ECO ORO MINERALS CORP.

Condensed Consolidated Interim Financial Statements

March 31, 2019

(unaudited)

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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 unless otherwise specified)

As at		**March 31, 2019**		December 31, 2018
ASSETS				
Current assets				
Cash	**$**	**585**	$	1,651
Accounts receivable		**68**		41
Prepaid expenses and deposits		**937**		472
		1,590		2,164
Non-current assets				
Plant and equipment (note 4)		**127**		130
Exploration and evaluation assets (note 5)		**1**		1
		128		131
TOTAL ASSETS	**$**	**1,718**	$	2,295
LIABILITIES				
Current liabilities				
Trade and other payables	**$**	**8,692**	$	5,072
Secured term loan payable (note 6)		**26,837**		24,335
Amounts payable on exploration and evaluation asset acquisition (note 7)		**901**		903
Current portion of site restoration provision (note 8)		**160**		173
		36,590		30,483
Non-current liabilities				
Long-term employee benefits		**9**		9
Site restoration provision (note 8)		**5,234**		5,167
Convertible notes (note 9)		**2,455**		2,392
		7,698		7,568
TOTAL LIABILITIES		**44,288**		38,051
DEFICIENCY				
Share capital (note 10)	**$**	**324,928**	$	324,928
Contributions from shareholders (note 10)		**11,285**		11,285
Contingent value rights (note 10)		**7,525**		7,525
Equity reserve		**31,932**		31,910
Deficit		**(380,818)**		(374,005)
Accumulated other comprehensive loss		**(37,422)**		(37,399)
TOTAL DEFICIENCY		**(42,570)**		(35,756)
TOTAL LIABILITIES AND DEFICIENCY	**$**	**1,718**	$	2,295

Nature of operations and going concern (note 1)
Commitments and contingencies (note 14)
Segmented information (note 15)
Subsequent events (1, 5, 6, 9, 10, 14 and 18)

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 unless otherwise specified)

		For the three months ended		
		March 31, 2019		March 31, 2018
Exploration and evaluation expenses:				
Administrative expenses	**$**	**192**	$	203
Depreciation (note 4)		**3**		3
Environmental expenses		**121**		72
Legal fees		**281**		271
Other exploration and evaluation expenses		**16**		37
Salaries and benefits		**260**		252
Surface rights		**5**		7
		878		845
General and administrative expenses:				
Administrative expenses		**59**		58
Legal and other professional fees		**3,139**		3,368
Management and directors' fees		**247**		242
Share-based payments (note 10)		**22**		67
		3,467		3,735
Other items				
Finance cost (note 11)		**3,109**		178
Foreign exchange loss (gain)		**(631)**		108
Other income		**(10)**		(10)
		2,468		276
NET LOSS FOR THE PERIOD	**$**	**6,813**	$	4,856
OTHER COMPREHENSIVE EXPENSES				
Foreign currency translation differences for foreign operations	**$**	**23**	$	796
TOTAL LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$**	**6,836**	$	5,652
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)	**$**	**0.06**	$	0.05
Weighted average number of common shares outstanding - basic and diluted		**106,524,953**		106,524,953

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 unless otherwise specified)

