assets other than Claim Proceeding Rights provided that (a) any such sale is completed on commercially reasonable terms and for fair market value consideration in cash and (b) the consideration shall not exceed US$250,000 in any one instance or an aggregate amount of US$1,000,000 in any calendar year;

(ff) not enter into any business or undertake any action or proceeding, either directly or through any branch, affiliate or subsidiary, that could reasonably be expected to adversely affect the Claim Proceedings;

(gg) other than with respect to copies of any documents, books or records (the originals of which are retained by the Company), copies of which have been provided to the Holder, not permit or direct any of the Claim Proceeding Rights to be transferred, assigned, paid or ordered to any other Person and shall otherwise not take any other action which may contribute to any of the Claim Proceeding Rights, other than with respect to the copies of any such documents, books or records, to be transferred, assigned, paid or ordered to any other Person;

(hh) not take any steps or instruct legal counsel to take any steps to suspend or terminate the Claim Proceedings, relinquish any right under the Claim Proceedings or enter into any settlement of the Claim Proceedings without the prior written consent of the Holder;

(ii) not issue or agree to create or issue any shares of any existing or new classes of shares except as specifically contemplated by and permitted in accordance with the terms of this Certificate;

(jj) not create, or acquire any ownership interest in, any subsidiaries, without the prior written consent of the Holder, which consent shall not be unreasonably withheld;

(kk) not enter into any transaction or series of transactions, whether or not in the ordinary course of business, with any officer, director, shareholder or affiliate of the Company other than upon terms and conditions that would be obtainable in a comparable arm length transaction and which are approved by the board of directors of the Company and fully disclosed in writing to the Holder if outside the ordinary course of the business of the Company;

(ll) shall request any Claim Proceeds to be deposited directly by the Colombian government (or any other Person liable to pay any of the Claim Proceeds) into the Claim Proceeds Escrow Account;

(mm) not enter into any transaction or series of transactions that could be reasonably expected to materially negatively impact the Claim Proceeding Rights; and

(nn) not pay any management, consulting or similar fees to any officer, director or employee of the Company except (i) payment of reasonable compensation and expense reimbursement to officers and employees for actual services rendered to, and expenses incurred for, it in the ordinary course of business, and (ii) payment of directors' fees and reimbursement of actual out-of-pocket expenses incurred in connection with attending board of director meetings consistent with and in accordance with past practice.

6. Interest

(a) Subject to Section 14, the Company shall and hereby does irrevocably and unconditionally authorize and direct payment of the Contingent Value Rights Amount to the Holder on the CVRA Payment Date in accordance with Section 8(c). In the event that the Contingent Value Rights Amount is not paid to the Holder on the CVRA Payment Date in accordance with Section 8(c), interest shall accrue on the Contingent Value Rights Amount from the day immediately following the CVRA Payment Date and until actual payment in full, at the rate 12% per annum, calculated monthly in arrears. For greater certainty, no interest shall accrue on any Contingent Value Rights Amount pursuant to this Section 6 to the extent that such Contingent Value Rights Amount has been deposited into the Claim Proceeds Escrow Account. Such interest shall be calculated and compounded monthly, not in advance on the first day of each month based on a year of 365 days.

(b) The Company and the Holder shall comply with the following provisions to ensure that no receipt by the Holder of any payments made or to be made to the Holder hereunder would result in a breach of Section 347 of the *Criminal Code* (Canada) or any successor section to same ("**Section 347**") to the extent Section 347 is determined to be applicable:

(i) Adjustment. Subject to clause (iii) below, if any provision of this Agreement or any of the other documents related to this Agreement would obligate the Company to make any payment to the Holder of an amount that constitutes "interest", as such term is defined in the *Criminal Code* (Canada) and referred to in this Section 6(b) as "Criminal Code interest", during any one-year period in an amount or calculated at a rate which would result in the receipt by the Holder of Criminal Code interest at a criminal rate (as defined in the *Criminal Code* (Canada) and referred to in this Section 6(b) as a "criminal rate"), then, notwithstanding such provision, that amount or rate during such one-year period shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not result in the receipt by the Holder during such one-year period of Criminal Code interest at a criminal rate, and the adjustment shall be effected, to the extent necessary, as follows:

(x) first, by reducing the amount or rate of interest required to be paid to the Holder during such one-year period; and

(y) thereafter, by reducing any fees and other amounts required to be paid to the Holder during such one-year period which would constitute Criminal Code interest.

The dollar amount of all such reductions made during any one-year period is referred to this Section 6(b) as the "Excess Amount".

(ii) Subject to clause (iii) below, any Excess Amount shall be payable and paid by the Company to the Holder in the then next succeeding one-year period or then next succeeding one-year periods until paid to the Holder in full, subject to the same limitations and qualifications set out in clause (i) above, so that the amount of Criminal Code interest payable or paid during any subsequent one-year period shall not exceed an amount that would result in the receipt by the Holder of Criminal Code interest at a criminal rate.

(iii) To the extent that any Contingent Value Rights Amount constitutes Criminal Code interest, the adjustments contemplated by clauses (i) and (ii) above shall be applied to the payment of such Contingent Value Rights Amount only if after the amount of such Contingent Value Rights Amount permitted to be paid to the Holder has been reduced to the highest possible amount that would not result in any such payment violating the criminal rate, the receipt of the amount of the Contingent Value Rights Amount so reduced would notwithstanding such reduction, still result in the Holder receiving Criminal Code interest at a criminal rate.

(iv) Any amount or rate of Criminal Code interest referred to in this section shall be calculated and determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest on the assumption that any charges, fees or expenses that constitute Criminal Code interest shall be pro-rated over the period commencing on the date hereof and ending on the CVRA Payment Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Holder shall be conclusive for the purposes of such calculation and determination.

7. Term

The term of this Certificate begins on the date of this Certificate and ends on the date that all of the Obligations have been paid in full. The Holder shall apply any amount paid in satisfaction of any indebtedness under this Certificate first against any accrued and unpaid interest and second against the outstanding Contingent Value Rights Amount.

8. Payment Mechanics

(a) All amounts payable by the Company hereunder shall be paid to the Holder in United States Dollars, in immediately available funds, without any deduction set-off or counterclaim. Any payments received after 3:00 p.m. (New York time) will be considered for all purposes as having been made on the next following Business Day.

(b) If any payment to be made by the Company hereunder becomes due on a day that is not a Business Day, such payment shall be due on the next succeeding Business Day, together with interest that has accrued to the date of payment.

(c) The Company shall request the Colombian government (or any other Person liable to pay any of the Claim Proceeds) to deposit the Claim Proceeds directly into the Claim Proceeds Escrow Account. To the extent that the Company or any other Person for whatever reason shall receive any of the Claim Proceeds, then within two (2) Business Days after the date of receipt by the Company or of any Person other than the Company of any and all Claim Proceeds, the Company shall deposit or cause such other Person to deposit, all such Claim Proceeds into the Claim Proceeds Escrow Agreement, to be held and paid in accordance with the terms of this Agreement. Within two (2) Business Days following the Final Award Date, and prior to any distribution of any and all Claim Proceeds, the Company shall calculate the Contingent Value Rights Amount and shall submit a statement to the Holder setting out such calculation and the proposed distribution of the Claim Proceeds (the "**Distribution Statement**"). Any such Distribution Statement shall strictly conform with the following descending order of payments for the distribution of the Claim Proceeds:

(i) first, to pay any accrued and unpaid default interest owing to the Holder pursuant to this Certificate, if any, and any unpaid fees, expenses or indemnity obligations owing to the Holder under this Certificate or any other agreement between the Company and the Holder;

(ii) second, to pay any principal amount then outstanding, if any, owing to the Holder by the Company pursuant to any other agreement between the Holder and the Company; and

(iii) third, the total amount payable to the Holder equal to the Contingent Value Rights Amount; and

(iv) fourth, the remaining balance of the Claim Proceeds to be paid to or for the account of the Company in accordance with Applicable Law including for the payment of any taxes payable or required to be withheld by the Company;

(d) For certainty, the payments of the Claim Proceeds contemplated by paragraph (c) above shall be made in each case as and when any amount of the Claim Proceeds are received if less than the full amount of the Claim Proceeds are received at one time.

(e) If the Holder, in its discretion, does not approve the Distribution Statement submitted to it by the Company, then both the Holder and the Company shall work together to produce a Distribution Statement which the Holder and the Company shall approve. If the parties fail to reach agreement on the Distribution Statement, any such dispute regarding the Distribution Statement (a "**Distribution Dispute**") will be submitted for resolution as provided for in the Claim Proceeds Escrow Agreement. For greater certainty, any disputes, claims, differences or controversies between the parties and arising hereunder other

than a Distribution Dispute shall be prosecuted under and in accordance with Section 21 hereof.

9. Security

As continuing security for the payment of the Contingent Value Rights Amount when due and payable and any accrued and unpaid interest, the Company hereby pledges, assigns, mortgages, charges and hypothecates to the Holder and grants to the Holder a security interest in the Collateral (the "**Security Interest**") pursuant to the general security agreement attached hereto as Schedule "A" and Colombian law governed security agreements and such other security agreements, charges, pledges and assignments as the Holder may reasonably require as contemplated by Section 14 (collectively, the "**Security Agreement**s").

10. Acceleration and Remedies

Upon the occurrence of an Event of Default which is continuing and in addition to the default rate of interest provided for in Section 6(a) accruing: (i) the full unpaid balance of the Obligations will, at the Holder's option and upon delivery by the Holder to the Company of a written demand for payment, become immediately due and payable; and (ii) the Holder shall be entitled to exercise any and all rights and remedies available to it pursuant to any agreement between the Company and the Holder, at law or in equity.

The rights and remedies available to the Holder pursuant to any agreement between the Holder and the Company are cumulative and are in addition to, and not in substitution for, any rights or remedies provided at law or in equity.

For certainty, the Holder shall have the unilateral right to (i) waive any Event of Default, (ii) elect not to accelerate the Obligations or (iii) elect not to enforce any of its rights and remedies under any agreement between the Company and the Holder.

11. Notice

To be effective, a notice must be in writing and delivered (a) personally, either to the individual designated below for that party or to an individual having apparent authority to accept deliveries on behalf of that individual at its address set out below, or (b) by electronic mail to the address or electronic mail address set out opposite the party's name below or to any other address or electronic mail address for a party as that party from time to time designates to the other parties in the same manner, and (c) by registered mail:

in the case of the Company, to:

Eco Oro Minerals Corp.
Suite 300, 1055 W. Hastings Street
Vancouver, BC V6E 2E9

Attention: Paul Robertson
Email: paul.robertson@quantumllp.com

with a copy to:

Norton Rose Fulbright Canada LLP
200 Bay Street, Suite 3800
Toronto, Ontario M6J 2Z4

Attention: Walied Soliman
Email: walied.soliman@nortonrosefulbright.com

in the case of the Holder, to:

Kingsdale Partners LP
Exchange Tower, 130 King Street West
Suite 2950, P.O. Box 361
Toronto, ON M5X 1E2

Attention: Amy Freedman, CEO
Email: afreedman@kingsdaleadvisors.com

Attention: Grant Hughes, Chief Operating Officer
Email: ghughes@kingsdaleadvisors.com

Attention: Hooman Tabesh, General Counsel
Email: htabesh@kingsdaleadvisors.com

Any notice is effective (i) if personally delivered, as described above, on the day of delivery if that day is a Business Day and it was received before 5:00 p.m. local time in the place of receipt and otherwise on the next Business Day, or (ii) if sent by electronic mail, on the day the sender receives confirmation of receipt by return electronic mail from the recipient if that day is a Business Day and if that confirmation was received before 5:00 p.m. local time in the place of receipt, and otherwise on the next Business Day**.**

12. Payment of Expenses and Indemnification

The Company hereby agrees to indemnify and hold harmless the Holder and its subsidiaries, affiliates and assignees, and each of their respective directors, officers, partners, investors, employees, agents and advisors (each an "**Indemnified Party**") from and against any and all losses, claims, damages, liabilities or other expenses to which such Indemnified Party may become subject, insofar as such losses, claims, damages, liabilities (or actions or other proceedings commenced or threatened in respect thereof) or other expenses arising out of or in any way relating to or resulting from, this Certificate or any of the fees, interest or other compensation received or earned in connection with or in any way arising from this Certificate and the Company agrees to reimburse each Indemnified Party for all actual and reasonable legal or other expenses, for which an invoice has been provided, incurred in connection with investigating, defending or participating in any such loss, claim, damage, liability or action or other proceeding (whether or not such Indemnified Party is a party to any action or proceeding out of which indemnified expenses arise), but excluding therefrom all losses, claims, damages, liabilities and expenses which are finally determined in a non-appealable decision of a court of competent jurisdiction to have resulted solely from the negligence or willful misconduct of such Indemnified Party. In the event of any litigation or dispute involving this Certificate, no Indemnified Party shall be responsible or liable to the Company, any reorganized entity, any of

its subsidiaries or affiliates or any other Person for any special, indirect, consequential, incidental or punitive damages. In addition, the Company irrevocably and unconditionally agrees to pay or reimburse the Holder for all Holder's reasonable out-of-pocket costs and expenses incurred in connection with the negotiation, preparation, execution and enforcement of this Certificate and any other documents prepared in connection herewith, and the consummation of the transactions contemplated hereby and thereby, including, without limitation, the fees and disbursements of legal counsel to the Holder (on a full indemnity basis). Notwithstanding the foregoing or anything contained elsewhere in this Certificate or any other agreement between the Company and the Holder, the indemnity set out in this Section 12 shall not apply to any losses, claims, damages, liabilities or expenses to which an Indemnified Party may become subject which arise from a claim or allegation brought by a Participating Entitled Shareholder against the Indemnified Party solely in respect of conduct undertaken by or on behalf of the Holder, unless (i) such conduct was also undertaken by or on behalf of the Existing CVR Holders, (ii) the claim or allegation would, if proven, have an adverse impact on any material rights of an Existing CVR Holder or any other holder of CVRs under its CVR certificate or (iii) the Company otherwise agrees to indemnify the Indemnified Party.

13. Withholding Tax

All Obligations shall be paid by the paid by the Company without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (other than taxes in respect of the net income or capital of the Holder) imposed or levied by or on behalf of any Governmental Authority having the power to tax. If any such withholding or deduction is required by Applicable Law, the Company shall pay all additional amounts to the Holder as may be necessary in order that the net amount received by the Holder after such withholding or deduction shall equal the amount which would have been received by the Holder in the absence of such withholding or deduction.

Without limiting the generality of the foregoing, to the extent that the Company does not pay any taxes required to be paid by it and the Holder is obligated to, or becomes liable for and pays any such taxes, the Company covenants and agrees to indemnify and hold harmless the Holder from and against any and all such payments made by the Holder together with any penalties, interest and other reasonable costs and expenses incurred in connection therewith whether or not such taxes were correctly or legally imposed on the Holder by the relevant Governmental Authority. This indemnity shall survive the repayment of the Obligations and the cancellation of this Certificate. A certificate as to the amount of such payment by the Holder to the Company shall be conclusive evidence of the amount owing pursuant to this indemnify absent manifest error.

With respect to any taxes required to be paid by the Company in respect of payments by it hereunder as contemplated by this Section 14, the Company shall deliver to the Holder the original or a certified copy of receipt issued by the applicable Governmental Authority evidencing such payment as soon as practicable after the making of such payment (and in any event within fifteen (15) days after the making of such payment).

14. Further Assurances

The Company, at its expense and at the Holder's request, shall sign (or cause to be signed) all further documents or do (or cause to be done) all further acts and provide all reasonable assurances as may reasonably be necessary or desirable to give effect to this Certificate, including without limitation executing and delivering such further charges, security agreements

and pledges as the Holder may reasonably require in order to obtain a first ranking security interest in the Collateral and cooperate with the Holder and their counsel regarding the filing of any financing statements, registrations or other instruments as may be required under Applicable Law to perfect or otherwise record such security interest, charges, security agreements or pledges.

15. Not Party to Claim Proceedings

The Company acknowledges and agrees that the Holder shall not become or be deemed to have become a party to the Claim Proceedings by virtue of its dealings with the Company hereunder and otherwise.

16. Binding Effect

This Certificate enures to the benefit of and binds the parties and their respective successors, and permitted assigns.

17. Assignment

Until an Event of Default has occurred, the Holder may not assign its rights and obligations relating to this Certificate in whole or in part to any Person other than a Holder Group Member without the prior written consent of the Company, provided; however that if the Holder assigns its rights and obligations under this Certificate to a Holder Group Member it shall provide prior written notice to the Company of such assignment and to the extent such assignment shall be made in reliance on an exemption from the registration requirements of the U.S. Securities Act, the Holder shall represent to the Company that such assignment is exempt from registration under the U.S. Securities Act of 1933, as amended, and if requested by the Company, the Holder shall provide an opinion of counsel of recognized standing reasonably satisfactory to the Borrower to that effect. Without the prior written consent of the Holder, the Company may not assign this Certificate or any of its obligations hereunder.

18. Severability

The invalidity or unenforceability of any particular term of this Certificate will not affect or limit the validity or enforceability of the remaining terms.

19. Waiver

(a) Save and except as may be expressly provided for in the Security Agreements, no waiver of satisfaction of a condition or breach or non-performance of an obligation (including any Event of Default) under this Certificate is effective unless it is in writing and signed by the party granting the waiver. No waiver under this section will be deemed to extend to a subsequent occurrence, whether or not that occurrence is the same or similar to the original occurrence that was waived nor will it affect the exercise of any other rights or remedies under this Certificate. Any failure or delay in exercising any right or remedy will not constitute, or be deemed to constitute, a waiver of that right or remedy. No single or partial exercise of any right or remedy will preclude any other or further exercise of any right or remedy.

(b) The Company waives presentment for payment, demand, protest, notice of any kind, and statutory days of grace in connection with this Certificate. The Company agrees that it is not necessary for the Holder to first bring legal action in order to enforce payment of this Certificate.

20. Governing Law and Submission to Jurisdiction

(a) This Certificate shall be governed by, and construed in accordance with, the laws of the State of New York (other than the conflict of laws rules).

(b) The Company and Holder hereby irrevocably submit to the jurisdiction of the courts of the State of New York, which will have non-exclusive jurisdiction over any matter arising out of this Certificate save and except as provided for in Section 8(e) of this Certificate in relation to any Distribution Dispute.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF the Company has duly executed this Certificate effective as of the date first written above.