	Share capital							
	Number of shares	Amount	Contributions from shareholders	Contingent value rights	Equity Reserves	Deficit	Accumulated other comprehensive loss	Total
Balance at December 31, 2018	**106,524,953**	**$ 324,928**	**$ 11,285**	**$ 7,525**	**$ 31,910**	**$ (374,005)**	**$ (37,399)**	**$ (35,756)**
Share-based payments	-	-	-	-	22	-	-	**22**
Loss per the period	-	-	-	-	-	(6,813)	-	**(6,813)**
Other comprehensive loss for the period	-	-	-	-	-	-	(23)	**(23)**
Balance at March 31, 2019	**106,524,953**	**$ 324,928**	**$ 11,285**	**$ 7,525**	**$ 31,932**	**$ (380,818)**	**$ (37,422)**	**$ (42,570)**
Balance at December 31, 2017	**106,524,953**	**$ 324,928**	**$ 11,285**	**$ 7,525**	**$ 31,756**	**$ (354,681)**	**$ (37,377)**	**$ (16,564)**
Share-based payments	-	-	-	-	67	-	-	**67**
Net loss for the period	-	-	-	-	-	(4,856)	-	**(4,856)**
Other comprehensive loss for the period	-	-	-	-	-	-	(796)	**(796)**
Balance at March 31, 2018	**106,524,953**	**$ 324,928**	**$ 11,285**	**$ 7,525**	**$ 31,823**	**$ (359,537)**	**$ (38,173)**	**$ (22,149)**

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

(Expressed in thousands of Canadian dollars unless otherwise specified)

	For the three months ended	
	March 31, 2019	March 31, 2018
Cash flows provided from (used by):		
OPERATING ACTIVITIES		
Loss for the period	**$ (6,813)**	$ (4,856)
Adjustments for:		
Accretion of interest of loans payable	**-**	87
Accretion of interest of secured term loan payable (note 6)	**2,995**	-
Accretion of interest of convertible notes (note 9)	**112**	90
Change in site restoration provision (note 8)	**-**	(19)
Depreciation (note 4)	**3**	3
Unwinding of discount of site restoration provision (note 8)	**81**	88
Remediation expenditures (note 8)	**(12)**	(3)
Share-based payments (note 10)	**22**	67
Unrealized foreign exchange loss (gain)	**(543)**	192
Change in non-cash working capital items (note 12)	**3,131**	3,270
Net cash flows used in operating activities	**(1,024)**	(1,081)
Effects of exchange rate changes on cash	**(42)**	(138)
Net decrease in cash	**$ (1,066)**	$ (1,219)
Cash, beginning of period	**1,651**	2,124
Cash, end of period	**$ 585**	$ 905

Supplemental cash flow information (note 12)

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 under the legislation of the Province of British Columbia. The Company's shares are listed on the Canadian Securities Exchange ("CSE") under the symbol "EOM". 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 three months ended March 31, 2019 are comprised of the accounts 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 the Republic of Colombia ("Colombia"). Until late 2016, the Company had been focused on the development of the Angostura Project in northeastern Colombia which consists of the main Angostura deposit and its five satellite prospects.

In August 2016, the Colombia, through the Colombian National Mining Agency (the "ANM") issued a decision 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 Colombia's measures, 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 Colombia's measures that have adversely affected its investments in the Colombian mining sector, depriving Eco Oro of its rights under its principal mining title, Concession Contract 3452, comprising the Angostura gold and silver deposit, and rendering the Angostura Project unviable, in violation of Colombia's obligations under the Canada-Colombia Free Trade Agreement. Notwithstanding the commencement of the ICSID Arbitration Claim, the Company remains open to engagement with the Colombian authorities in order to achieve an amicable resolution of the dispute. The ICSID Arbitration Claim has now become the core focus of the Company.

Going concern

At March 31, 2019, the Company had a working capital deficiency of $35,000 and had not yet achieved profitable operations and the Company expects to incur further losses in the development of its business. For the three months ended March 31, 2019, the Company reported a comprehensive loss of $6,836 and as at March 31, 2019, the Company had an accumulated deficit of $380,818. Cash used in operating activities for the three months ended March 31, 2019 was $1,024.

On February 26, 2019, the Company entered into an investment and backstop agreement with Trexs Investments LLC ("Trexs"), pursuant to which Trexs and eligible holders of 2016 CVRs (defined below) are entitled to participate in a private placement for aggregate gross proceeds of up to US$35,000,000 of which US$22,600,000 was received on April 9, 2019 (Note 18). US$20,306,032 of the proceeds were used to repay a loan agreement with Trexs for a secured term loan of US15.19 million (the "Term Loan") in full, including interest.

1. NATURE OF OPERATIONS AND GOING CONCERN (CONTINUED)

Going concern

The Company's ability to continue operations and fund future business activities is dependent on management's ability to secure additional financing. Management is actively pursuing additional sources of financing. However, there is no assurance that they will be able to do so successfully. On the basis of the Company's balance of cash as at Mach 31, 2019, additional financings completed subsequent to year end (Note 18), and identified opportunities to reduce its operating costs for the fiscal year 2019, the Company has sufficient cash to meet short-term operating needs. To date, the Company has not generated any profit through its operations.

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, if required. 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. SIGNIFICANT ACCOUNTING POLICIES AND 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, 2018 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 May 22, 2019.

3. NEW ACCOUNTING STANDARDS

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, 2019.

The adoption of the following IFRS pronouncement will result in enhanced financial statement disclosures in the Company's annual consolidated financial statements.

- **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. Under IFRS 16, as a lessee, the Company is required to recognize all leases in the statement of financial position as a "right-of-use" asset and a lease liability unless the lease term is 12 months or less or the underlying asset has a very low value.

(Expressed in thousands of Canadian dollars unless otherwise specified)

3. NEW ACCOUNTING STANDARDS (CONTINUED)

Adoption of new and amended accounting standards (continued)

- **IFRS 16 – Leases (continued)**
  The asset is subsequently accounted for in accordance with the cost or revaluation model in IAS 16 Property, Plant and Equipment or as Investment Property under IAS 40 Investment Property. The liability is unwound over the term of the lease giving rise to an interest expense. The adoption of this standard did not have an impact on the unaudited condensed interim financial statements.

- **IFRIC 23 – Uncertainty over Income Tax Treatments**
  This standard was issued by the IASB in June 2017 and specifies the interpretation to be applied to the determination of taxable profit, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The adoption of this standard did not have an impact on the unaudited condensed interim financial statements.

4. PLANT AND EQUIPMENT

	Buildings	Office Equipment	Total
Cost			
Balance as at March 31, 2019 and December 31, 2018	**$ 133**	**$ 15**	**$ 148**
Depreciation			
As at December 31, 2018	$ (13)	$ (5)	**$ (18)**
Charged for the period	(2)	(1)	**(3)**
Balance as at March 31, 2019	**$ (15)**	**$ (6)**	**$ (21)**
Net book value			
As at December 31, 2018	$ 120	$ 10	$ 130
As at March 31, 2019	**$ 118**	**$ 9**	**$ 127**

5. EXPLORATION AND EVALUATION ASSETS

Historically, the Company has been focused on the development of the Angostura Project in northeastern Colombia.

As described in Note 1, the Company considered all the risk factors 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.

As at March 31, 2019 and December 31, 2018, the carrying value of the exploration and evaluations assets is $1.

On April 1, 2019, the Company notified Colombia of its intention to renounce Concession 3452 to mitigate its losses. The ANM has 30 business days to comment on Eco Oro's decision to renounce the title. If it fails to do so, the renunciation will automatically be deemed to have been accepted. Eco Oro will be required in due course to submit a plan for the closure of Concession 3452 to the local environmental authority, the Autonomous Corporation for the Defense of the Bucaramanga Plateau (in Spanish, *Corporación Autónoma para la Defensa de la Meseta de Bucaramanga* or CDMB).

6. SECURED TERM LOAN PAYABLE

		in USD (in thousands)		in CAD
Balance as at December 31, 2018		**17,854**		**24,335**
Finance costs		**2,299**		**2,995**
Effect of movements in exchange rates		**-**		**(493)**
Balance as at March 31, 2019	**$**	**20,153**	**$**	**26,837**

On April 20, 2018, the Company received the Term Loan from Trexs of $19,411 (US$15.19 million). All the Company's assets were been pledged as security for the Term Loan.