ECO ORO MINERALS CORP.

By: _____
Name:
Title:

Acknowledged and agreed to:

KINGSDALE PARTNERS LP for and on behalf of the Participating Entitled Shareholders

By: _____
Name:
Title:

SCHEDULE "A"
SECURITY AGREEMENTS

[*Omitted]*

EXHIBIT I
LIST OF KEY PARTIES

[*Omitted]*

APPENDIX F

Eco Oro Minerals Corp.
Board of Directors' Mandate

1. Mandate

The board of directors (the "**Board**") is responsible for the stewardship of Eco Oro Minerals Corp. (the "**Company**") and the supervision of the management of the business and affairs of the Company with a view to preserving and enhancing the business and underlying value of the Company.

The Board discharges its responsibility for supervising the management of the business and affairs of the Company by delegating the day-to-day management of the Company to its senior officers. The Board discharges its responsibilities both directly and through its committees.

2. Duties and Expectations of Directors

In discharging their responsibilities, directors are required to:

(a) act honestly, in good faith with a view to the best interests of the Company; and

(b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Directors are also expected to:

(a) commit the time and attention necessary to properly carry out his or her duties;

(b) attend all Board and committee meetings, as applicable; and

(c) review in advance all meeting materials and otherwise adequately prepare for all Board and committee meetings, as applicable.

3. Delegation to Management

The Board may from time to time delegate to senior management the authority to enter into certain types of transactions, including financial transactions, subject to specified limits. Investments and other expenditures above the specified limits, material transactions outside the ordinary course of business and the matters set out in Section 8 hereof will be reviewed by, and are subject to the prior approval of, the Board.

4. Composition

To the extent feasible, the Board shall be composed of a majority of "independent" directors as such term is defined under applicable securities legislation.

The Board shall appoint one or more directors to act as a Chair of the Board. Where a Chair is, or all Co-Chairs are, not independent, an independent director (including an independent Co-Chair, if applicable) may be appointed as "lead director" to act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties. If in any year the Board does not appoint a Chair or lead director, if applicable, the incumbent Chair and lead director, if applicable, will continue in office until a successor is appointed. If a Chair or lead director, if applicable, is absent from any meeting, the Board shall select one of the other directors present to preside at that meeting.

5. Meetings

The Board shall meet at least four times per year, including at least once in each quarter to carry out its responsibilities under this mandate, including a review of the business operations and financial results of the Company, and as many additional times as the Board deems necessary to carry out its duties.

The Board may invite such officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Board.

Independent members of the Board may hold meetings as frequently as necessary to carry out their responsibilities under this mandate, but not less than once a year.

6. Responsibilities

The Board is responsible for:

Senior Management

(a) designating the officers of the Company, appointing such officers, specifying their duties and delegating to them the power to manage the day-to-day business and affairs of the Company;

(b) in consultation with the Compensation Committee, reviewing the officers' performance and effectiveness;

(c) acting in a supervisory role, such that any duties and powers not delegated to the officers of the Company remain with the Board and its committees;

(d) to the extent feasible, satisfying itself as to the integrity of the CEO and other senior officers and that the CEO and other senior officers create a culture of integrity throughout the Company;

(e) succession planning (including appointing, training and monitoring senior management);

(f) in conjunction with the CEO, developing a clear position description for the CEO, which includes delineating management's responsibilities and developing or approving the corporate goals and objectives the CEO is responsible for meeting;

Strategic Plan and Risk Management

(g) reviewing and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the Company's business;

(h) monitoring the Company’s implementation of its strategic plan and taking action and revising and altering its direction to management in response to changing circumstances, and taking action when Company performance falls short or its goals and objectives or when special circumstances warrant;

(i) identifying the principal risks of the Company's business, and ensuring the implementation of appropriate systems to manage these risks;

Disclosure

(j) overseeing the accurate reporting of financial performance of the Company to shareholders, other security holders and regulators on a timely and regular basis

(k) taking steps to enhance the timely disclosure of developments that have a significant and material impact on the Company;

(l) establishing procedures to ensure that the Company, through management, provides timely information to current and potential security holders and responds to their inquiries;

Other

(m) with the assistance of the Audit Committee, ensuring the integrity of the Company's internal control and management information system;

(n) in consultation with the Nominating and Corporate Governance Committee, developing the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Company;

(o) with the assistance of management, developing environmental policies, as applicable from time to time, and ensuring their compliance with them; and

(p) with the assistance of management, developing health and safety practices and ensuring compliance with them.

7. Committees of the Board

The Board may delegate to its committees matters for which the Board is responsible, but the Board retains its oversight function and ultimate responsibility for those matters and all other delegated responsibilities.

To assist it in discharging its responsibilities, the Board has established four standing committees of the Board: the Audit Committee, the Nominating and Corporate Governance Committee, the Compensation Committee and the Arbitration and Budget Committee. The Board may establish other standing and ad hoc committees from time to time.

Each committee shall have a written charter that clearly establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations, manner of reporting to the Board and other requirements set forth under applicable legislation and stock exchange rules, as the Board considers appropriate. Each charter shall be reviewed by the Board (or a committee thereof) on at least an annual basis.

Except by resolution of the Board (which must include approvals of certain directors as set out in the settlement agreement entered into by the Company and thirteen of its shareholders on July 31, 2017), the Board shall not amend the mandate of the Arbitration and Budget Committee.

Subject to the foregoing, the Board is responsible for appointing directors to each of its committees in accordance with the charter for each committee.

8. Matters Requiring Board Approval

Except by unanimous resolution of the Board, the Board shall not amend or revise the management incentive plan of the Company or seek to convert any debt or other securities issued by the Company.

Except by resolution of the Board (which must include approvals of certain directors as set out in the settlement agreement entered into by the Company and thirteen of its shareholders on July 31, 2017), the

Board shall not enter into any related party transactions (as such term is defined under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*) or incur any funded indebtedness for borrowed money.

9. Orientation and Continuing Education

The Board is responsible for ensuring that all new directors receive a comprehensive orientation enabling them to fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make, and the nature and operation of the Company's business.

Directors are encouraged to participate in continuing education to maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Company's business remains current.

10. Code of Business Conduct and Ethics

The Board is responsible for adopting and maintaining a written code of business conduct and ethics (the "**Code**") applicable to all directors, officers and employees of the Company and its subsidiaries. The Code shall constitute written standards that are reasonably designed to promote integrity and deter wrongdoing and shall address the following issues:

(a) conflicts of interest, including transactions and agreements in respect of which a director or executive officer has a material interest;

(b) protection and proper use of corporate assets and opportunities;

(c) confidentiality of corporate information;

(d) fair dealing with the Company's security holders, suppliers, competitors and employees;

(e) compliance with laws, rules and regulations; and

(f) reporting of any illegal or unethical behaviour.

The Board is responsible for monitoring compliance with the Code. Any waivers from the Code shall be granted by the Board only.

11. Compensation Matters

The Board is responsible for overseeing compensation matters, including (i) director compensation, and (ii) after consideration of the recommendations of the Compensation Committee, incentive-compensation plans and equity-based plans and compensation for officers and other senior management personnel.

12. Director Access to Management, Employees and Independent Adviser

The Board and its committees shall have access to all members of management and the Company's employees.

At the invitation of the Board, senior management are encouraged to attend, and, where requested, assist in the discussion and examination of matters before the Board.

The Board and its committees may retain at the Company's expense any independent adviser, such as legal counsel and independent accountants, as the Board or committee deems necessary and appropriate to discharge its responsibilities.

13. Mandate Review

The Board shall review and assess the adequacy of this mandate on an annual basis, taking into account all legislative and regulatory requirements applicable to the Board, as well as any guidelines recommended by securities regulatory authorities, the Toronto Stock Exchange and any other stock exchange on which the securities of the Company may be listed.

Approved by the Nominating and Corporate Governance Committee: August 3, 2017

Approved by the Board of Directors: August 3, 2017

Questions? Need Help Voting?

Please contact our Strategic Shareholder Advisor and Proxy Solicitation and Information Agent, Kingsdale Advisors

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APPENDIX C

MANAGEMENT DISCUSSION AND ANALYSIS (SIX MONTH PERIOD ENDED JUNE 30, 2017)

ECO ORO MINERALS CORP.

Management's Discussion and Analysis

June 30, 2017

Table of Contents

1. INTRODUCTION

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Eco Oro Minerals Corp. ("Eco Oro", "we", "our" or the "Company"), our operations, financial performance, and current and future business environment. This MD&A is intended to supplement and complement the consolidated financial statements and notes thereto prepared in accordance with International Financial Reporting Standards ("IFRS") for the six months ended June 30, 2017. This MD&A should be read in conjunction with our annual audited consolidated financial statements for the year ended December 31, 2016 and the most recent Annual Information Form, which are available on the SEDAR website at www.sedar.com.

This MD&A is prepared as of August 14, 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 Angostura gold-silver deposit (the "Angostura Project"), 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 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 Republic of Colombia (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 State 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").

While the Company's primary objective had always been the development of the Angostura Project, in light of the Colombian State's measures, 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 *inter alia* 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, thereby depriving Eco Oro of

the returns that would have resulted from its investment in the development of the Angostura Project, and thus destroying the value of its investment, 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. 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 State 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"). This decision was made on the basis of an earlier decision rendered by the Colombian Constitutional Court in February 2016. The ANM's decision came five months after Eco Oro formally notified Colombia, on 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 Colombian State's measures have rendered the Angostura Project unviable. These measures have not only deprived Eco Oro of the value of the investments that it has already made, but also of 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 of Project Assets & Financing Arrangements

Impairment of Project Assets

In 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. Moreover, the exploration phase of Concession 3452 expires in August 2018 by which date the licensing of the project should be completed. However, 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 an environmental license. 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, 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 during the 2016 financial year (the "Impairment"). The Impairment was based on international accounting standards, and 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 future operations, including funding to pursue the ICSID Arbitration, as well as for general working capital purposes, the Company entered into various investment agreements during 2016 with respect to an aggregate investment in the Company of US$18.2 million (the "Investment"). Pursuant to these 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 common 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 ("Trexs" or the "Investor"), an entity managed by Tenor Capital Management Company, L.P., and other existing shareholders.

On December 20, 2016, a petition was filed (the "Investment Agreement Petition") with the Supreme Court of British Columbia (the "Court") by two shareholders of the Company, against the Company, each of its then directors (other than Kevin O'Halloran), Trexs, Amber Capital LP ("Amber") and Paulson & Co. Inc. ("Paulson") seeking to, among other things, set aside and cancel the investment agreement between the Company and Trexs (the "Investment Agreement") and the contingent value rights and convertible notes issued by the Company pursuant to the Investment Agreement.

On February 10, 2017, two shareholders of the Company (the "Requisitioners") delivered a requisition under the *Business Corporations Act* (British Columbia) requiring that the Company call and hold a meeting of its shareholders for the purpose of replacing the Board of Directors of the Company. The Board called an annual general and special meeting of the Company (the "Meeting") to be held on April 25, 2017.

As a result of various considerations, on March 16, 2017, the Company converted approximately US$4,721,258 of its outstanding unsecured convertible indebtedness through the issuance of 10,600,000 common shares (the "Converted Shares").

On March 22, 2017, a petition was filed with the Court by the Requisitioners against the Company (the "Conversion Petition"). The Conversion Petition sought various remedies against the Company including that the Converted Shares be cancelled or, alternatively, not be allowed to be voted at the Meeting. The same shareholders also applied to the Ontario Securities Commission (the "OSC") for orders to set aside the Toronto Stock Exchange's (the "TSX") conditional approval of the Converted Shares, requiring shareholder approval for the issuance of the Converted Shares, and an order cease trading the Converted Shares.

In April 2017, the OSC released an order (the "OSC Order") that, among other things, overturned the March 10, 2017 decision of the TSX to grant conditional approval for the issuance of the Converted Shares. The Company commenced an appeal of the OSC Order.

Shortly after the release of the OSC Order, the Court dismissed the Conversion Petition (the "Court Ruling"). The Court found in favour of Eco Oro on all matters, and dismissed the Conversion Petition, with costs, in favour of Eco Oro ruling that the issuance of the Converted Shares was not oppressive and that it does not deny Eco Oro shareholders their right to a fair election.

In a supplementary ruling issued concurrently with the Court Ruling (the "Adjournment Ruling"), the Court ordered that the Meeting "be adjourned to a date to be set by the board of directors prior to September 30, 2017".
On April 28, 2017, the Requisitioners filed a notice of appeal with the British Columbia Court of Appeal (the "Appeal Court") to set aside the both the Court Ruling and the Adjournment Ruling. The appeal of the Adjournment Ruling was heard on an expedited basis and, on May 26, 2017, the Appeal Court set aside the Adjournment Ruling. The Court Ruling remains under appeal.

On May 12, 2017, the Company commenced an application (the "Group Application") in the Ontario Superior Court of Justice with respect to activities undertaken by a group of shareholders of the Company. Pursuant to the Group Application, the Company sought, among other things, declarations that these shareholders have acted contrary to applicable securities laws.

On July 31, 2017, the Company entered into a comprehensive settlement agreement (the "Settlement Agreement") with, *inter alia*, thirteen shareholders representing approximately 66.3% of the issued and outstanding common shares of the Company entitled to vote at the Company's upcoming annual general and special meeting (the "Meeting"). The transactions contemplated by the Settlement Agreement (the "Transactions") will, upon their implementation, resolve all outstanding litigation relating to the Company's board composition, the Investment, the issuance of the Converted Shares and the Meeting and, in connection therewith, Trexs provided a temporary waiver of all existing and future defaults and events of default under the relevant investment documents.

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, 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 the Móngora deposits and the 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 State 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 cannon 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 cannon 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.

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.

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 authority, the CDMB, has informed the Company that it is not in a position to process a request of or grant the environmental license for the Angostura Project required to exploit the remaining portion of the Concession.

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 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 to suspend 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 requests to suspend its exploration activities, which were both 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 Vetas, California and Suratá, subject to strict environmental controls. Pursuant to Law 1753, 2015, known as the "National Development Plan" mining activities are restricted in páramo ecosystems, although, as under Resolution 2090, certain exceptions apply to Eco Oro's Angostura Project.

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. In Resolution VSC 829, the ANM cited the February 8, 2016 decision of the Colombian Constitutional Court as the basis for its decision. 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

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 final.

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.

5. SUBSEQUENT EVENTS

- On July 26, 2017, Mark Moseley-Williams, the CEO of the Company tendered his resignation as Director, President and Chief Executive Officer of the Company. Mr. Moseley-Williams was replaced by Anna Stylianides, then Executive Chairman of the Board, who accepted the position on an interim basis.

- On July 31, 2017, the Company entered into the Settlement Agreement with, *inter alia*, thirteen shareholders representing approximately 66.3% of the issued and outstanding common shares of the Company entitled to vote at the Meeting. These shareholders include Trexs, Courtenay Wolfe, Harrington Global Opportunities Fund and Harrington Global Limited ("Harrington" and together with Courtenay Wolfe, the "Shareholder Group"). The Transactions contemplated by the Settlement Agreement will, upon their implementation, resolve all outstanding litigation relating to the Company's board composition, the Investment, the issuance of the Converted Shares and the Meeting and, in connection therewith, Trexs provided a temporary waiver of all existing and future defaults and events of default under the relevant investment documents.

  Pursuant to the Settlement Agreement:

  - a new five member board of the Company has been constituted and is comprised of Trexs' nominees, David Kay and Anna Stylianides, the Shareholder Group's nominees, Courtenay Wolfe and Peter McRae, and an independent director, Lawrence Haber, selected by the Shareholder Group and Trexs pursuant to the terms of the Agreement (the "New Board"). David Kay and Courtenay Wolfe have been named co-executive chairs of the New Board;

  - the Company will seek approval of the New Board at the Meeting (which will be held on September 26, 2017), at which meeting shareholders will also be asked to consider and approve the following resolutions (the "Resolutions"):

    - a plan of arrangement under the *Business Corporations Act* (British Columbia) that will, subject to compliance with applicable securities laws, result in shareholders (other than persons (the "CVR Holders") currently holding contingent value rights certificates ("CVRs")) having the opportunity to acquire 19.45% of the outstanding CVRs following implementation of the matters to be approved at the Meeting (or CVRs entitled to 14.1% of the gross proceeds of the arbitration claim against the Colombian State (the "Arbitration Claim")) for an aggregate purchase price of US$1.11 million (the "Proposed Arrangement"). Pursuant to the Proposed Arrangement: (i) up to 17.17% of the CVRs, in aggregate, that were issued by the Company to CVR Holders, will effectively be made available for purchase by persons (other than CVR Holders) who are shareholders as of the record date for the 2017 Meeting and entitled to vote in respect of such meeting (the "CVR Acquiring Shareholders"); and (ii) additional CVRs representing 2% of the gross proceeds of the Arbitration Claim shall be made available by the Company to the CVR Acquiring Shareholders;

    - an amendment to the management incentive plan (the "MIP") of the Company, effective as of January 13, 2017, to, among other things, reduce the cash retention amount pool from 7% to 5% of the total gross proceeds of the Arbitration Claim;

    - certain amendments to various agreements that shall permit the implementation of the

transactions noted above and the terms of the Settlement Agreement, including an amendment to the terms of the notes issued on November 9, 2016 to ensure that the CVR Holders will be entitled to acquire sufficient common shares to enforce the provisions of the Settlement Agreement if a material breach of the Settlement Agreement occurs;

- o appointment of auditors; and

- o reconfirmation of the amended and restated incentive share option plan of the Company.

Under the terms of the Settlement Agreement, the Meeting must be completed and all Resolutions (including approval of the New Board) must be approved by shareholders by no later than November 10, 2017 (the "Outside Date") with certain exceptions related to, among other things, delays in obtaining all necessary regulatory approvals that are outside of the Company's control. The Proposed Arrangement will also require final approval from the Supreme Court of British Columbia. Failure to timely approve the Resolutions will result in the termination of the Settlement Agreement and the Proposed Arrangement.