The Term Loan was initially due and payable by the Company on July 16, 2018 (the "Maturity Date"), subject to the Company's unilateral right to extend the Maturity Date in three-month increments up to a maximum of three times.

The Term Loan initially bore interest at a rate of 0.60% per month, such rate automatically increasing by 0.60% each calendar month, up to a maximum rate of 3.89% per month, calculated monthly in arrears and payable in full on the Maturity Date.

On January 10, 2019, the Company provided written notice to Trexs to exercise the final option to extend the Maturity Date of the Term Loan from January 16, 2019 to April 16, 2019.

During the three months ended March 31, 2019, the Company recognized accretion of interest of $2,995.

As at March 31, 2019 the carrying value of the Term Loan is $26,837 (US$17,854,280) (December 31, 2018 – $24,335 (US$20,152,790).

On April 9, 2019, the Company used US$20,306,032 of the proceeds of the private placement (note 20) to repay the Term Loan in full.

7. AMOUNTS PAYABLE ON EXPLORATION AND EVALUATION ASSET ACQUISITION

	in COP (in thousands)		in CAD
Balance as at December 31, 2018	**2,150,000**	**$**	**903**
Effect of movements in exchange rates	**-**		**(2)**
Balance as at March 31, 2019	**2,150,000**	**$**	**901**

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 $901 (COP2,150,000,000) is reflected on the statement of financial position as of March 31, 2019 (December 31, 2018 - $903 (COP2,150,000,000)).

7. AMOUNTS PAYABLE ON EXPLORATION AND EVALUATION ASSET ACQUISITION (CONTINUED)

On July 17, 2017, the Company was served with a court-ordered claim by the vendors of Las Puentes property demanding the final two instalment payments of COP2,150,000,000 plus interest and 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. In addition, on July 25, 2017, the court ordered that a notice signaling the ongoing dispute be included on the property records.

The Company filed a request for reconsideration against the court's decision allowing the claim and against the notice of July 25, 2017, both of which were rejected by the court. On October 19, 2017, the Company filed its response to the claim. The first hearing was carried out by the Court. In this, the Court ordered the witness declaration and the expert opinion requested by Eco Oro on the property "Las Puentes". The evidentiary hearing will take place on June 7, 2019 before the Court.

8. SITE RESTORATION PROVISION

Balance as at December 31, 2018, current and long-term	**$**	**5,340**
Remediation work performed		(12)
Unwinding of discount		81
Changes in foreign exchange rates		(15)
Balance as at March 31, 2019, current and long-term	**$**	**5,394**
Current portion	$	160
Long-term portion		5,234
	$	**5,394**

9. CONVERTIBLE NOTES

The Company's convertible notes payable balance as of March 31, 2019, is as follows:

		(in thousands)		
		in USD		**in CAD**
Balance as at December 31, 2018		**1,756**		**2,392**
Accretion of interest		**85**		**112**
Effect of movements in exchange rates		**-**		**(49)**
Balance as at March 31, 2019	**$**	**1,841**	**$**	**2,455**

During the three months ended March 31, 2019 and 2018, accretion expenses of $112 and $90, respectively, were recorded as finance cost with a corresponding increase in the carrying value of the liability.

None of the Company's convertible securities were converted during the three months ended March 31, 2019.

10. DEFICIENCY

Authorized share capital

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

Issued share capital

At March 31, 2019 and December 31, 2018, the Company had 106,524,953 common shares issued and outstanding with a value of $324,928.

During the three months ended March 31, 2019, no share capital transactions occurred.

Reserves

Reserves 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 reserves.

Contingent value rights ("2016 CVRs")

At March 31, 2019 and December 31, 2018, the carrying value of the 2016 CVRs is $7,525.

Subsequent to March 31, 2019, the Company amended and restated the 2016 CVRs (Note 18).

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.

No options were granted, exercised or cancelled during the three months ended March 31, 2019.