The Settlement Agreement also include the following terms:

- each of the Company, Amber Latin America, LLC, PFR Gold Master Fund Ltd., Anna Stylianides and Trexs have agreed, subject to the approval of the Resolutions at the Meeting, to rescind the conversion of the Converted Shares held by them and reinstate and reissue that portion of the convertible notes originally converted and that existed immediately prior to the issuance of the Converted Shares.
-
- David Kay and Courtenay Wolfe acting as co-chairs of the Meeting;

- standstill in respect of all pending litigation between the Company and shareholders relating to the matters being settled (the "Litigation"), and all such Litigation will be dismissed following the Meeting and approval of all Resolutions;

- shareholders who are party thereto agreeing to support the New Board and vote in favour of certain other matters until the conclusion of the Company's 2022 annual general meeting;

- formation of an Arbitration and Budget Committee of the New Board comprised of David Kay and Courtenay Wolfe;

- covenants by the New Board that future financings should, if possible, be structured to enable all shareholders to participate on a pro rata basis;

- payment of the fees and expenses of the Shareholder Group and certain other shareholders in connection with the Litigation, as well as the fees and expenses of certain counsel in connection with the implementation of the transactions provided for under the Agreement;

- confirmation that the options to purchase common shares issued to directors and executives on May 8, 2017 will not be exercisable until following the completion of the Meeting, and, upon approval of all Resolutions, all such options shall terminate and cease to exist; and

- temporary waiver by Trexs of all existing and future defaults and events of default under the relevant investment documents until the earliest of:

  (i) implementation of the Proposed Arrangement;
  (ii) November 10, 2017 (or in certain circumstances December 31, 2017); or
  (iii) termination of the Settlement Agreement, with such temporary waiver automatically becoming a permanent waiver of any such defaults upon the implementation of the Proposed Arrangement.

- On August 3, 2017, Mr. Paul Robertson, the Chief Financial Officer of the Company, accepted the position of interim Chief Executive Officer of the Companyreplacing Ms. Anna Stylianides. Ms. Stylianides will remain in her position as a director of the Board.

- On August 3, 2017, Mr. Eric Tsung accepted the position of interim Chief Financial Officer of the Company effective immediately, replacing Mr. Paul Robertson.

6. OUTLOOK

Notwithstanding the continuation of the ICSID Arbitration process, the Company remains open to 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:

- to facilitate the completion of the Transactions contemplated under the Settlement Agreement;

- to advance 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;

- to continue to assess the Company's activities, including monetization of certain of the Company's assets (including the potential disposition of assets, plant and equipment acquired for the Project) and cost reduction to support the preservation of its core assets and rights, in an effort to mitigate losses;

- to carefully manage its cash resources;

- to continue to assess the Company's mining titles and related on-going regulatory requirements;

- the protection of its rights and interests in Colombia (including, so far as reasonably and legally possible, ensuring that existing licenses and permits remain in good standing); and

- to seek additional financing for the Company's operations.

7. RESULTS OF OPERATIONS

Three months ended June 30, 2017

	For the three months ended June 30, 2017	June 30, 2016	Change in $	Note
Exploration and evaluation expenses:				
Salaries and benefits	**$ 1,063**	$ 460	**$ 603**	**a**
Legal fees	**306**	47	**259**	**b**
Administrative expenses	**186**	200	**(14)**	**c**
Other exploration and evaluation expenses	**37**	-	**37**	
Environmental expenses	**26**	117	**(91)**	
Surface rights	**18**	5	**13**	
Depreciation	**-**	79	**(79)**	
	1,636	908	**728**	
General and administrative expenses:				
Legal fees	**6,311**	553	**5,758**	**d**
Other professional fees	**674**	62	**612**	**d**
Share-based compensation	**217**	50	**167**	**e**
Administrative expenses	**128**	48	**80**	**f**
Salaries and benefits	**85**	37	**48**	**f**
	7,415	750	**6,665**	
	$ 9,051	$ 1,658	**$ 7,393**	
Other items				
Finance cost	**153**	83	**70**	**g**
Foreign exchange loss (gain)	**(15)**	16	**(31)**	**h**
Other income	**(30)**	(2)	**(28)**	**i**
Gain on disposal of plant and equipment	**(505)**	(155)	**(350)**	
	(397)	(58)	**(339)**	
NET LOSS FOR THE PERIOD	**$ 8,654**	$ 1,600	**$ 7,054**	
OTHER COMPREHENSIVE EXPENSES				
Foreign currency translation differences for foreign operations	**$ (489)**	$ (365)	**$ (124)**	
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**$ 8,165**	$ 1,235	**$ 6,930**	

a) The increase in salaries and benefits is mainly related to the severance payments made during the current period. The Company paid $606 severance payments for terminating 24 employees in Colombia.

b) The increase in legal fees in the current period was primarily due to the legal dispute with the Colombian State.

c) The decrease in administrative expenses was primarily due to the continuation of cost reduction initiatives implemented by the Company.

d) The increase in general and administrative legal fees and other professional fees in the current period was primarily associated with legal and regulatory proceedings and activities related to the Litigation ($3,874), and the preparation of the Company's principal submission in the ICSID Arbitration ($3,012).

e) Share-based payments increased primarily due to more options vesting in the current quarter. During the three months ended June 30, 2017, the Company granted 3,630,000 options, of which 400,000 options were rescinded and 1,750,000 options will not be exercisable until following the next annual and special meeting of shareholders which is set to be held on September 26, 2017, to certain officers, directors and employees, which options may be rescinded thereafter. No share-based payments were recognized for the 1,750,000 options until the next annual and special meeting of shareholders.

f) The increase in administrative expenses and salaries and benefits in the current period was due to the increase in transfer agent fees related to the proxy contest and directors' fees.

g) The increase in finance costs was primarily related to the 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) Gain on disposal of plant and equipment was primarily related to the proceeds from the disposition of the plant and equipment in Colombia which were impaired to $nil during the year ended December 31, 2016.

Six months ended June 30, 2017

	For the six months ended June 30, 2017	June 30, 2016	Change in $	Note
Exploration and evaluation expenses:				
Salaries and benefits	**$ 1,451**	$ 939	**$ 512**	**a**
Legal fees	**608**	68	**540**	**b**
Administrative expenses	**404**	452	**(48)**	**c**
Other exploration and evaluation expenses	**97**	89	**8**	
Environmental expenses	**57**	108	**(51)**	
Surface rights	**28**	29	**(1)**	
Depreciation	**-**	165	**(165)**	
	2,645	1,850	**795**	
General and administrative expenses:				
Legal fees	**8,984**	623	**8,361**	**d**
Other professional fees	**881**	119	**762**	**d**
Share-based compensation	**223**	76	**147**	**e**
Administrative expenses	**216**	151	**65**	**f**
Salaries and benefits	**118**	88	**30**	**f**
	10,422	1,057	**9,365**	
	$ 13,067	$ 2,907	**$ 10,160**	
Other items				
Finance cost	**320**	171	**149**	**g**
Foreign exchange loss (gain)	**129**	53	**76**	**h**
Equity tax	**46**	113	**(67)**	**i**
Other income	**(121)**	(5)	**(116)**	
Gain on disposal of plant and equipment	**(505)**	(137)	**(368)**	**j**
	(131)	195	**(326)**	
NET LOSS FOR THE PERIOD	**$ 12,936**	$ 3,102	**$ 9,834**	
OTHER COMPREHENSIVE EXPENSES				
Foreign currency translation differences for foreign operations	**$ (269)**	$ (46)	**$ (223)**	
TOTAL LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$ 12,667**	$ 3,056	**$ 9,611**	

a) The increase in salaries and benefits is mainly related to the severance payments made during the current period. The Company paid $606 severance payments for terminating 24 employees in Colombia. The increasein salaries and benefits was partially offset by the reduction in salaries due to the termination of 22 employees during the second quarter of 2016.

b) The increase in legal fees in the current period was primarily due to the legal dispute with the Colombian State.

c) The decrease in administrative expenses was primarily due to the continuation of cost reduction initiatives implemented by the Company.

d) The increase in general and administrative legal fees and other professional fees in the current period was primarily associated with legal and regulatory proceedings and activities related to the Litigation ($6,517), and the preparation of the Company's principal submission in the ICSID Arbitration ($3,163).

e) Share-based payments increased primarily due to more options vesting in the current quarter. During the six months ended June 30, 2017, the Company granted 3,630,000 options, of which 400,000 options were rescinded and 1,750,000 options will not be exercisable until following the next annual and special meeting of shareholders which is set to be held on September 26, 2017, to certain officers, directors and employees, which options may be rescinded thereafter. No share-based payments were recognized for the 1,750,000 options until the next annual and special meeting of shareholders.

f) The increase in administrative expenses and salaries and benefits in the current period was due to the increase in transfer agent fees related to the proxy contest and directors' fees.

g) The increase in finance costs was primarily related to the interest of the convertible notes and accretion of interest related to the site restoration provision.

h) The foreign exchange loss was primarily a result of the retranslation of the Company's net monetary liability position denominated in COP into Canadian dollars.

i) The equity tax is based on the Colombian entity's net equity position at the beginning of each year with 25% minimum and maximum change in the net equity from the prior year. The decrease in equity tax is primarily due to impairment of the plant and equipment and exploration and evaluation assets during the year ended December 31, 2016.

j) Gain on disposal of plant and equipment was primarily related to the proceeds from the disposition of the plant and equipment in Colombia which were impaired to $nil during the year ended December 31, 2016.

8. SELECTED FINANCIAL INFORMATION

As at:	**June 30, 2017**	**December 31, 2016**	**December 31, 2015**
Total assets	$ 5,287	$ 18,751	$ 28,805
Total long-term liabilities	5,842	6,601	3,886

For the six months ended:	**June 30, 2017**	**June 30, 2016**	**June 30, 2015**
Loss and comprehensive loss	$ 12,667	$ 3,056	$ 2,249
Basic and diluted loss per share	0.11	0.03	0.04

The decline in total assets as of June 30, 2017 when compared to December 31, 2016 is mainly due to ongoing administrative costs and professional and legal fees incurred to maintain and respond to multiple legal proceedings in multiple jurisdictions. The decrease in total long-term liabilities as of June 30, 2017 when compared to December 31, 2016 is mainly due to conversion of the convertible notes during the three months ended June 30, 2017.

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			
	June 30, 2017	**March 31, 2017**	**December 31, 2016**	**September 30, 2016**
Exploration and evaluation expenditures	$ 1,636	$ 1,009	$ 2,253	$ 1,325
General and administrative expenses	7,415	3,007	3,169	135
Other items	(397)	266	26,593	172
Net loss for the period	8,654	4,282	32,015	1,632
Basic and diluted loss per share	0.07	0.04	0.30	0.02

	Three months ended			
	June 30, 2016	**March 31, 2016**	**December 31, 2015**	**September 30, 2015**
Exploration and evaluation expenditures	$ 908	$ 942	$ 1,276	$ 1,092
General and administrative expenses	750	307	383	979
Other items	(58)	253	(395)	(1,029)
Net loss for the period	1,600	1,502	1,264	1,042
Basic and diluted loss per share	0.02	0.02	0.01	0.01

The increase in exploration and evaluation costs in the third and fourth quarter of 2016 and the first and second quarters of 2017 is mainly related to compliance with regulatory requirements and in legal fees due to the legal dispute with the Colombian State. In addition, in the second quarter of 2017, the Company paid $606 severance payments for terminating 24 employees in Colombia. 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 these increases, the exploration and evaluation costs remained at relatively constant levels due to the cost reduction initiatives.

Except for the significant increase in legal fees and other expenses associated with the Litigation in the first two quarters of 2017 and 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 second quarter of 2017 and third quarter of 2015, the Company granted 3,630,000 and 2,167,000 options to its officers, directors and employees; as result, the additional share-based payments increased the general and administrative costs.

Except for the first two quarters of 2017 and 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 first two quarters of 2017, the increase in finance costs is primarily due to the recognition of the accretion of interest of the convertible notes issued in the fourth quarter of 2016. 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 the payment of surface canons and related interest charges (COP$631,474,949) to the Colombian State related to titles 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			
	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
Cash used in operating activities	$ (13,084)	$ (2,041)	$ (3,106)	$ (2,093)
Cash flows from financing activities	-	-	20,171	3,461
Cash flows from (used in) investing activities	394	-	4	130
Effects of exchange rate changes on cash and cash equivalents	(36)	(7)	16	52
Total cash flow	(12,726)	(2,048)	17,085	1,550
Cash and cash equivalents	3,842	16,568	18,616	1,531
Guaranteed investment certificate	-	-	-	-
Working capital (deficiency)	1,725	10,040	14,202	(728)

	Three months ended			
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
Cash used in operating activities	$ (662)	$ (1,188)	$ (1,643)	$ (717)
Cash flows from financing activities	-	-	159	3,103
Cash flows from (used in) investing activities	179	35	3	(13)
Effects of exchange rate changes on cash and cash equivalents	5	(57)	412	(1,215)
Total cash flow	(478)	(1,210)	(1,069)	1,158
Cash and cash equivalents	31	459	1,669	2,989
Guaranteed investment certificate	-	-	35	33
Working capital (deficiency)	(3,067)	(1,758)	(565)	963

Cash flows used in operating activities increase in the first two quarters of 2017 and fourth quarter of 2016 was primarily due to the significant increase in legal fees and other expenses associated with the Litigation and the legal dispute with the Colombian State. In the third quarter of 2016 and the second quarter of 2015, the Company paid the annual equity tax payments imposed by the Colombian State. Except for the first quarter of 2017 and 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 future operations, as well as for general working capital purposes, the Company entered into the Investment Agreement, with respect to an aggregate investment in the Company of US$14 million. Pursuant to the Investment Agreement, the proceeds of the investment will be used by the Company to fund the Company's arbitration with Colombia under the Free Trade Agreement and general working capital. 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.

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 certificates in the amount of $2,047 (US$1,527,273) to existing shareholders of the Company.

Commencing in the third quarter of 2016, the Company has been involved in the Litigation which have resulted in significant and unbudgeted expenditures by the Company. The costs of the Litigation affected the ability of the Company to forecast cash requirements over the short to mid-term and ultimately the impact upon the liquidity of the Company. As of the date of this MD&A, on the basis of the Company's balance of cash and cash equivalents as at June 30, 2017, the Company is uncertain as to whether it has sufficient funding to satisfy all of the costs of its budgeted activities over the remainder of 2017. The Company will require additional funding to implement the terms of the Settlement Agreement and finance the ICSID Arbitration 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: obtain additional financing as required to implement the terms of the Settlement Agreement, fund any pending litigation, including the pursuit of the ICSID Arbitration, and maintaining a listing on a recognized stock exchange in Canada. 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 2016 Constitutional Court ruling on the National Development Plan and other uncertainties described above, 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

		2017	2018	2019	2020	2021 and thereafter	Total
Site restoration provision	(1)	$ 322	$ 1,630	$ 1,467	$ 846	$ 1,677	$ 5,942
Wealth tax	(2)	22	-	-	-	-	22
		$ 344	**$ 1,630**	**$ 1,467**	**$ 846**	**$ 1,677**	**$ 5,964**

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.

Contractual Obligations

Settlement Agreement

On July 31, 2017, the Company entered into the Settlement Agreement with, *inter alia*, thirteen shareholders representing approximately 66.3% of the issued and outstanding common shares of the Company entitled to vote at the Meeting. The Transactions contemplated by the Settlement Agreement will, upon their implementation, resolve all outstanding litigation relating to the Company's board composition, the Investment and the Meeting and, in connection therewith, Trexs provided a temporary waiver of all existing and future defaults and events of default under the relevant investment documents (for additional information see "Subsequent Events").

Management Incentive Plan

During the first quarter of 2017, the Company implemented the MIP to incentivize certain key personnel toward the successful prosecution and collection of the Company's arbitration claim against Colombia under the Free Trade Agreement. Implementation of a management incentive plan was a requirement under the terms of the Investment Agreement.

Pursuant to the terms of the MIP, a committee of the board of directors of the Company (the "Committee") has been appointed to administer the MIP. The Committee will, among other things, be responsible for determining whether to grant participants under the MIP certain cash retention amounts that will not in aggregate exceed 7% of the gross proceeds of the Arbitration. Following completion of the Transactions and pursuant to the proposed amendment to the MIP (see "Subsequent Events"), the cash retention amount pool will be decreased from 7% to 5% of the total gross proceeds of the Arbitration Claim and the MIP will be amended to ensure that other participants (including current or former employees, consultants or directors of the Company) may benefit from the MIP.

Awards under the MIP will be at the sole discretion of the Committee taking into consideration, among other things, the amount of the proceeds received from the Arbitration and the time dedicated by each participant to the Arbitration proceedings. No member of the Committee is currently a participant under the MIP.

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 for the year ended December 31, 2016 and note 11 of the unaudited condensed interim consolidated financial statements for the six months ended June 30, 2017. Other than these, 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.

For a discussion on the contingencies, refer to note 11(b) of the unaudited condensed interim consolidated financial statements for the six months ended June 30, 2017.

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 six months ended June 30, 2017:

- On March 16, 2017, the Company converted its outstanding convertible notes with a face value of US$4,721,258 through the issuance of 10,600,000 common shares.
- The Company issued 269,852 common shares through a cashless exercise provision in exchange of 457,000 options.
- On May 8, 2017, the Company granted 1,480,000 options with an exercise price of $0.483 to certain employees of the Company. The options are exercisable for a period of five years. One-third vest the

date of grant and one-third will vest every twelve months thereafter.

- On May 8, 2017, the Company granted 500,000 options with an exercise price of $0.483 to certain officers of the Company. The options are exercisable for a period of five years. One-third vest the date of grant and one-third will vest every twelve months thereafter.
- On May 8, 2017, the Company granted 1,650,000 options with an exercise price of $0.483 to an officer and certain directors of the Company. The options are exercisable for a period of five years. All the options are fully vested at the date of grant.
- On May 26, 2017, the Company entered into an agreement with Harrington Global Opportunities Fund Ltd. and Courtenay Wolfe regarding the 2,150,000 options granted to the directors and officers of the Company on May 8, 2017. The Company agreed to rescind the 400,000 options granted to one of the directors and agreed that the remaining 1,750,000 options would not be exercisable until following the Meeting. Pursuant to the Settlement Agreement, upon approval of the all of resolutions submitted to shareholders at the Meeting, such options shall terminate and cease to exist.
- 112,500 options expired unexercised.