During the three months ended March 31, 2019 and 2018, share-based payments of $22 and $67, respectively, was recorded in connection with stock options vested during the period.

(Expressed in thousands of Canadian dollars unless otherwise specified)

10. DEFICIENCY (CONTINUED)

Stock option plan (continued)

The following summarizes information about stock options outstanding and exercisable at March 31, 2019:

Grante date	Expiry date	Options outstanding	Options exercisable		Exercise price	Weighted average remaining contractual life (in years)
June 2, 2014	June 1, 2019	580,000	580,000	$	0.275	0.17
September 2, 2015	September 2, 2020	872,000	872,000	$	0.500	1.43
October 7, 2015	October 7, 2020	200,000	200,000	$	0.630	1.52
May 8, 2017	May 8, 2022	1,480,000	986,667	$	0.485	3.11
		3,132,000	**2,638,667**			**1.99**

11. FINANCE COST

		March 31, 2019		March 31, 2018
Interest on convertible notes	**$**	**112**	$	90
Interest on loan payable		**-**		87
Interest on secured term loan payable		**2,995**		-
Others		**2**		1
	$	**3,109**	$	178

12. SUPPLEMENTARY CASH FLOW INFORMATION

Change in non-cash working capital

	For the three months ended			
		March 31, 2019		March 31, 2018
Accounts receivable	**$**	**(28)**	$	36
Prepaid expenses and deposits		**(467)**		76
Trade and other payables		**3,625**		3,157
Long-term employee benefits		**1**		1
	$	**3,131**	$	3,270

Others

There were no significant non-cash transactions for the three months ended March 31, 2019 and 2018.

(Expressed in thousands of Canadian dollars unless otherwise specified)

13. RELATED PARTIES

Subsidiaries

	Ownership interest at	
	March 31, 2019	December 31, 2018
Eco Oro S.A.S	**100%**	100%

Key management personnel

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

During the three months ended March 31, 2019 and 2018, the short-term benefits incurred for the key management personnel were $280 and $275, respectively.

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.

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 three months ended	
	March 31, 2019	March 31, 2018
Fintec Holdings Corp. (“Fintec”)		
Management fees	**$ 128**	$ 120
Quantum Advisory Partners LLP (“Quantum”)		
Management and accounting services	**$ 79**	$ 83
Trexs Investments, LLC ("Trexs")		
Finance costs	**$ 2,995**	$ 87
Canopy Capital Ltd. ("Canopy")		
Directors' fees	**$ 25**	$ 24
Croftcap Inc. ("Croftcap")		
Directors' fees	**$ 25**	$ 24

Except for the finance cost paid or payable to Trexs, the above is included within short-term benefits.

(Expressed in thousands of Canadian dollars unless otherwise specified)

13. RELATED PARTIES (CONTINUED)

Transactions and balances (continued)

Fintec is a company owned by the Company's former Executive Chairman, former Interim President, and current director, Anna Stylianides. The services provided by Fintec were in the normal course of operations related to director and management fees.

An incorporated partner and a senior manager of Quantum (a limited liability partnership) are the Company's Interim Chief Executive Officer (CEO) and Interim Chief Financial Officer (CFO), respectively. The services provided by Quantum were in the normal course of operations related to CEO, CFO, accounting and corporate secretarial services.

Trexs is an entity managed by Tenor Capital Management Company, L.P. ("Tenor") in which the Company's current director, David Kay, owns an interest.

Canopy is a company owned by the Company's current director, Courtenay Wolfe. The services provided by Canopy were in the normal course of operations relating to director and management fees.

Croftcap is a company owned by the Company's current director, Peter McRae. The services provided by Croftcap were in the normal course of operations relating to director and management fees.

As of March 31, 2019 and December 31, 2018, the amount due to the Company's officers and directors, and the companies controlled by the Company's officers and directors was as follows:

		March 31, 2019		December 31, 2018
Trade and other payables	**$**	**353**	$	110
Secured term loan		**26,837**		24,335
Convertible notes (face value)		**9,385**		9,584
	$	**36,575**	$	34,029

14. COMMITMENTS AND CONTINGENCIES

Commitments

The following is a schedule of the Company's commitments as at March 31, 2019:

		Total		**2019**		**2020**		**2021**		**2022**		**2024 and thereafter**
Site restoration provision (1)	$	6,959	$	160	$	2,359	$	1,429	$	914	$	2,097
Secured loan (1) (2)		27,102		27,102		-		-		-		-
Convertible notes (1)		12,910		-		-		-		-		12,910

(1) Represents the undiscounted cash flow.
(2) The secured loan was fully paid subsequent to March 31, 2019 (Note 18).

14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Management Incentive Plan

The Company implemented a management incentive plan (the "MIP") to incentivize certain key personnel toward the effective prosecution and collection of the Company's arbitration claim against Colombia under the Canada-Colombia Free Trade Agreement. Implementation of a management incentive plan was a requirement under the terms of the Investment.

Under the MIP, a committee of the board of directors of the Company (the "Committee") was appointed to administer the MIP and be responsible for, among other things, determining whether to grant participants under the MIP certain cash retention amounts that will not in aggregate exceed 5% of the gross proceeds of the Arbitration.

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 ICSID Arbitration Claim and the time dedicated by each participant to the Arbitration proceedings.

Contingencies

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.

14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Contingencies (continued)

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. On July 8, 2018, the Company executed a transaction agreement with SMLP, thereby reaching an amicable resolution to the dispute.

Other

The Company is from time to time involved in various claims, legal proceedings and complaints arising in the ordinary course of business. Other than disclosed herein, 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.

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 were declared a "Project of National Interest" in 2011 and 2013.

14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Uncertainties (continued)

Páramo ecosystem boundaries (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). 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, to be unconstitutional.

On March 7, 2016, the Company announced that it had formally notified the Government of Colombia 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 Colombia's measures and omissions, which have adversely impacted the rights granted to Eco Oro to explore and exploit its Angostura Project.

Following the notification of the dispute to the Government, the Company was 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. Thus, using the Constitutional Court Decision of February 8, 2016 as a pretext, the ANM deprived the Company of its 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.

14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Uncertainties (continued)

Páramo ecosystem boundaries (continued)

The ANM has since indicated through a series of inconsistent decisions that Eco Oro may also be prohibited from carrying out mining activities within the "restoration" zone of the Santurbán Páramo. The ANM's responses, however, have not provided clarity. A further decision of the Colombian Constitutional Court published in November 2017 declared the delimitation of the Santurbán Páramo under Resolution 2090 to be unconstitutional. The Court suspended its declaration of unconstitutionality for twelve months so the Colombian Government can carry out a new delimitation of the Santurbán Páramo. The Court ordered the Ministry of Environment to adopt a broad, participative, effective and deliberative procedure when undertaking the new delimitation. The Colombian Ministry of Environment has since been granted an eight-month extension to the deadline for carrying out the new delimitation of the Santurbán Páramo, until July 2019.

The Court noted that the new delimitation cannot provide a lesser degree of protection to the Santurbán Páramo than the original delimitation. There is therefore a risk that the new delimitation and future decisions of the Colombian authorities will further reduce the area of Concession 3452 accessible for mining activities.

As a consequence of these uncertainties, the relevant environmental authorities informed the Company that the Angostura project could not 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.

On March 19, 2018, the Company filed its Memorial on the Merits in the ICSID Arbitration Claim. On June 28, 2018, the Tribunal issued its Decision on Bifurcation, rejecting Colombia's application to bifurcate the proceeding into separate jurisdictional and merits phases. On December 24, 2018, Colombia filed its Counter-Memorial and Memorial on Jurisdiction. The Company is seeking US$696 million plus interest in the sum of US$68 million as compensation for damages the Company sustained as a result of Colombia's measures. The Company has not recorded any amount in the financial statements as a contingent gain due to the ultimate uncertainty of the outcome.