The following are outstanding as at August 14, 2017:

Common shares	117,124,953
Shares issuable on the exercise of outstanding stock options	5,317,000
Fully diluted shares outstanding	122,441,953

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 14 of our unaudited condensed interim consolidated financial statements for the six months ended June 30, 2017. 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 six months ended	
	June 30, 2017	June 30, 2016
Short-term benefits	**$ 376**	$ 219
Share-based payments	**7**	58
	$ 383	$ 277

Other related parties

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

	For the six months ended	
	June 30, 2017	June 30, 2016
Fintec Holdings Corp. ("Fintec")		
Management fees	**$ 30**	$ 60
Quantum Advisory Partners LLP ("Quantum")		
Management and accounting services	**$ 131**	$ 86
James H. Atherton Law Corporation ("Law Corp")		
Legal services	**$ -**	$ 39

Fintec is a company owned by the Company's former Executive Chairman and current director, Anna Stylianides. The services provided by Fintec were in the normal course of operations related to director and management fees.

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 June 30, 2017, $18 is due to the officers of the Company which was included in trade and other payables (December 31, 2016 – $12).

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, 2017.

- 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.
- 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.

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 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. Since the December 31, 2016 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, 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, 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, 2016, 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.

16. RISKS AND UNCERTAINTIES

The business of the Company is subject to a variety of risks and uncertainties, including but not limited to, the ability of the Company to implement the Transactions contemplated by the Settlement Agreement and, in connection therewith, to obtain a permanent solution with respect to any defaults that may exist under the Investment Agreement, contingent value rights certificates or convertible notes. For a discussion of additional risks and uncertainties 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 Management Discussion and Analysis constitute forward-looking statements. Forward-looking statements include, but are not limited to, statements with respect to the settlement or potential outcome of the ICSID Arbitration under the Free-trade Agreement, the Company's ability to successfully complete the Transactions contemplated by the Settlement Agreement, the Company's ability to obtain additional funding, the Company's ability to comply with its covenants under the Investment Agreement, defaults under the Investment Agreement, the Company's plans with respect to the Angostura Project and future announcements relating thereto, estimated capital expenditures, estimated internal rates of return, 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 ICSID Arbitration, conclusions of economic evaluations; changes in project parameters as plans continue to be refined; 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; 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 Company's ability to complete the Transactions contemplated by the Settlement Agreement, the potential settlement or outcome of the ICSID Arbitration, that the Company can access financing, 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.

APPENDIX D

MANAGEMENT DISCUSSION AND ANALYSIS (YEAR ENDED DECEMBER 31, 2016)

ECO ORO MINERALS CORP.

Management's Discussion and Analysis

Year Ended December 31, 2016

Table of Contents

1. INTRODUCTION

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Eco Oro Minerals Corp. ("Eco Oro", "we", "our" or the "Company"), our operations, financial performance, and current and future business environment. This MD&A is intended to supplement and complement the 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 cannon 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 cannon 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 Vetas, 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 asse	**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 additional, 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 December 31, 2016	December 31, 2015	Change 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**	

a) 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.

b) The increase in legal fees in the current period was due to the ongoing legal dispute with the Colombian Government.

c) 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.

d) The increase in surface rights was primarily due to the payment of the mining tax paid during the year ended December 31, 2016.

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 $2,994 in legal fees and $818 in other professional fees, which are mainly related to research on various economic issues in connection with ICSID Arbitration.

f) The significant decrease in administrative expenses in the current period was due to the continuation of cost reduction initiatives implemented by the Company. In additional, 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.

APPENDIX E

INTERIM FINANCIAL STATEMENTS (SIX MONTH PERIOD ENDED JUNE 30, 2017)

ECO ORO MINERALS CORP.

Condensed Consolidated Interim Financial Statements

June 30, 2017

(unaudited)

Notice to Reader

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

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

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

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

As at		**June 30, 2017**		December 31, 2016
ASSETS				
Current assets				
Cash	**$**	**3,842**	$	18,616
Accounts receivable		**662**		14
Prepaid expenses and deposits		**678**		120
		5,182		18,750
Non-current assets				
Plant and equipment (note 4)		**104**		-
Exploration and evaluation assets (note 5)		**1**		1
		105		1
TOTAL ASSETS	**$**	**5,287**	$	18,751
LIABILITIES				
Current liabilities				
Trade and other payables	**$**	**2,190**	$	3,180
Amounts payable on exploration and evaluation asset acquisition (note 6)		**923**		963
Current portion of site restoration provision (note 7)		**322**		405
Equity tax liability (note 8)		**22**		-
		3,457		4,548
Non-current liabilities				
Long-term employee benefits		**7**		14
Site restoration provision (note 7)		**4,940**		4,937
Convertible notes (note 9)		**895**		1,650
		5,842		6,601
TOTAL LIABILITIES		**9,299**		11,149
EQUITY (DEFICIENCY)				
Share capital (note 10)	**$**	**331,266**	$	324,835
Contributions from shareholders (note 9)		**5,777**		11,285
Contingent value rights (note 10)		**7,328**		7,328
Equity reserve		**31,604**		31,474
Deficit		**(342,459)**		(329,523)
Accumulated other comprehensive loss		**(37,528)**		(37,797)
TOTAL EQUITY (DEFICIENCY)		**(4,012)**		7,602
TOTAL LIABILITIES AND EQUITY	**$**	**5,287**	$	18,751

Corporate information and continuance of operations (note 1)
Commitments and contingencies (note 12)
Segmented information (note 16)
Subsequent events (note 1, 6, 9, 10 and 17)

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

These consolidated interim financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ David Kay Director */s/ Courtenay Wolfe Director*

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

	For the three months ended		For the six months ended	
	June 30, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
Exploration and evaluation expenses:				
Salaries and benefits	**$ 1,063**	$ 460	**$ 1,451**	$ 939
Legal fees	**306**	47	**608**	68
Administrative expenses	**186**	200	**404**	452
Other exploration and evaluation expenses	**37**	-	**97**	89
Environmental expenses	**26**	117	**57**	108
Surface rights	**18**	5	**28**	29
Depreciation	**-**	79	**-**	165
	1,636	908	**2,645**	1,850
General and administrative expenses:				
Legal fees	**6,311**	553	**8,984**	623
Other professional fees	**674**	62	**881**	119
Administrative expenses	**128**	48	**216**	151
Salaries and benefits	**85**	37	**118**	88
Share-based compensation (note 11)	**217**	50	**223**	76
	7,415	750	**10,422**	1,057
	$ 9,051	$ 1,658	**13,067**	2,907
Other items				
Finance cost	**153**	83	**320**	171
Equity tax (note 8)	**-**	-	**46**	113
Foreign exchange loss (gain)	**(15)**	16	**129**	53
Other income	**(30)**	(2)	**(121)**	(5)
Gain on disposal of plant and equipment (note 4)	**(505)**	(155)	**(505)**	(137)
	(397)	(58)	**(131)**	195
NET LOSS FOR THE PERIOD	**$ 8,654**	$ 1,600	**$ 12,936**	$ 3,102
OTHER COMPREHENSIVE EXPENSES				
Foreign currency translation differences for foreign operations	**$ (489)**	$ (365)	**$ (269)**	$ (46)
TOTAL LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$ 8,165**	$ 1,235	**$ 12,667**	$ 3,056
Basic and diluted loss per share for the period attributable to common shareholders ($ per common share) (warrants and options not included as the impact would be anti-dilutive)	**$ 0.07**	$ 0.02	**$ 0.11**	$ 0.03
Weighted average number of common shares outstanding	**117,124,953**	95,562,774	**112,755,241**	95,548,159

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

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

	For the six months ended	
	June 30, 2017	June 30, 2016
Cash flows provided from (used by):		
OPERATING ACTIVITIES		
Net loss for the period	**$ (12,936)**	$ (3,102)
Adjustments for:		
Accretion of interest of convertible notes (note 9)	**113**	-
Change in non-cash working capital items (note 13)	**(2,176)**	915
Change in site restoration provision	**32**	80
Depreciation	**-**	165
Gain on disposal of plant and equipment	**(505)**	(137)
Non-cash finance expenses	**193**	167
Remediation expenditures	**(69)**	(14)
Share-based compensation	**223**	76
Net cash flows used in operating activities	**(15,125)**	(1,850)
INVESTING ACTIVITIES		
Proceeds on disposition of plant and equipment	**505**	179
Purchase of plant and equipment	**(111)**	-
Redemption of guaranteed investment certificate	**-**	35
Net cash flows from investing activities	**394**	214
Effects of exchange rate changes on cash	**(43)**	(2)
Net decrease in cash	**$ (14,774)**	$ (1,638)
Cash, beginning of period	**18,616**	1,669
Cash, end of period	**$ 3,842**	$ 31

Supplemental cash flow information (note 13)

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

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

		Share capital				Equity Reserves					
	Note(s)	Number of shares	Amount	Contributions from shareholders	Contingent value rights	Contributed Surplus	Warrants	Total	Accumulated deficit	Accumulated other comprehensive income (loss)	Total
Balance at December 31, 2016		**106,255,101**	**$ 324,835**	**$ 11,285**	**$ 7,328**	**$ 31,474**	**$ -**	**$ 31,474**	**$ (329,523)**	**$ (37,797)**	**$ 7,602**
Shares issued upon conversion of convertible debt	9 and 10	10,600,000	6,338	(5,508)	-	-	-	-	-	-	**830**
Shares issued - stock option exercise	10	269,852	93	-	-	(93)	-	(93)	-	-	**-**
Share-based payments		-	-	-	-	223	-	223	-	-	**223**
Net loss per the period		-	-	-	-	-	-	-	(12,936)	-	**(12,936)**
Other comprehensive loss per the period		-	-	-	-	-	-	-	-	269	**269**
Balance at June 30, 2017		**117,124,953**	**$ 331,266**	**$ 5,777**	**$ 7,328**	**$ 31,604**	**$ -**	**$ 31,604**	**$ (342,459)**	**$ (37,528)**	**$ (4,012)**
Balance at December 31, 2015		**95,533,544**	**$ 321,320**	**$ -**	**$ -**	**$ 31,163**	**$ 233**	**$ 31,396**	**$ (292,774)**	**$ (37,399)**	**$ 22,543**
Shares issued for cash - stock option exercise		46,666	23	-	-	(23)	-	(23)	-	-	**-**
Reclassification of grant-date fair value on expired or cancelled warrants		-	-	-	-	233	(233)	-	-	-	**-**
Share-based payments		-	-	-	-	76	-	76	-	-	**76**
Net loss for the period		-	-	-	-	-	-	-	(3,102)	-	**(3,102)**
Other comprehensive loss for the period		-	-	-	-	-	-	-	-	46	**46**
Balance at June 30, 2016		**95,580,210**	**$ 321,343**	**$ -**	**$ -**	**$ 31,449**	**$ -**	**$ 31,449**	**$ (295,876)**	**$ (37,353)**	**$ 19,563**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of operations

Eco Oro Minerals Corp. (the "Company" and "Eco Oro") is a publicly-listed company incorporated in Canada under the legislation of the Province of British Columbia. The Company's registered office is located at Suite 1800 - 510 West Georgia Street, Vancouver, British Columbia, Canada. The unaudited condensed consolidated interim financial statements of the Company as at and for the six months ended June 30, 2017 are comprised of the Company and its Colombian branch. Historically, the Company's principal business activities have included the acquisition, exploration and development of mineral assets in Colombia. Until recently, the Company had been focused on the development of the Angostura Project in northeastern Colombia which consists of the main Angostura deposit and five satellite prospects: Armenia, La Plata, Agua Limpia, Violetal and Móngora.

The Colombian government, through the Colombian National Mining Agency (*Agencia Nacional de Mineria* or "ANM") issued a decision in August 2016 depriving Eco Oro of rights under Concession 3452 on the basis of a Constitutional Court decision issued in February 2016. That decision came five months after the Company's March 7, 2016 announcement that it had formally notified Colombia of its intent to submit to arbitration a dispute arising under the Canada-Colombia Free Trade Agreement.

As a consequence of the Colombian governments' actions, the Company filed a request for arbitration with the World Bank's International Centre for Settlement of Investment Disputes ("ICSID") against Colombia on December 9, 2016 ("Request for Arbitration"). The Company's arbitration claim (the "ICSID Arbitration Claim") arises out of its dispute with Colombia in relation to State measures that have caused uncertainty in the value of its investments in the Colombian mining sector and deprived Eco Oro of its rights under its principal mining title, Concession Contract 3452, comprising the Angostura gold and silver deposit, in violation of Colombia's obligations under the Canada-Colombia Free Trade Agreement. Notwithstanding the commencement of the ICSID Arbitration Claim, the Company remain open to engagement with the Colombian authorities in order to achieve an amicable resolution of the dispute. While the Company's primary objective had always been the development of the Angostura Project, in the continued absence of any engagement by the Government of Colombia, the ICSID Arbitration has now become the core focus of the Company.

Going concern

At June 30, 2017, the Company had working capital of $1,725 and had not yet achieved profitable operations and expects to incur further losses in the development of its business. For the six months ended June 30, 2017, the Company reported a comprehensive loss of $12,936 and as at June 30, 2017, had an accumulated deficit of $342,459. Cash used in operating activities for the six months ended June 30, 2017 was $15,125.

The board approved consolidated 2017 budget includes those expenditures and commitments necessary to maintain the Company's assets, including material estimated costs associated with the Company advancing the ICSID Arbitration Claim. Commencing in the third quarter of 2016, the Company has been involved numerous legal and regulatory proceedings and activities in connection with disputes with shareholders, whose activities significantly increased in 2017 following approval of the 2017 budget. The costs associated with these activities and litigation has resulted in significant and unbudgeted expenditures by the Company and significantly affects the ability of the Company to forecast cash requirements over the short to mid-term and ultimately the liquidity of the Company.

On July 31, 2017, the Company entered into a comprehensive settlement agreement (the "Settlement Agreement") with, *inter alia*, thirteen shareholders representing approximately 66.3% of the issued and outstanding common shares of the Company entitled to vote at the Company's upcoming annual general and special meeting (the "Meeting") (Note 17).

1. NATURE OF OPERATIONS AND GOING CONCERN (CONTINUED)

Going concern (continued)

On the basis of the Company's balance of cash and cash equivalents as at June 30, 2017, the Company is uncertain whether it has sufficient funding to satisfy all of the costs of its budgeted activities over the remainder of 2017. The Company will require additional funding to finance the planned long-term ICSID Arbitration Claim activities through to a successful conclusion. Management continues to review the Company's activities in order to identify areas to further reduce expenditures.

The Financial Statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future. There are no assurances that the Company will be successful in its efforts to secure additional financing in the future as required. These matters result in material uncertainties which may cast significant doubt on whether the Company will continue as a going concern. The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used.

2. BASIS OF PREPARATION

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and follow the same accounting policies and methods of application as the Company's most recent annual financial statements. These condensed consolidated interim financial statements do not include all of the information required for full consolidated annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended December 31, 2016 prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed consolidated interim financial statements were approved by the Board of Directors and authorized for issuance on August 14, 2017.

(Expressed in thousands of Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

Adoption of new and amended accounting standards

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning before or on January 1, 2017.

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.

∞ 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.

New accounting standards not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 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 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.

4. PLANT AND EQUIPMENT

	Buildings	CIP	Total
Cost			
As at December 31, 2016	$ -	$ -	**$ -**
Additions	101	11	**112**
Effect of movements in exchange rates	(7)	(1)	**(8)**
Balance as at June 30, 2017	**$ 94**	**$ 10**	**$ 104**
Depreciation			
As at December 31, 2016	$ -	$ -	**$ -**
Balance as at June 30, 2017	**$ -**	**$ -**	**$ -**
Net book value			
As at December 31, 2016	$ -	$ -	$ -
As at June 30, 2017	**$ 94**	**$ 10**	**$ 104**

4. PLANT AND EQUIPMENT (CONTINUED)

During the six months ended June 30, 2017, the Company disposed plant and equipment with a carrying value of $nil (COP nil) for cash proceeds of $505 (COP 1,100,500,000); as a result, the Company recognized a gain on disposal of $505 (COP 1,100,500,000) in the statements of loss and comprehensive loss.

During the six months ended June 30, 2016, the Company disposed plant and equipment with a carrying value of $24 (COP 55,133,772) for cash proceeds of $179 (COP 416,900,000); as a result, the Company recognized a gain on disposal of $155 (COP 361,766,228) in the statements of loss and comprehensive loss.

During the six months ended June 30, 2016, the Company exchanged a building with a carrying value of $77 (COP 181,924,764) to settle a payable of $59 (COP 140,000,000); as a result, the Company recognized a loss on disposal of $18 (COP 41,924,764) in the statements of loss and comprehensive loss.

5. EXPLORATION AND EVALUATION ASSETS

Historically, the Company has been focused on the development of the Angostura Project in northeastern Colombia which consists of the main Angostura deposit and five satellite prospects: Armenia, La Plata, Agua Limpia, Violetal and Móngora.

As at June 30, 2017 and December 31, 2016, the carrying value of exploration and evaluation assets is $1.

6. AMOUNTS PAYABLE ON EXPLORATION AND EVALUATION ASSET ACQUISITION

	in COP (in thousands)		in CAD
Balance as at December 31, 2016	**2,150,000**	**$**	**963**
Effect of movements in exchange rates	-		**(40)**
Balance as at June 30, 2017	**2,150,000**	**$**	**923**

In June 2009, the Company acquired the Las Puentes property for $2,037 (COP4,010,000,000). A cash payment of $1,018 (COP1,860,000,000) was made on the acquisition date, and pursuant to the agreement, further payments of approximately $596 (COP1,150,000,000) and $518 (COP1,000,000,000) were to be made in April 2010 and April 2011, respectively. However, certain of the original Las Puentes vendors had been in a title dispute with another unrelated group. The agreement provided that the Company was not required to make the two remaining payments until the title dispute amongst the vendors and the unrelated group was resolved. The full amount of the obligation totaling $963 (COP2,150,000,000) is reflected on the statement of financial position as of June 30, 2017 and December 31, 2016.

On January 17, 2017, the Company was served with a court-ordered claim by the vendors of Las Puentes property demanding the final two instalment payments COP2,150,000,000 plus interest and a compensation for the non-compliance of the purchase agreement (COP1,537,000,000) on the basis that the vendors previous title dispute had been recently settled by the courts. On January 27, 2017, the Company filed a motion for reconsideration arguing that the amount of the claim should not include interest and compensation and that the Company had legal basis under the purchase agreement to retain the final two instalment payments. A decision is pending by the Courts on the Company's motion for reconsideration.

On July 19, 2017, the Company received a notice of admission of the claim submitted by the vendors of the Las Puentes property ("Notice") . The Company filed a request for reconsideration against the Notice on July 25, 2017.

(Expressed in thousands of Canadian dollars)

7. SITE RESTORATION PROVISION

Balance as at December 31, 2016	**$**	**5,342**
Increase (decrease) in liability due to changes in estimate		32
Remediation work performed		(69)
Unwinding of discount		193
Changes in foreign exchange rates		(236)
Balance as at June 30, 2017	**$**	**5,262**
Current portion	$	322
Long-term portion		4,940
	$	**5,262**

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

Significant estimates and assumptions are made in determining the site restoration provision as there are numerous factors that will affect the ultimate liability payable. Those uncertainties may result in future actual expenditure differing from the amount currently provided. During the six months ended June 30, 2017, there were changes in the extent of the required rehabilitation activities, timing of these activities, changes in discount rates and foreign exchange rate.

8. EQUITY TAX LIABILITY

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

The equity tax liability for fiscal 2017 is $46 (COP 50,862,000), of which $24 (COP 50,862,000) was paid during the six months ended June 30, 2017. As at June 30, 2017, the Company accrued $22 (COP 50,862,000) equity tax liability that will be paid in the third quarter of 2015.

9. CONVERTIBLE NOTES

The Company's convertible notes payable balance as of June 30, 2017, is as follows:

	in USD (in thousands)	in CAD
Balance as at December 31, 2016	**1,229**	**1,650**
Accretion of interest	**85**	**113**
Converted to common shares	**(624)**	**(830)**
Effect of movements in exchange rates	**-**	**(38)**
Balance as at June 30, 2017	**690**	**895**

Accretion expense of $113 was recorded as finance cost with a corresponding increase in the carrying value of the liability (June 30, 2016 – $nil) during the six months ended June 30, 2017.

During the six months ended June 30, 2017, the Company converted a portion (the "Partial Conversion") of its outstanding convertible notes (the "Convertible Notes") with a face value of US$4,721,258 through the issuance of 10,600,000 common shares (the "Converted Shares").

The Company reclassified the carrying value of $830 and $5,508 from convertible notes and contributions from shareholders, respectively, to share capital. As at June 30, 2017, the carrying value of convertible debentures is $895 (December 31, 2016 – $1,650).

During the six months ended June 30, 2017, the Ontario Securities Commission (the "OSC") released an order that, among other things, set aside the prior decision of the Toronto Stock Exchange conditionally approving the issuance of 10,600,000 common shares to certain shareholders of Eco Oro and ordered the Company to seek shareholder approval of the issuance of the new shares. The Company has commenced an appeal of the OSC order.

Following the release of the OSC order, the Supreme Court of British Columbia (the "Court") dismissed a petition brought by two shareholders of the Company (the "Conversion Petition") and adjourned the Meeting originally scheduled to take place on April 25, 2017 (the "Court Ruling"). The Court found in favour of Eco Oro on all matters, and dismissed the Conversion Petition, with costs, in favour of Eco Oro.

In a supplementary ruling issued concurrently with the Court Ruling (the "Adjournment Ruling"), the Court exercised its jurisdiction under the *Business Corporations Act* (British Columbia) and ordered that the Meeting "be adjourned to a date to be set by the board of directors prior to September 30, 2017.

On April 28, 2017, the Requisitioners filed a notice of appeal with the British Columbia Court of Appeal (the "Appeal Court") to set aside the both the Court Ruling and the Adjournment Ruling. The appeal of the Adjournment Ruling was heard on an expedited basis and, on May 26, 2017, the Appeal Court set aside the Adjournment Ruling. The Court Ruling remains under appeal.

On May 12, 2017, the Company commenced an application (the "Group Application") in the Ontario Superior Court of Justice with respect to improper activities undertaken by a group of shareholders of the Company.

9. CONVERTIBLE NOTES (CONTINUED)

On July 31, 2017, the Company entered into the Settlement Agreement with, *inter alia*, thirteen shareholders representing approximately 66.3% of the issued and outstanding common shares of the Company entitled to vote at the Meeting (see Note 1). In accordance with the Settlement Agreement and upon successful completion of the Transactions contemplated thereunder, the Partial Conversion will be rescinded and the Company will reinstate and reissue that portion of the Convertible Notes originally converted and that existed immediately prior to the issuance of the Converted Shares.

10. EQUITY

Share capital

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

During the six months ended June 30, 2017

- On March 16, 2017, the Company converted its outstanding convertible notes with a face value of US$4,721,258 through the issuance of 10,600,000 common shares. See note 9.

- The Company issued 269,852 common shares through a cashless exercise provision in exchange of 457,000 options. The Company reclassified the fair value of $93 of the 457,000 options from contributed surplus to share capital.

Contributed surplus

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

Contingent value rights

During the year ended December 31, 2016, the Company issued five CVRs for gross proceeds of $7,410 (US$5,527,273) of which $5,363 (US$4,000,000) was issued to Trex Investments LLC ("Trexs"). The CVRs holders have the right to receive an amount equal to 70.48% of the gross amount of the claim proceeds ("Claim Proceeds") of the ICSID Arbitration Claim described in Note 1. The Company has an option to settle the Claim Proceeds by issuing common shares of the Company, subject to regulatory approval. The conversion price is determined based on the volume weighted average closing price of the Company's shares during the five trading days immediately preceding the date of conversion. The conversion remains subject to regulatory approval.

In connection with the issuance of the CVRs, the Company incurred issuances costs of $82. The Company has pledged all of the Company's assets in Colombia to the CVRs' holders.

As at June 30, 2017 and December 31, 2016, the carrying value of the CVRs is $7,328.

(Expressed in thousands of Canadian dollars)

10. EQUITY (CONTINUED)

Contingent value rights (continued)

Pursuant to the Settlement Agreement, the Company will seek the approval of shareholders at the Meeting to enter a plan of arrangement under the *Business Corporations Act (*British Columbia) that will, subject to compliance with applicable securities laws, result in shareholders (other than persons currently holding CVRs) having the opportunity to acquire 19.45% of the outstanding CVRs following implementation of the matters to be approved at the Meeting (or CVRs entitled to 14.1% of the gross proceeds of the ICSID Arbitration Claim for an aggregate purchase price of US$1.11 million.

11. SHARE-BASED PAYMENT ARRANGEMENTS

Stock option plan

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

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

The changes in options during the six months ended June 30, 2017 are as follows:

	Number outstanding		Weighted average exercise price
Balance, December 31, 2016	**2,656,500**	**$**	**0.59**
Granted	3,630,000	$	0.49
Expired	(112,500)		2.41
Forfeited	(400,000)		0.49
Exercised	(457,000)		0.29
Balance, June 30, 2017	**5,317,000**	**$**	**0.51**

During the six months ended June 30, 2017

- On May 8, 2017, the Company granted 1,480,000 options with an exercise price of $0.483 to certain employees of the Company. The options are exercisable for a period of five years. One-third vest the date of grant and one-third will vest every twelve months thereafter.

- On May 8, 2017, the Company granted 500,000 options with an exercise price of $0.483 to certain officers of the Company. The options are exercisable for a period of five years. One-third vest the date of grant and one-third will vest every twelve months thereafter.

(Expressed in thousands of Canadian dollars)

11. SHARE-BASED PAYMENT ARRANGEMENTS (CONTINUED)

During the six months ended June 30, 2017 (continued)

- On May 8, 2017, the Company granted 1,650,000 options with an exercise price of $0.483 to an officer and certain directors of the Company. The options are exercisable for a period of five years. All the options are fully vested at the date of grant.

- On May 26, 2017, the Company entered into an agreement with Harrington Global Opportunities Fund Ltd. and Courtenay Wolfe regarding the 2,150,000 options granted to the directors and officers of the Company on May 8, 2017. The Company agreed to rescind the 400,000 options granted to one of the directors and agreed that the remaining 1,750,000 options would not be exercisable until following the Meeting. Pursuant to the Settlement Agreement, upon approval of the all of resolutions submitted to shareholders at the Meeting, such options shall terminate and cease to exist.

The estimated grant date fair value of the options granted during the six months ended June 30, 2017 and 2016 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	For the six months ended	
	June 30, 2017	**June 30, 2016**
Risk-free interest rate	0.87%	N/A
Expected annual volatility	101.34%	N/A
Expected life (in years)	5.00	N/A
Expected dividend yield	0%	N/A
Share price ($ per share)	$ 0.47	N/A
Weighted average grant date fair value per option ($ per option)	$ 0.35	N/A

During the six months June 30, 2017 and 2016, share-based compensation of $223 and $76, respectively, was recorded in connection with stock options vested during the period.

The following summarizes information about stock options outstanding and exercisable at June 30, 2017:

Expiry date	**Options outstanding**	**Options exercisable**		**Exercise price**	**Weighted average remaining contractual life (in years)**
July 1, 2017	50,000	50,000	$	1.740	0.00
October 9, 2017	15,000	15,000	$	0.870	0.28
May 10, 2018	220,000	220,000	$	0.820	0.86
July 12, 2018	150,000	150,000	$	0.520	1.03
June 1, 2019	580,000	580,000	$	0.275	1.92
September 2, 2020	872,000	745,668	$	0.500	3.18
October 7, 2020	200,000	200,000	$	0.630	3.27
May 8, 2022	3,230,000	493,334	$	0.485	4.86
	5,317,000	**2,454,002**			**3.87**

As at June 30, 2017, the Company has 6,395,495 options available for issuance under the Plan.

(Expressed in thousands of Canadian dollars)

12. COMMITMENTS AND CONTINGENCIES

a) Commitments

The following is a schedule of the Company's commitments as at June 30, 2017:

	Total	2017	2018	2019	2020	2021 and thereafter
Site restoration provision [1]	$ 5,942	$ 322	$ 1,630	$ 1,467	$ 846	$ 1,677
Wealth tax [2]	22	22	-	-	-	-
	$ 5,964	**$ 344**	**$ 1,630**	**$ 1,467**	**$ 846**	**$ 1,677**

1) Represents the undiscounted cash flow.

2) Represents the outstanding wealth tax payments based on the Company's net equity position as at December 31, 2016.

b) Contingencies

i) La Plata Mining Title Assignment

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 final.

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.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

b) Contingencies (continued)

i) La Plata Mining Title Assignment (continued)

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.

ii) Other

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

c) Uncertainties

Páramo ecosystem boundaries

In June 2011, the Colombian Congress enacted the National Development Plan (Law 1450 of 2011) (the "Plan") which, among other things, restricted mining activities in páramo ecosystems and required the Colombian Government to determine the boundaries of páramo ecosystems based on a 1:25,000 scale on the basis of technical, social, environmental and economic criteria. In 2012, in conjunction with granting an extension to the exploration phase of Concession 3452, Colombia's national mining agency, the ANM, ordered the temporary suspension of mining activities in the areas of Concession 3452 considered to constitute páramo according to the 2007 Atlas of Páramos prepared by the Alexander von Humboldt Institute at a 1:250,000 scale until the boundaries of the páramo ecosystem were determined by the Colombian Government pursuant to the National Development Plan.

Meanwhile, Concession 3452 and the Angostura Project was declared a "Project of National Interest" in 2011 and 2013.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

c) Uncertainties (continued)

On December 19, 2014, Ministry of Environment and Sustainable Development (Ministerio de Ambiente y Desarrollo Sostenible or "MADS") issued Resolution 2090 declaring the boundaries of the Santurbán Páramo. The Resolution provided certain exceptions to the restrictions on mining activities in páramo ecosystems, including exceptions for mining concessions for which an environmental license or equivalent environmental management and control instrument had been granted prior to February 9, 2010 and exceptions for mining in the "restoration zone" of the páramo in the traditional mining municipalities of California, Suratá and Vetas which applied to Eco Oro's Concession 3452. The National Development Plan enacted in 2015 (Law 1753 of 2015) similarly provided exceptions to the restrictions on mining activities in páramo ecosystems. The Plan also provided that "Projects of National Interest" such as the Angostura Project were of public utility and social interest, and would be subjected to centralized licensing processes before national (rather than regional) authorities.

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) which, among other things, held that the provisions of the National Development Plan that set out certain exceptions to the restrictions on mining in páramo ecosystems were 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 the high social and economic importance, it declared the provisions of the National Development Plan that provided that the National Environmental Licensing Authority (Autoridad Nacional de Licencias Ambientales or "ANLA") would have exclusive authority for licensing such projects unconstitutional.

On March 7, 2016, the Company announced that it had formally notified the Government of Colombia (the "Government") of the existence of a dispute between Eco Oro and the Government under Canada-Colombia Free Trade Agreement (the "Free Trade Agreement"). The dispute has arisen out of the Government's measures and omissions, which have directly impacted the rights granted to Eco Oro to explore and exploit its Angostura Project.

Following the notification of the dispute to the Government, on August 8, 2016, in response to the Company's application to extend the exploration phase of Concession 3452, the ANM notified the Company of its decision to extend the exploration phase only in relation to those areas that fall outside the "preservation" zone of the Santurbán Páramo. This decision effectively deprived Eco Oro of rights under Concession 3452 and materially affected the viability of the Project. 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. If mining is forbidden in the restoration zones, then Eco Oro would lose additional rights over the area of Concession 3452. Furthermore, in light of current legal uncertainties, the relevant environmental authorities have informed the Company that the Angostura project cannot currently be licensed.

While the Company commenced the ICSID Arbitration Claim in December 2016, it remains open to engagement with the Colombian authorities in order to achieve an amicable resolution of the dispute.

(Expressed in thousands of Canadian dollars)

13. SUPPLEMENTARY CASH FLOW INFORMATION

Change in non-working capital

	For the six months ended	
	June 30, 2017	June 30, 2016
Accounts receivable	**$ (647)**	$ (10)
Prepaid expenses and deposits	**(586)**	-
Trade and other payables	**(959)**	812
Equity tax liability	**23**	113
Long-term employee benefits	**(7)**	-
	$ (2,176)	$ 915

Others

	For the six months ended	
	June 30, 2017	June 30, 2016
Issuance of common shares on conversion of convertible notes	**$ 6,338**	$ -
Reclassification of grant-date fair value on exercised options	**93**	-
Reclassification of grant-date fair value on expired or cancelled warrants	**-**	233

14. FINANCIAL RISK MANAGEMENT

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations.

Market risk

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

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

Currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company's cash and cash equivalents, guaranteed investment certificate, accounts receivable, trade and other payables and amounts payable on exploration and evaluation asset are held in CAD, USD and COP; therefore, USD and COP accounts are subject to fluctuation against the Canadian dollar.

The Company had the following balances as at June 30, 2017:

	in CAD (in thousands)	in USD (in thousands)	in COP (in thousands)
Cash	131	2,751	326,433
Accounts receivable	327	-	779,044
Trade and other payables	(698)	(577)	(1,730,286)
Amounts payable on exploration and evaluation asset acquisition	-	-	(2,150,000)
Convertible notes	-	(690)	-
Total	**(240)**	**1,484**	**(2,774,809)**
Foreign currency rate	1.000	1.2982	0.0004
Equivalent to Canadian dollars	**$ (240)**	**$ 1,926**	**$ (1,191)**

Based on the above net exposures as at June 30, 2017, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the CAD against the USD and COP by 10% would increase/decrease profit or loss by $75.

The Company does not invest in derivatives to mitigate these risks.

In addition, as the functional currency of the Company's operations in Colombia (COP) is different from the Company (CAD), any non-monetary assets and liabilities in these foreign jurisdictions subject the Company to foreign currency fluctuations which may adversely affect the Company's financial position, results of operations and cash flows.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and guaranteed investment certificates earn interest at various short-term rates. The Company's future interest income is exposed to changes in these short-term rates. Based on the total of the Company's cash of $3,842 as at June 30, 2017, an increase or decrease in the annual interest rate of 1% would result in a corresponding increase or decrease of annual interest income by $38.

The Company's Convertible Notes are not subject to interest rate risk as it is not subject to a variable interest rate.

(Expressed in thousands of Canadian dollars)

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

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

The Company's cash is held through large Canadian financial institutions.

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

Liquidity risk

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

As at June 30, 2017, all of the Company's other financial liabilities except for the Convertible Notes have maturities less than one year.

Fair value measurements

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

	June 30, 2017		December 31, 2016	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets:				
Loans and receivables				
Cash	**$ 3,842**	**$ 3,842**	$ 18,616	$ 18,616
Accounts receivable	**662**	**662**	14	14
	$ 4,504	**$ 4,504**	$ 18,630	$ 18,630
Financial liabilities:				
Other financial liabilities				
Trade and other payables	**$ 2,190**	**$ 2,190**	$ 3,180	$ 3,180
Amounts payable on exploration and evaluation asset acquisition	**923**	**923**	963	963
Convertible notes	**895**	**895**	1,650	1,650
	$ 4,008	**$ 4,008**	$ 5,793	$ 5,793

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

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

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

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

As at June 30, 2017, there were no financial assets or liabilities measured and recognized in the statement of financial position at fair value that would be categorized as Level 2 and 3 in the fair value hierarchy above.

(Expressed in thousands of Canadian dollars)

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital management

The Company's objective when managing capital is to maintain adequate levels of funding in order to safeguard the Company's ability to continue as a going concern, fund its planned activities and commitments and retain financial flexibility to respond to unforeseen future events and circumstances. The Company manages, and makes adjustments to its capital structure based on the level of funds on hand and anticipated future expenditures. In order to maintain or adjust the capital structure, the Company has, when required, raised additional capital from shareholders. The Company has not paid dividends, nor returned capital to shareholders to date. As at June 30, 2017, the Company considers equity as capital.

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

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

15. RELATED PARTIES

a) Subsidiaries

	Ownership interest at	
	June 30, 2017	December 31, 2016
Eco Oro S.A.S	**100%**	100%

b) Key management personnel compensation

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

	For the six months ended	
	June 30, 2017	June 30, 2016
Short-term benefits	**$ 376**	$ 219
Share-based payments	**7**	58
	$ 383	$ 277

Certain executive officers are entitled to termination benefits. In the event of termination without sufficient advance written notice, these executive officers are entitled to an amount of 6 months of their base compensation by way of lump sum payment.

The Company is also a party to certain management contracts. These contracts contain clauses requiring that $270 be paid upon a change of control of the Company. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in these consolidated financial statements.

(Expressed in thousands of Canadian dollars)

15. RELATED PARTIES (CONTINUED)

c) Transactions and balances

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

	For the six months ended	
	June 30, 2017	June 30, 2016
Fintec Holdings Corp. ("Fintec")		
Management fees	**$ 30**	$ 60
Quantum Advisory Partners LLP ("Quantum")		
Management and accounting services	**$ 131**	$ 86
James H. Atherton Law Corporation ("Law Corp")		
Legal services	**$ -**	$ 39

Fintec is a company owned by the Company's former Executive Chairman and current director, Anna Stylianides. The services provided by Fintec were in the normal course of operations related to director and management fees.

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 June 30, 2017, $18 is due to the officers of the Company which was included in trade and other payables (December 31, 2016 – $12).

16. SEGMENTED INFORMATION

The Company has one reportable segment, being the evaluation and exploration of mineral exploration properties in one geographic region: Colombia. All of the Company's non-current assets are located in Colombia.

17. SUBSEQUENT EVENTS

∞ On July 26, 2017, Mark Moseley-Williams, the CEO of the Company tendered his resignation as Director, President and Chief Executive Officer of the Company. Mr. Moseley-Williams was replaced by Anna Stylianides, then Executive Chairman of the Board, who accepted the position of on an interim basis.

∞ On July 31, 2017, the Company entered into the Settlement Agreement with, inter alia, thirteen shareholders representing approximately 66.3% of the issued and outstanding common shares of the Company entitled to vote at the Meeting. These shareholders include Trexs, Courtenay Wolfe, Harrington Global Opportunities Fund and Harrington Global Limited ("Harrington" and together with Courtenay Wolfe, the "Shareholder Group"). The transactions contemplated by the Settlement Agreement will, upon their implementation, resolve all outstanding litigation relating to the Company's board composition, the Investment, the issuance of the Converted Shares and the Meeting and, in connection therewith, Trexs provided a temporary waiver of all existing and future defaults and events of default under the relevant investment documents.

Pursuant to the Settlement Agreement:

- a new five member board of the Company has been constituted and is comprised of Trexs' nominees, David Kay and Anna Stylianides, the Shareholder Group's nominees, Courtenay Wolfe and Peter McRae, and an independent director, Lawrence Haber, selected by the Shareholder Group and Trexs pursuant to the terms of the Agreement (the "New Board"). David Kay and Courtenay Wolfe have been named co-executive chairs of the New Board;

- the Company will seek approval of the New Board at the Meeting (which will be held on September 26, 2017), at which meeting shareholders will also be asked to consider and approve resolutions (the "Resolutions") in respect of, among other things, the following:

    - a plan of arrangement under the *Business Corporations Act* (British Columbia) that will, subject to compliance with applicable securities laws, result in shareholders (other than persons (the "CVR Holders") currently holding contingent value rights certificates ("CVRs")) having the opportunity to acquire 19.45% of the outstanding CVRs following implementation of the matters to be approved at the Meeting (or CVRs entitled to 14.1% of the gross proceeds of the ICSID Arbitration Claim against the Colombian State) for an aggregate purchase price of US$1.11 million (the "Proposed Arrangement"). Pursuant to the Proposed Arrangement: (i) up to 17.17% of the CVRs, in aggregate, that were issued by the Company to CVR Holders, will effectively be made available for purchase by persons (other than CVR Holders) who are shareholders as of the record date for the 2017 Meeting and entitled to vote in respect of such meeting (the "CVR Acquiring Shareholders"); and (ii) additional CVRs representing 2% of the gross proceeds of the ICSID Arbitration Claim shall be made available by the Company to the CVR Acquiring Shareholders;

17. SUBSEQUENT EVENTS (CONTINUED)

- an amendment to the management incentive plan of the Company, effective as of January 13, 2017, to, among other things, reduce the cash retention amount pool from 7% to 5% of the total gross proceeds of the ICSID Arbitration Claim;

- certain amendments to various agreements that shall permit the implementation of the transactions noted above and the terms of the Settlement Agreement, including an amendment to the terms of the notes issued on November 9, 2016 to ensure that the CVR Holders will be entitled to acquire sufficient common shares to enforce the provisions of the Settlement Agreement if a material breach of the Settlement Agreement occurs;

- appointment of auditors; and

- reconfirmation of the amended and restated incentive share option plan of the Company.

Under the terms of the Settlement Agreement, the Meeting must be completed and all Resolutions (including approval of the New Board) must be approved by shareholders by no later than November 10, 2017 (the "Outside Date") with certain exceptions related to, among other things, delays in obtaining all necessary regulatory approvals that are outside of the Company's control. The Proposed Arrangement will also require final approval from the Court. Failure to timely approve the Resolutions will result in the termination of the Settlement Agreement and the Proposed Arrangement.

The Settlement Agreement also include the following terms:

- David Kay and Courtenay Wolfe acting as co-chairs of the Meeting;

- each of the Company, Amber Latin America, LLC, PFR Gold Master Fund Ltd., Anna Stylianides and Trexs have agreed, subject to the approval of the Resolutions at the Meeting, to rescind the conversion of the Converted Shares held by them and reinstate and reissue that portion of the convertible notes originally converted and that existed immediately prior to the issuance of the Converted Shares.

- standstill in respect of all pending litigation between the Company and shareholders relating to the matters being settled (the "Litigation"), and all such Litigation will be dismissed following the Meeting and approval of all Resolutions;

- shareholders who are party thereto agreeing to support the New Board and vote in favour of certain other matters until the conclusion of the Company's 2022 annual general meeting;

- formation of an Arbitration and Budget Committee of the New Board comprised of David Kay and Courtenay Wolfe;

- covenants by the New Board that future financings should, if possible, be structured to enable all shareholders to participate on a pro rata basis;

17. SUBSEQUENT EVENTS (CONTINUED)

- payment of the fees and expenses of the Shareholder Group and certain other shareholders in connection with the Litigation, as well as the fees and expenses of certain counsel in connection with the implementation of the transactions provided for under the Agreement;

- confirmation that the options to purchase common shares issued to directors and executives on May 8, 2017 will not be exercisable until following the completion of the 2017 Meeting, and, upon approval of all Resolutions, all such options shall terminate and cease to exist; and

- temporary waiver by Trexs of all existing and future defaults and events of default under the relevant investment documents until the earliest of:

  (i) implementation of the Proposed Arrangement;
  (ii) November 10, 2017 (or in certain circumstances December 31, 2017); or
  (iii) termination of the Settlement Agreement, with such temporary waiver automatically becoming a permanent waiver of any such defaults upon the implementation of the Proposed Arrangement.

∞ On August 3, 2017, Mr. Paul Robertson, the Chief Financial Officer of the Company, accepted the position of interim Chief Executive Officer of the Company replacing Ms. Anna Stylianides. Ms. Stylianides will remain in her position as a director of the Board.

∞ On August 3, 2017, Mr. Eric Tsung accepted the position of interim Chief Financial Officer of the Company effective immediately, replacing Mr. Paul Robertson.

APPENDIX f

AUDITED ANNUAL FINANCIAL STATEMENTS (YEAR PERIOD ENDED DECEMBER 31, 2016)

ECO ORO MINERALS CORP.

Consolidated Financial Statements

Year Ended December 31, 2016

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Eco Oro Minerals Corp.

We have audited the accompanying consolidated financial statements of Eco Oro Minerals Corp., which comprise the consolidated statement of financial position as at December 31, 2016 and 2015, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Eco Oro Minerals Corp. as at December 31, 2016 and 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Notes 1 and 14 in the consolidated financial statements which describe that the Company has incurred cumulative losses of $329.5 million as at December 31, 2016, has reported a total comprehensive loss of $37.1 million during the year ended December 31, 2016, and is subject to certain legal, regulatory and environmental challenges relating to its principal mineral property in Colombia. These conditions, along with other matters set forth in Note 1 and Note 14, indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

March 28, 2017

(Expressed in thousands of Canadian dollars)

As at	December 31, 2016	December 31, 2015
ASSETS		
Current assets		
Cash	$ 18,616	$ 1,669
Guaranteed investment certificate	-	35
Accounts receivable	14	14
Prepaid expenses and deposits	120	93
	18,750	1,811
Non-current assets		
Plant and equipment (note 4)	-	2,161
Exploration and evaluation assets (note 5)	1	24,833
	1	26,994
TOTAL ASSETS	$ 18,751	$ 28,805
LIABILITIES		
Current liabilities		
Trade and other payables	$ 3,180	$ 1,064
Amounts payable on exploration and evaluation asset acquisition (note 6)	963	951
Current portion of site restoration provision (note 7)	405	361
	4,548	2,376
Non-current liabilities		
Long-term employee benefits	14	22
Site restoration provision (note 7)	4,937	3,864
Convertible notes (note 9)	1,650	-
	6,601	3,886
TOTAL LIABILITIES	11,149	6,262
EQUITY		
Share capital (note 10)	$ 324,835	$ 321,320
Contributions from shareholders (note 9)	11,285	-
Contingent value rights (note 10)	7,328	-
Equity reserve	31,474	31,396
Deficit	(329,523)	(292,774)
Accumulated other comprehensive loss	(37,797)	(37,399)
TOTAL EQUITY	7,602	22,543
TOTAL LIABILITIES AND EQUITY	$ 18,751	$ 28,805

Commitments and contingencies (note 14)
Subsequent events (note 20)

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

(Expressed in thousands of Canadian dollars)

	For the years ended December 31, 2016	December 31, 2015
Exploration and evaluation expenses:		
Salaries and benefits	$ 2,019	$ 2,578
Administrative expenses	1,003	1,078
Surface rights	838	565
Environmental expenses	769	84
Legal fees	336	236
Depreciation (note 4)	299	396
Other exploration and evaluation expenses	164	177
	5,428	5,114
General and administrative expenses:		
Legal fees	2,994	178
Other professional fees	818	305
Administrative expenses	270	626
Salaries and benefits	165	467
Share-based compensation (note 11)	114	749
	4,361	2,325
	9,789	7,439
Other items		
Impairment loss on exploration and evaluation assets (note 5)	24,574	-
Impairment loss on plant and equipment (note 4)	1,620	-
Finance cost (note 12)	741	440
Equity tax (note 8)	117	147
Foreign exchange loss (gain)	108	(2,363)
Other income (note 13)	(25)	(11)
Gain on disposal of plant and equipment (note 4)	(175)	-
	26,960	(1,787)
LOSS FOR THE YEAR	$ 36,749	$ 5,652
OTHER COMPREHENSIVE EXPENSES (INCOME)		
Foreign currency translation differences for foreign operations	$ 398	$ (3,031)
TOTAL LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	$ 37,147	$ 2,621
Basic and diluted loss per share for the year attributable to common shareholders ($ per common share) (warrants and options not included as the impact would be anti-dilutive)	$ 0.37	$ 0.06
Weighted average number of common shares outstanding	100,291,250	90,092,282

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

(Expressed in thousands of Canadian dollars)

	For the years ended December 31, 2016	December 31, 2015
Cash flows provided from (used by):		
OPERATING ACTIVITIES		
Net loss for the year	$ (36,749)	$ (5,652)
Adjustments for:		
Accretion of interest of convertible notes (note 9)	107	-
Change in non-cash working capital items (note 15)	2,130	(173)
Change in site restoration provision	720	(1,345)
Depreciation	299	396
Equity tax expense	117	147
Equity tax paid	(117)	(147)
Gain on disposal of plant and equipment	(175)	-
Impairment loss on exploration and evaluation assets	24,574	-
Impairment loss on plant and equipment	1,620	-
Non-cash finance expenses	344	425
Other non-cash income and expenses	-	(10)
Remediation expenditures	(33)	(19)
Share-based compensation	114	975
Net cash flows used in operating activities	(7,049)	(5,403)
FINANCING ACTIVITIES		
Proceeds on issuance of common shares, net of cash share issue costs	3,479	5,943
Proceeds on issuance of convertible notes and contingent value rights, net of transaction costs	20,153	-
Net cash flows from financing activities	23,632	5,943
INVESTING ACTIVITIES		
Exploration and evaluation asset acquisition	-	(39)
Interest received	-	10
Proceeds on disposition of plant and equipment	313	-
Purchase of plant and equipment	-	(25)
Redemption of guaranteed investment certificate	35	-
Net cash flows from (used in) investing activities	348	(54)
Effects of exchange rate changes on cash	16	(1,545)
Net increase (decrease) in cash	16,947	(1,059)
Cash, beginning of year	1,669	2,728
Cash, end of year	$ 18,616	$ 1,669
Cash paid during the year for interest	-	-
Cash paid during the year for income taxes	-	-

Supplemental cash flow information (note 15)

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

Eco Oro Minerals Corp.
Consolidated Statements of Changes in Equity
(Expressed in thousands of Canadian dollars)

	Share capital				Equity Reserves					
	Number of shares	Amount	Contributions from shareholders	Contingent value rights	Contributed Surplus	Warrants	Total	Accumulated deficit	Accumulated other comprehensive income (loss)	Total
Balance at December 31, 2014	84,228,421	$ 266,319	$ -	$ -	$ 24,593	$ 317	$ 24,910	$ (273,362)	$ 379	$ 18,246
Shares issued for cash - private placement	11,275,661	6,073	-	-	-	-	-	-	-	6,073
Share issue costs	-	(130)	-	-	-		-	-	-	(130)
Shares issued for cash - stock option exercise	29,462	11	-	-	(11)	-	(11)	-	-	-
Reclassification of grant-date fair value on expired or cancelled warrants	-	-	-	-	84	(84)	-	-	-	-
Share-based payments	-	-	-	-	975	-	975	-	-	975
Net loss for the year	-	-	-	-	-	-	-	(5,652)	-	(5,652)
Other comprehensive loss for the year	-	-	-	-	-	-	-	-	3,031	3,031
Effect of changing functional currency	-	49,047	-	-	5,522	-	5,522	(13,760)	(40,809)	-
Balance at December 31, 2015	95,533,544	$ 321,320	$ -	$ -	$ 31,163	$ 233	$ 31,396	$ (292,774)	$ (37,399)	$ 22,543
Shares issued for cash	10,608,225	3,917	-	-	-	-	-	-	-	3,917
Share issue costs	-	(456)	-	-	-	-	-	-	-	(456)
Issuance of contingent value rights	-	-	-	7,328	-	-	-	-	-	7,328
Net equity portion of convertible notes	-	-	11,285		-	-	-	-	-	11,285
Shares issued - stock option exercise	113,332	54	-	-	(36)	-	(36)	-	-	18
Reclassification of grant-date fair value on expired or cancelled warrants	-	-	-	-	233	(233)	-	-	-	-
Share-based payments	-	-	-	-	114	-	114	-	-	114
Net loss for the year	-	-	-	-	-	-	-	(36,749)	-	(36,749)
Other comprehensive loss for the year	-	-	-	-	-	-	-	-	(398)	(398)
Balance at December 31, 2016	106,255,101	$ 324,835	$ 11,285	$ 7,328	$ 31,474	$ -	$ 31,474	$ (329,523)	$ (37,797)	$ 7,602

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of operations

Eco Oro Minerals Corp. (the "Company" and "Eco Oro") is a publicly-listed company incorporated in Canada under the legislation of the Province of British Columbia. The Company's registered office is located at Suite 1800 - 510 West Georgia Street, Vancouver, British Columbia, Canada, V6B 0M3. The consolidated financial statements of the Company as at and for the year ended December 31, 2016 are comprised of the Company and its Colombian branch. The Company's principal business activities include the acquisition, exploration and development of mineral assets in Colombia. The Company has been focused on the development of the Angostura Project in northeastern Colombia which consists of the main Angostura deposit and five satellite prospects: Armenia, La Plata, Agua Limpia, Violetal and Móngora.

The Colombian government, through the Colombian National Mining Agency (*Agencia Nacional de Mineria* or "ANM") issued a decision in August 2016 depriving Eco Oro of rights under Concession 3452 on the basis of a Constitutional Court decision issued in February 2016. That decision came five months after the Company's March 7, 2016 announcement that it had formally notified Colombia of its intent to submit to arbitration a dispute arising under the Canada-Colombia Free Trade Agreement.

As a consequence of the Colombian governments' actions, the Company filed a request for arbitration with the World Bank's International Centre for Settlement of Investment Disputes ("ICSID") against Colombia on December 9, 2016 ("Request for Arbitration"). The Company's arbitration claim arises out of its dispute with Colombia in relation to State measures that have caused uncertainty in the value of its investments in the Colombian mining sector and deprived Eco Oro of its rights under its principal mining title, Concession Contract 3452, comprising the Angostura gold and silver deposit, in violation of Colombia's obligations under the Canada-Colombia Free Trade Agreement. Notwithstanding the commencement of the ICSID Arbitration, the Company continues to seek, and remains open to, engagement with the Colombian authorities in order to achieve an amicable resolution of the dispute.

As of the date of these Financial Statements, 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 significant 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, the Company has recognized the full impairment of its mineral property and plant and equipment as of December 31, 2016, as further described in Notes 4 and 5.

1. NATURE OF OPERATIONS AND GOING CONCERN (CONTINUED)

Nature of operations (continued)

The board approved consolidated 2017 budget includes those expenditures and commitments necessary to maintain the Company's assets, including material estimated costs associated with the Company advancing the ICSID Arbitration. On the basis of the Company's balance of cash and cash equivalents as at December 31, 2016 and the Transactions referenced in Note 10, the Company believes that it has sufficient funding to satisfy all of the costs of its budgeted activities for the foreseeable future. Notwithstanding, the Company will require additional funding to finance the planned long-term ICSID Arbitration activities through to a successful conclusion. Management continues to review the Company's activities in order to identify areas to further reduce expenditures.

Going concern

At December 31, 2016, the Company had working capital of $14,202 and had not yet achieved profitable operations and expects to incur further losses in the development of its business. For the year ended December 31, 2016, the Company reported a comprehensive loss of $37,147 and as at December 31, 2016, had an accumulated deficit of $329,523. Cash used in operating activities for the year ended December 31, 2016 was $7,049. The Financial Statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future. There are no assurances that the Company will be successful in its efforts to secure additional financing in the future as required. These matters result in material uncertainties which may cast significant doubt on whether the Company will continue as a going concern. The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were approved by the Board of Directors and authorized for issue on March 27, 2017.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments and liabilities for cash-settled share-based payment arrangements, which are measured at fair value.

2. BASIS OF PREPARATION (CONTINUED)

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars ("CAD") which is the functional currency of the Company. The functional currency of the Colombian branch and its subsidiaries is Colombian peso ("COP").

Change in functional currency and presentation currency

These consolidated financial statements are presented in CAD. The functional currency of the Company and its branch as of September 30, 2015 was US dollars ("USD"). Effective October 1, 2015, the functional currency of the Company and its branch was changed from USD to CAD and COP, for the Company and its Colombian branch and subsidiary, respectively.

In making the change in functional currency to CAD for the Company and COP for the branch and subsidiaries, the Company followed the guidance in IAS 21 The Effects of Changes in Foreign Exchange Rates and has applied the change prospectively with the October 1, 2015 statement of financial position translated at the October 1, 2015 exchange rate of USD 1 = CAD 1.3412 and USD 1 = COP 3,053. The change in functional currency was triggered by a significant change in the principal currency type of the Company's cash outflows, which resulted in the primary economic environment becoming predominantly the CAD.

In conjunction with the change in functional currency, the Company changed its presentation currency from the USD to CAD on October 1, 2015 to better reflect the Company's business activities. In making this change in presentation currency to CAD, the Company followed the guidance in IAS 21, and has applied the change retrospectively as if the CAD had always been the Company's presentation currency, as follows:

- Assets and liabilities have been translated into the CAD at the rate of exchange prevailing at the respective reporting dates;
- The statements of comprehensive loss were translated at the average exchange rates for the respective reporting periods, or at the exchange rates prevailing at the applicable transaction date;
- Equity transactions have been translated at the exchange rate prevailing at the date of the transactions; and
- Exchange differences arising on translation were recorded in accumulated other comprehensive loss in shareholders' equity.

2. BASIS OF PREPARATION (CONTINUED)

Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

- *Recoverability of exploration and evaluation assets and plant and equipment (notes 3(g), 4 and 5)*

  While assessing whether any indications of impairment exist for evaluation and exploration assets and plant and equipment, consideration is given to both external and internal sources of information. Information that the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of evaluation and exploration assets. Internal sources of information include the manner in which evaluation and exploration assets and plant and equipment are being used or are expected to be used and indications of expected economic performance of the assets.

  Management has concluded that, as of December 31, 2016, impairment indicators existed, and the best estimation of the recoverable amount of the evaluation and exploration assets is $1. Management has reached this conclusion on the basis of Colombia's measures that have deprived Eco Oro of rights under Concession 3452 to develop the Angostura Project, and the Company's failure to reach an amicable settlement of the dispute with Colombia under the Canada-Colombia Free Trade Agreement that has arisen as a result of these measures. Consideration was given to these risk factors (as more fully described in Note 1) and their adverse impact on the potential economics of the Project.

  The same impairment indicators exist for the plant and equipment assets used for evaluation and exploration. Given that there is lack of objective evidence to determine the recoverable amount of those assets, the management decided to impair those assets to $nil (Note 4).

  While Management believes that these estimates and assumptions are reasonable, actual results may differ from the amounts included in the consolidated financial statements.

- *Site restoration provision (note 7)*
  The cost estimates are updated annually to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine or exploration property. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

2. BASIS OF PREPARATION (CONTINUED)

Use of estimates and judgments (continued)

- *Measurement of liabilities for share-based payment arrangements (note 11)*
  Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment is used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- *Recovery of deferred tax assets (note 3(m) and 19)*
  In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement.

  Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

Critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

- *Determination of going concern (note 1)*
  The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

- *Determination of functional currency*
  In accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates", management determined that the functional currencies of the Company and its subsidiaries are Canadian dollar and Colombian peso, respectively, as this is the currency of the primary economic environment in which the Company operates.

Segment disclosures

The Company's operations comprise a single reporting operating segment engaged in the acquisition, exploration and development of assets in Colombia. As the operations comprise a single reporting segment, amounts disclosed in the consolidated financial statements also represent segment amounts.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

a) Basis of consolidation

These consolidated financial statements include the accounts of the Company, its Colombian branch and its subsidiaries. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

b) Foreign currency transactions

Transactions in foreign currencies are translated to CAD and COP, the functional currency of Company, and its Colombian branch and subsidiaries, respectively, at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate on that date.

Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognized in profit or loss.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value. As at December 31, 2016 and 2015, the Company had no cash equivalents.

d) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial instrument when the contractual obligations or rights are discharged, cancelled, transferred or expire.

The Company classifies its financial instruments into the following categories:

Fair value through profit or loss ("FVTPL")

Financial assets at FVTPL are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as FVTPL unless they are designed as effective hedges.

Financial instruments at FVTPL are initially recognized, and subsequently carried, at fair value with changes recognized in profit or loss. Transaction costs are expensed as incurred.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Financial instruments (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets in this category include cash, guaranteed investment certificates and accounts receivable.

Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. Liabilities in this category include trade and other payables, amounts payable on exploration and evaluation asset acquisition, and convertible notes.

e. Plant and equipment

Plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

- Buildings 20 years
- Field equipment 3-5 years
- Office equipment 3 years
- Transport 5 years

f. Exploration and evaluation

The Company's exploration and evaluation ("E&E") assets are classified as either tangible or intangible. Tangible assets comprise of land. Intangible assets comprise mineral property surface rights, mining titles, exploration licenses, exploitation permits, and concession contracts.

All direct costs related to the acquisition of mineral property interests are capitalized. E&E expenditures incurred prior to the determination of feasibility and a decision to proceed with development are charged to profit and loss as incurred. Subsequent to a positive development decision, development expenditures are capitalized as tangible assets and depreciated when such assets are put in use.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Impairment

Financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty
- Default or delinquency in interest or principal payments
- It has become probable that the borrower will enter bankruptcy or financial reorganization

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding accounts receivable, is directly reduced by the impairment loss. The carrying amount of accounts receivable is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that the assets are impaired. For exploration and evaluation assets (and tangible assets related thereto such as plant and equipment), the Company considers the following indicators of impairment: (i) whether the period for which the Company has the right to explore has expired in the period or will expire in the near future, and is not expected to be renewed; (ii) substantive expenditures on further exploration for and evaluation of mineral resources is neither budgeted nor planned; (iii) exploration and evaluation have not led to the discovery of commercially viable mineral resources and activities are to be discontinued; (iv) sufficient data exists to indicate that, although a development in the area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development of by sale; and (v) other factors that may be applicable such as a significant drop in metal prices or deterioration in the availability of equity financing. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate largely independent cash inflows, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Impairment (continued)

Recoverable amount is the higher of fair value less costs to dispose, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in profit or loss.

An impairment loss recognized in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amount of the other assets in the cash-generating unit on a pro-rata basis.

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

h. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Site restoration

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

i. Interest income and finance costs

Interest income is recognized as it accrues in profit or loss using the effective interest method.

Finance costs comprise unwinding of the discount on provisions and changes in the fair value of financial liabilities at fair value through profit or loss.

Foreign currency gains and losses are reported on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Share capital

The Company records proceeds from share issuances net of issue costs. Shares issued for consideration other than cash are valued at the quoted market price at the acquisition date and at the date of issuance for other non-monetary transactions. For proceeds received from the issuance of compound equity instruments such as units comprised of common shares and warrants, the Company allocates the proceeds using the residual method whereby the proceeds allocated to the warrants is based on their Black-Scholes fair value with the remaining proceeds allocated to common shares.

k. Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted-average number of common shares outstanding during the period. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted-average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

l. Share-based payments arrangements

Employees (including directors and senior executives) of the Company, and individuals providing similar services to those performed by direct employees, receive a portion of their remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments issued to non-employees are measured at the fair value of goods or services received.

m. Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except for items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m. Income taxes (continued)

The amount of deferred tax reflects the expected manner of realization or settlement of the carrying amount of assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets that are recognized are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

n. Adoption of new and amended accounting standards

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.

(Expressed in thousands of Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o. New accounting standards not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 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.

4. PLANT AND EQUIPMENT

	Buildings	Field Equipment	Office Equipment	Transport	Total
Cost					
As at December 31, 2015	$ 2,245	$ 2,679	$ 784	$ 372	$ 6,080
Disposals	(271)	(225)	(32)	(192)	(720)
Impairment	(1,938)	(2,413)	(575)	(218)	(5,144)
Effect of movements in exchange rates	(36)	(41)	(177)	38	(216)
Balance as at December 31, 2016	$ -	$ -	$ -	$ -	$ -
Depreciation					
As at December 31, 2015	$ (468)	$ (2,299)	$ (780)	$ (372)	$ (3,919)
Charged for the year	(103)	(193)	(3)	-	(299)
Eliminated on disposal	91	206	32	192	521
Impairment	483	2,248	575	218	3,524
Effect of movements in exchange rates	(3)	38	176	(38)	173
Balance as at December 31, 2016	$ -	$ -	$ -	$ -	$ -
Net book value					
As at December 31, 2015	$ 1,777	$ 380	$ 4	$ -	$ 2,161
As at December 31, 2016	$ -	$ -	$ -	$ -	$ -

(Expressed in thousands of Canadian dollars)

4. PLANT AND EQUIPMENT (CONTINUED)

	Buildings	Field Equipment	Office Equipment	Transport	CIP	Total
Cost						
As at December 31, 2014	$ 1,934	$ 2,354	$ 676	$ 314	$ 9	$ 5,287
Additions	-	-	-	-	25	25
Disposals	-	(90)	-	-	-	(90)
Transfer between categories	-	34		-	(34)	-
Effect of movements in exchange rates	311	381	108	58	-	858
Balance as at December 31, 2015	$ 2,245	$ 2,679	$ 784	$ 372	$ -	$ 6,080
Depreciation						
As at December 31, 2014	$ (312)	$ (1,814)	$ (656)	$ (314)	$ -	$ (3,096)
Charged for the year	(110)	(268)	(18)	-	-	(396)
Eliminated on disposal	-	90	-	-	-	90
Effect of movements in exchange rates	(46)	(307)	(106)	(58)	-	(517)
Balance as at December 31, 2015	$ (468)	$ (2,299)	$ (780)	$ (372)	$ -	$ (3,919)
Net book value						
As at December 31, 2014	$ 1,622	$ 540	$ 20	$ -	$ 9	$ 2,191
As at December 31, 2015	$ 1,777	$ 380	$ 4	$ -	$ -	$ 2,161

During the year ended December 31, 2016, the Company exchanged a building with a carrying value of $77 (COP 181,924,764) to settle a payable of $61 (COP 140,000,000); as a result, the Company recognized a loss on disposal of $16 (COP 41,924,764) in the statements of loss and comprehensive loss.

During the year ended December 31, 2016, the Company disposed plant and equipment with a carrying value of $122 (COP 275,377,228) for cash proceeds of $313 (COP 718,580,000); as a result, the Company recognized a gain on disposal of $191 (COP 443,202,272) in the statements of loss and comprehensive loss.

As described in Note 1, the Company considered all the risk factors and decided to impair plant and equipment used for the exploration and evaluations assets during the year ended December 31, 2016.

The Company has one operating segment, all the plant and equipment belongs to one CGU; as a result, the Company impaired all the plant and equipment to $nil which is the recoverable amount of the CGU (Notes 3(g) and 18). The impairment loss on plant and equipment of $1,620 was recognized in the statement of loss and comprehensive loss during the year ended December 31, 2016. The Impairment is based on guidance outlined in IFRS 6, Exploration for and Evaluation of Mineral Resources and IAS 36, Impairment of Assets.

(Expressed in thousands of Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS

As at December 31, 2014	$	21,418
Additions		39
Effect of movements in exchange rates		3,376
Balance as at December 31, 2015	$	24,833
Impairment loss		(24,574)
Effect of movements in exchange rates		(258)
Balance as at December 31, 2016	$	1

The Company has been focused on the development of the Angostura Project in northeastern Colombia which consists of the main Angostura deposit (Note 14) and five satellite prospects: Armenia, La Plata, Agua Limpia, Violetal and Móngora.

As described in Note 1, the Company considered all the risk factors (Note 1) and decided to impair the exploration and evaluations assets to $1 during the year ended December 31, 2016.The Impairment is based on guidance outlined in IFRS 6, Exploration for and Evaluation of Mineral Resources and IAS 36, Impairment of Assets.

The Company assessed the exploration and evaluation assets for indicators of impairment and concluded that the Company's inability to develop the project in light of Colombia's measures (described in Note 1), and its failure to achieve a settlement of the dispute that has arisen with Colombia under the Canada-Colombia Free Trade Agreement as a result of these measures, represent indicators of impairment that require a determination to be made of the project's recoverable amount.

The recoverable amount relating to mineral properties has been determined as $1, based on both the fair value less costs of disposal ("FVLCD") and value in use ("VIU") methods. The FVLCD is considered to be $nil on the basis that no other market participant would likely be able to progress the project in the face of Colombia's measures. A market approach was used in estimating the FVLCD as an income approach would not be considered to provide a reliable estimate of fair value. The VIU of the project is also considered to be $nil due to the probability of resolving the dispute with the Colombian government, and therefore the likelihood of the project being developed, being now considered to be remote, and therefore no future positive cash flows can be expected to be generated.

6. AMOUNTS PAYABLE ON EXPLORATION AND EVALUATION ASSET ACQUSITION

	in COP (in thousands)		in CAD
As at December 31, 2014	2,150,000	$	1,064
Effect of movements in exchange rates	-		(113)
Balance as at December 31, 2015	2,150,000	$	951
Effect of movements in exchange rates	-		12
Balance as at December 31, 2016	2,150,000	$	963

In June 2009, the Company acquired the Las Puentes property for $2,037 (COP4,010,000,000). A cash payment of $1,018 (COP1,860,000,000) was made on the acquisition date, and pursuant to the agreement, further payments of approximately $596 (COP1,150,000,000) and $518 (COP1,000,000,000) were to be made in April 2010 and April 2011, respectively. However, certain of the original Las Puentes vendors had been in a title dispute with another unrelated group. The agreement provided that the Company was not required to make the two remaining payments until the title dispute amongst the vendors and the unrelated group was resolved. The full amount of the obligation totaling $963 (COP2,150,000,000) is reflected on the statement of financial position as of December 31, 2016.

On January 17, 2017, the Company was served with a court-ordered claim by the vendors of Las Puentes property demanding the final two instalment payments COP2,150,000,000 plus interest and a compensation for the non-compliance of the purchase agreement (COP1,537,000,000) on the basis that the vendors previous title dispute had been recently settled by the courts. On January 27, 2017, the Company filed a motion for reconsideration arguing that the amount of the claim should not include interest and compensation and that the Company had legal basis under the purchase agreement to retain the final two instalment payments. A decision is pending by the Courts on the Company's motion for reconsideration.

(Expressed in thousands of Canadian dollars)

7. SITE RESTORATION PROVISION

	December 31, 2016	December 31, 2015
Beginning of year, current and long-term	$ 4,225	$ 5,757
Increase (decrease) in liability due to changes in estimate	720	(1,345)
Remediation work performed	(33)	(19)
Unwinding of discount	344	425
Changes in foreign exchange rates	86	(593)
End of year, current and long-term	$ 5,342	$ 4,225
Current portion	$ 405	$ 361
Long-term portion	4,937	3,864
	$ 5,342	$ 4,225

The following table shows the assumptions used in the calculation of the Company's site restoration provision:

	For the years ended	
	December 31, 2016	December 31, 2015
Pre-tax risk-free discount rate	6.38 - 7.07%	6.10 - 8.70%
Inflation rate	3.00 - 3.90%	2.90 - 3.96%
Years of settlement	2018-2035	2018-2035
Anticipated closure date	January 1, 2018	January 1, 2018

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

Significant estimates and assumptions are made in determining the site restoration provision as there are numerous factors that will affect the ultimate liability payable. Those uncertainties may result in future actual expenditure differing from the amount currently provided. During the year ended December 31, 2016, there were changes in the extent of the required rehabilitation activities, timing of these activities, changes in discount rates and foreign exchange rate.

8. EQUITY TAX LIABILITY

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

The equity tax liability for the years ended December 31, 2016 and 2015 is $117 (COP 263,991,000) and $147 (COP 302,560,000), respectively. These amounts were paid during the years ended December 31, 2016 and 2015, respectively.

9. CONVERTIBLE NOTES

The Company's convertible notes payable balance as of December 31, 2016, is as follows:

	in USD (in thousands)	in CAD
Initial Recognition	1,149	1,540
Accretion of interest	80	107
Effect of movements in exchange rates	-	3
Balance as of December 31, 2016	1,229	1,650

During the year ended December 31, 2016, the Company issued convertible notes in the amount of $12,969 (US$9,672,727) to existing shareholders of the Company, of which $9,386 (US$7,000,000) was issued to Trexs Investments, LLC. (Note 10). The convertible notes are unsecured and bear interest at 0.025% per annum. Interest is calculated monthly and payable on December 31 of each year commencing 2016. The convertible notes are considered below market-rate notes and therefore the differences in the fair value of the convertible notes and the cash received has been recorded as a contribution from shareholders to the equity of the Company.

Using a risk-adjusted discount rate of 20%, the Company calculated and recorded the equity portion of the notes to be $11,412 before the allocation of issuance costs.

The convertible notes mature on June 30, 2028 and are convertible at any point prior to maturity, at the option of the Company, into common shares. The conversion price is determined based on the volume weighted average closing price of the Company's shares during the five trading days immediately preceding the date of conversion.

In connection with the convertible debentures, the Company incurred issuance costs of $144. These issuance costs are recorded as a reduction of the carrying value of the liability ($17) and equity ($127) portions of the convertible debentures.

During the year ended December 31, 2016, accretion expense of $107 was recorded as finance cost with a corresponding increase in the carrying value of the liability. None of these convertible debentures were converted during the year ended December 31, 2016.

As at December 31, 2016, the carrying value of convertible debentures is $1,650 (Note 20).

10. EQUITY

Share capital

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

During the year ended December 31, 2016

- On July 22, 2016, 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 Republic of Colombia under the Canada-Colombia Free Trade Agreement.

  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.

  In connection with the Tranche 1 financing, the Company incurred $456 in share issuance costs.

  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. (Note 9).

- The Company issued 46,666 common shares through a cashless exercise provision in exchange of 120,000 options. The Company reclassified the fair value of $23 of the 120,000 options from contributed surplus to share capital.

- The Company issued 66,666 common shares for proceeds of $18 due to the exercise of stock options. In addition, the Company has reclassified the grant date fair value of the exercised options of $13 from contributed surplus to share capital.

During the year ended December 31, 2015

- In February 2015, the Company completed a private placement and issued 3,597,987 common shares at $0.77 per share for gross aggregate proceeds of $2,772. In connection with private placement, the Company incurred $52 share issuance cost.

- In August 2015, the Company completed another private placement and issued 7,677,674 common shares at $0.43 per share for gross aggregate proceeds of $3,301. In connection with private placement, the Company incurred $78 share issuance cost.

- The Company issued 29,462 common shares in exchange of 54,666 options; as a result of the cashless exercise of options, the Company reclassified the fair value of $11 of the 54,666 options from contributed surplus to share capital.

Contributed surplus

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

(Expressed in thousands of Canadian dollars)

10. EQUITY (CONTINUED)

Contingent value rights

During the year ended December 31, 2016, the Company issued five contingent value rights certificates ("CVRs") for gross proceeds of $7,410 (US$5,527,273) of which $5,363 (US$4,000,000) was issued to Trexs Investments, LLC. The CVRs holders have the right to receive an amount equal to 70.48% of the gross amount of the claim proceeds ("Claim Proceeds") from the Request for Arbitration described in Note 1. The Company has an option to settle the Claim Proceeds by issuing common shares of the Company. The conversion price is determined based on the volume weighted average closing price of the Company's shares during the five trading days immediately preceding the date of conversion.

In connection with the issuance of the CVRs, the Company incurred issuances costs of $82.

The Company has pledged all the assets in Colombia to the CVRs' holders.

11. SHARE-BASED PAYMENT ARRANGEMENTS

Stock option plan

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

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

The changes in options during the years ended December 31, 2016 and 2015 are as follows:

	December 31, 2016		December 31, 2015	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning of year	6,842,169	$ 1.00	5,143,375	$ 1.36
Granted	-	-	2,367,000	0.51
Exercised	(186,666)	0.28	(54,666)	0.29
Expired	(3,999,003)	1.31	(613,540)	2.11
Outstanding, end of year	2,656,500	$ 0.59	6,842,169	$ 1.00

During the years ended December 31, 2016 and 2015, share-based compensation of $114 and $975, respectively, was recorded in connection with stock options vested during the period.

During the year ended December 31, 2015, the Company granted 2,367,000 options to directors, officers, employees and consultants with an estimated fair value of $990. No options were granted during the year ended December 31, 2016.

(Expressed in thousands of Canadian dollars)

11. SHARE-BASED PAYEMENT ARRANGEMENTS (CONTINUED)

Stock option plan (continued)

During the years ended December 31, 2016 and 2015, 3,999,003 and 613,540 options expired unexercised, respectively.

The following summarizes information about stock options outstanding and exercisable at December 31, 2016:

Expiry date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining contractual life (in years)
2017/04/27	112,500	112,500	$ 2.41	0.32
2017/07/01	50,000	50,000	$ 1.74	0.50
2017/10/09	15,000	15,000	$ 0.87	0.77
2018/05/10	220,000	220,000	$ 0.82	1.36
2018/07/12	150,000	150,000	$ 0.52	1.53
2019/06/01	630,000	630,000	$ 0.28	2.42
2019/07/09	50,000	50,000	$ 0.26	2.52
2019/09/08	300,000	300,000	$ 0.26	2.69
2020/09/02	929,000	802,677	$ 0.50	3.67
2020/10/07	200,000	200,000	$ 0.63	3.77
	2,656,500	2,530,177		2.72

The fair value at the time of grant was measured using the Black-Scholes model. Expected volatility is estimated by considering historic share price volatility. The following table shows the weighted-average assumptions used in the measurement of fair value at grant date:

	For the years ended	
	December 31, 2016	December 31, 2015
Risk-free interest rate	N/A	0.54%
Expected annual volatility	N/A	93.91%
Expected life (in years)	N/A	5.00
Expected dividend yield	N/A	0%
Share price ($ per share)	N/A	$ 0.57
Weighted average grant date fair value per option ($ per option)	N/A	$ 0.42

Share appreciation rights ("SARs")

During the year ended December 31, 2015, 400,000 SARs expired. As at December 31, 2016 and 2015, there were no SARs outstanding.

(Expressed in thousands of Canadian dollars)

11. SHARE-BASED PAYEMENT ARRANGEMENTS (CONTINUED)

Share purchase warrants

The changes in share purchase warrants during the years ended December 31, 2016 and 2015 are as follows:

	December 31, 2016		December 31, 2015	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning of year	63,500	$ 6.63	98,500	$ 5.59
Exercised	(63,500)	6.63	(35,000)	3.69
Outstanding, end of year	-	$ -	63,500	$ 6.63

During the years ended December 31, 2016 and 2015, 63,500 and 35,000 warrants expired unexercised, respectively.

As at December 31, 2016 and 2015, there were no share purchase warrants outstanding.

12. FINANCE COST

	December 31, 2016	December 31, 2015
Unwinding of discount on site restoration provision	$ 344	$ 425
Interest on convertible notes	107	-
Bank charges	9	15
Others	281	-
	$ 741	$ 440

13. OTHER INCOME

	December 31, 2016	December 31, 2015
Interest income	$ 18	$ 11
Other income	7	-
	$ 25	$ 11

(Expressed in thousands of Canadian dollars)

14. COMMITMENTS AND CONTINGENCIES

a) Commitments

The following is a schedule of the Company's commitments as at December 31, 2016:

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

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.

b) Contingencies

i) La Plata Mining Title Assignment

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, 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. All legal proceedings commenced by the Company seeking to annul the arbitration panels' decision have been unsuccessful. To date, as Colombia's National Mining Agency, ANM, has rejected SMLPL's request to register the decision of the arbitration and cancel registration of the Annulled Agreements, 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 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.

14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

b) Contingencies (continued)

ii) On December 20, 2016, a petition was filed with the Supreme Court of British Columbia by two shareholders of the Company against the Company, each of its directors (other than Kevin O'Halloran), Trexs Investments, LLC ("Trexs"), Amber Capital LP and Paulson & Co. Inc. seeking to, among other things, set aside and cancel the Investment Agreement between the Company and Trexs and the contingent value rights and convertible notes issued by the Company pursuant to that agreement. The Company intends to defend the allegations set out in the Petition vigorously. However, any adverse decision in resolving this legal proceeding could have a material adverse effect on the Company.

iii) Other

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

c) Uncertainties

Páramo ecosystem boundaries

In June 2011, the Colombian Congress enacted the National Development Plan (Law 1450 of 2011) (the "Plan") which, among other things, restricted mining activities in páramo ecosystems and required the Colombian Government to determine the boundaries of páramo ecosystems based on a 1:25,000 scale on the basis of technical, social, environmental and economic criteria. The Plan also set out in 2012, in conjunction with granting an extension to the exploration phase of Concession 3452, Colombia's national mining agency, the ANM, ordered the temporary suspension of mining activities in the areas of Concession 3452 considered to constitute páramo according to the 2007 Atlas of Páramos prepared by the Alexander von Humboldt Institute at a 1:250,000 scale until the boundaries of the páramo ecosystem are determined by the Colombian Government pursuant to the National Development Plan.

Meanwhile, Concession 3452 and the Angostura Project was declared a "Project of National Interest" in 2011 and 2013.

On December 19, 2014, Ministry of Environment and Sustainable Development (Ministerio de Ambiente y Desarrollo Sostenible or "MADS") issued Resolution 2090 declaring the boundaries of the Santurbán Páramo. The Resolution provided certain exceptions to the restrictions on mining activities in páramo ecosystems, including exceptions for mining concessions for which an environmental license or equivalent environmental management and control instrument had been granted prior to February 9, 2010 and exceptions for mining in the "restoration zone" of the páramo in the traditional mining municipalities of California, Suratá and Vetas which appeared to apply to Eco Oro's Concession 3452. The National Development Plan enacted in 2015 (Law 1753 of 2015) similarly provided exceptions to the restrictions on mining activities in páramo ecosystems. The Plan also provided that "Projects of National Interest" such as the Angostura Project were of public utility and social interest, and would be subjected to centralized licensing processes before national (rather than regional) authorities.

14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

c) Uncertainties (continued)

Páramo ecosystem boundaries (continued)

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) which, among other things, held that the provisions of the National Development Plan that set out certain exceptions to the restrictions on mining in páramo ecosystems were 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 the high social and economic importance, it declared the provisions of the National Development Plan that provided that the National Environmental Licensing Authority (Autoridad Nacional de Licencias Ambientales or "ANLA") would have exclusive authority for licensing such projects unconstitutional.

On March 7, 2016, the Company announced that it had formally notified the Government of Colombia (the "Government") of the existence of a dispute between Eco Oro and the Government under Canada-Colombia Free Trade Agreement (the "Free Trade Agreement"). The dispute has arisen out of the Government's measures and omissions, which have directly impacted the rights granted to Eco Oro to explore and exploit its Angostura Project.

Following the notification of the dispute to the Government, on August 8, 2016, in response to the Company's application to extend the exploration phase of Concession 3452, the ANM notified the Company of its decision to extend the exploration phase only in relation to those areas that fall outside the "preservation" zone of the Santurbán Páramo. This decision effectively deprived Eco Oro of rights under Concession 3452 and materially affected the viability of the Project. 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. If mining is forbidden in the restoration zones, then Eco Oro would lose additional rights over the area of Concession 3452. Furthermore, in light of current legal uncertainties, the relevant environmental authorities have informed the Company that the Angostura project cannot currently be licensed.

While the Company has commenced the ICSID Arbitration, it remains open to engagement with the Colombian authorities in order to achieve an amicable resolution of the dispute.

(Expressed in thousands of Canadian dollars)

15. SUPPLEMENTARY CASH FLOW INFORMATION

Change in non-working capital

	For the years ended December 31, 2016	December 31, 2015
Accounts receivable	$ -	$ 15
Prepaid expenses and deposits	(26)	65
Trade and other payables	2,164	(254)
Long-term employee benefits	(8)	1
	$ 2,130	$ (173)

Others

	For the years ended December 31, 2016	December 31, 2015
Reclassification of grant-date fair value on expired or cancelled warrants	$ 233	$ 84
Reclassification of grant-date fair value on exercised options	36	11
Reclassification of equity portion of convertible debentures on issuance date	11,285	-
Exchange plant and equipment for debt settlement	59	

16. FINANCIAL RISK MANAGEMENT

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations.

Market risk

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

Currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company's cash and cash equivalents, Guaranteed investment certificate, accounts receivable, trade and other payables and amounts payable on exploration and evaluation asset are held in CAD, USD and COP; therefore, USD and COP accounts are subject to fluctuation against the Canadian dollar.

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

Currency risk (continued)

The Company had the following balances as at December 31, 2016:

	in CAD (in thousands)	in USD (in thousands)	in COP (in thousands)
Cash	34	13,686	427,925
Accounts receivable	-	-	32,117
Trade and other payables	(269)	(1,484)	(2,045,871)
Amounts payable on exploration and evaluation asset acquisition	-	-	(2,150,000)
Convertible notes	-	(1,229)	-
Total	(235)	10,973	(3,735,829)
Foreign currency rate	1.000	1.3437	0.0004
Equivalent to Canadian dollars	$ (235)	$ 14,744	$ (1,672)

Based on the above net exposures as at December 31, 2016, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the CAD against the USD and COP by 10% would increase/decrease profit or loss by $1,307.

The Company had the following balances as at December 31, 2015:

	in CAD (in thousands)	in USD (in thousands)	in COP (in thousands)
Cash	1,533	9	279,140
Guaranteed investment certificate	35	-	-
Accounts receivable	-	-	31,124
Trade and other payables	(111)	(22)	(2,085,782)
Amounts payable on exploration and evaluation asset acquisition	-	-	(2,150,000)
Total	1,457	(13)	(3,925,518)
Foreign currency rate	1.000	1.3869	0.0004
Equivalent to Canadian dollars	$ 1,457	$ (18)	$ (1,736)

Based on the above net exposures as at December 31, 2015, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the CAD against the USD and COP by 10% would increase/decrease profit or loss by $171.

The Company does not invest in derivatives to mitigate these risks.

In addition, as the functional currency of the Company's operations in Colombia (COP) is different from the Company (CAD), any non-monetary assets and liabilities in these foreign jurisdictions subject the Company to foreign currency fluctuations which may adversely affect the Company's financial position, results of operations and cash flows.

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and guaranteed investment certificates earn interest at various short-term rates. The Company's future interest income is exposed to changes in these short-term rates. Based on the total of the Company's cash of $18,616 as at December 31, 2016 (December 31, 2015 - $1,704), an increase or decrease in the annual interest rate of 1% would result in a corresponding increase or decrease of annual interest income by $186 (December 31, 2015 - $17).

The Company's convertible notes are not subject to interest rate risk as it is not subject to a variable interest rate.

Credit risk

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

The Company's cash is held through large Canadian financial institutions.

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

Liquidity risk

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

As at December 31, 2016 and 2015, all of the Company's other financial liabilities except for convertible notes have maturities less than one year.

(Expressed in thousands of Canadian dollars)

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value measurements

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

	December 31, 2016		December 31, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Loans and receivables				
Cash	$ 18,616	$ 18,616	$ 1,669	$ 1,669
Guaranteed investment certificate	-	-	35	35
Accounts receivable	14	14	14	14
	$ 18,630	$ 18,630	$ 1,718	$ 1,718
Financial liabilities:				
Other financial liabilities				
Trade and other payables	$ 3,180	$ 3,180	$ 1,064	$ 1,064
Amounts payable on exploration and evaluation asset acquisition	963	963	951	951
Convertible notes	1,650	1,650	-	-
	$ 5,793	$ 5,793	$ 2,015	$ 2,015

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

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

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

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

As at December 31, 2016 and 2015, there were no financial assets or liabilities measured and recognized in the statement of financial position at fair value that would be categorized as Level 2 and 3 in the fair value hierarchy above.

Capital management

The Company's objective when managing capital is to maintain adequate levels of funding in order to support exploration and development of its projects and to maintain corporate and administrative functions. The Company manages, and makes adjustments to its capital structure based on the level of funds on hand and anticipated future expenditures. In order to maintain or adjust the capital structure, the Company has, when required, raised additional capital from shareholders. The Company has not paid dividends, nor returned capital to shareholders to date. As at December 31, 2016 and 2015, the Company considers equity as capital.

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

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

(Expressed in thousands of Canadian dollars)

17. RELATED PARTIES

a) Subsidiaries

	Ownership interest at	
	December 31, 2016	December 31, 2015
Eco Oro S.A.S	100%	100%

b) Key management personnel compensation

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

Certain executive officers are entitled to termination benefits. In the event of termination without sufficient advance written notice, these executive officers are entitled to an amount of 6 months of their base compensation by way of lump sum payment.

The Company is also a party to certain management contracts. These contracts contain clauses requiring that $730 be paid upon a change of control of the Company. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in these consolidated financial statements.

(Expressed in thousands of Canadian dollars)

17. RELATED PARTIES (CONTINUED)

c) Transactions & Balances

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).

(Expressed in thousands of Canadian dollars)

18. SEGMENTED INFORMATION

The Company has one reportable segment, being the evaluation and exploration of mineral exploration properties in one geographic region: Colombia. The Company's assets and liabilities are as follows:

	Canada	Colombia	Total
As at December 31, 2016			
Evaluation and exploration assets	$ -	$ 1	$ 1
Plant and equipment	-	-	-
Liabilities	(2,264)	(8,885)	(11,149)
	$ (2,264)	$ (8,884)	$ (11,148)
As at December 31, 2015			
Evaluation and exploration assets	$ -	$ 24,833	$ 24,833
Plant and equipment	-	2,161	2,161
Liabilities	(133)	(6,129)	(6,262)
	$ (133)	$ 20,865	$ 20,732
Net loss:			
For the year ended December 31, 2016	$ 4,435	$ 32,314	$ 36,749
For the year ended December 31, 2015	3,029	2,623	5,652
Total comprehensive loss:			
For the year ended December 31, 2016	$ 4,435	$ 32,712	$ 37,147
For the year ended December 31, 2015	3,029	(408)	2,621

19. INCOME TAX

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2016	2015
Loss for the year	$ (36,749)	$ (5,652)
Expected income tax (recovery)	$ (9,555)	$ (1,470)
Permanent Differences	74	(471)
Share issue costs	119	(7)
Change in unrecognized deductible temporary differences and other	9,362	1,948
Total income tax expense (recovery)	$ -	$ -

(Expressed in thousands of Canadian dollars)

19. INCOME TAX (CONTINUED)

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	2016	2015
Deferred Tax Assets (liabilities)		
Exploration and evaluation assets	$ 76,395	$ 73,481
Property and equipment	1,833	1,335
Share issue costs	91	27
Asset retirement obligation	1,389	1,005
Convertible notes	(2,943)	-
Non-capital losses	17,031	15,685
	$ 93,797	$ 91,533
Unrecognized deferred tax assets	(93,797)	(91,533)
Net deferred tax assets	$ -	$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2016	Expiry Date Range	2015	Expiry Date Range
Temporary Differences				
Exploration and evaluation assets	$ 293,827	No expiry date	$ 282,618	No expiry date
Property and equipment	7,051	No expiry date	5,134	No expiry date
Share issue costs	352	2037 to 2040	104	2036 to 2039
Asset retirement obligation	5,342	No expiry date	3,864	No expiry date
Convertible notes	(11,319)	No expiry date	-	-
Allowable Capital losses	200	No expiry date	162	No expiry date
Losses carried forward available for future period	65,305	2026 to 2036	60,168	2026 to 2035

20. SUBSEQUENT EVENTS

Subsequent to December 31, 2016:

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