Tax reassessment

During the three months ended March 31, 2019, the Company received notice from Colombia's tax administration (the DIAN) of a tax reassessment relating to the tax year 2014. The Company is currently reviewing this reassessment and determining its options for responding to this reassessment.

15. 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.

(Expressed in thousands of Canadian dollars unless otherwise specified)

16. 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 March 31, 2019, the Company considers deficiency 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.

17. FINANCIAL INSTRUMENTS

Fair value

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

	March 31, 2019		December 31, 2018	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets:				
Amortized cost				
Cash	**$ 585**	**$ 585**	$ 1,651	$ 1,651
Accounts receivable	**68**	**68**	41	41
	$ 653	**$ 653**	$ 1,692	$ 1,692
Financial liabilities:				
Amortized cost				
Trade and other payables	**$ 8,692**	**$ 8,692**	$ 5,072	$ 5,072
Secured term loan payable	**26,837**	**26,837**	24,335	24,335
Amounts payable on exploration and evaluation asset acquisition	**901**	**901**	903	903
Convertible notes	**2,455**	**2,455**	2,392	2,392
	$ 38,885	**$ 38,885**	$ 32,702	$ 32,702

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.

17. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value (continued)

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

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

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

As at March 31, 2019, 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 1, 2 and 3 in the fair value hierarchy above.

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, accounts receivable, trade and other payables, loans payable, 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, accounts receivable, trade and other payables, loan payable, amounts payable on exploration and evaluation asset acquisition, secured term loan payable and convertible notes are held in CAD, USD and COP; therefore, USD and COP accounts are subject to fluctuation against the Canadian dollar.

17. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Market risk (continued)

The Company had the following balances as at March 31, 2019:

	in CAD (in thousands)	in USD (in thousands)	in COP (in thousands)
Cash	27	173	779,894
Accounts receivable	55	-	30,692
Trade and other payables	(487)	(5,462)	(2,183,290)
Secured term loan payable	-	(20,107)	-
Amounts payable on exploration and evaluation asset acquisition	-	-	(2,150,000)
Convertible notes	-	(1,840)	-
Total	**(405)**	**(27,236)**	**(3,522,704)**
Foreign currency rate	1.000	1.3347	0.0004
Equivalent to Canadian dollars	**$ (405)**	**$ (36,352)**	**$ (1,476)**

Based on the above net exposures as at March 31, 2019, 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 comprehensive loss by $4,000.

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 earns 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 $585 as at March 31, 2019, an increase or decrease in the annual interest rate of 1% would result in a corresponding increase or decrease of annual interest income by $6.

The Company's Term Loan payable and 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 and accounts receivable represent the maximum credit exposure. The Company limits its credit risk exposure by holding cash with reputable financial institutions with high credit ratings. The Company's accounts receivable balance is not significant and does not represent significant credit exposure.

17. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Market risk (continued)

Liquidity risk

The Company manages liquidity risk by maintaining adequate cash balances to meet short and long-term business requirements.

As at March 31, 2019, all of the Company's other financial liabilities except for the convertible notes have maturities less than one year. As at March 31, 2019, the Company had cash of $585 in order to meet short-term operating needs.

18. SUBSEQUENT EVENTS

- On February 26, 2019, the Company entered into an investment and backstop agreement with Trexs (the "Investment Agreement"), pursuant to which Trexs and eligible holders of 2016 CVRs are entitled to participate in a private placement (the "2019 Private Placement") for aggregate gross proceeds of up to US$35,000,000. The 2019 Private Placement consists of two tranches:

  1) a "First Tranche" for aggregate proceeds of US$28,000,000, consisting of (i) US$13,000,000 of contingent value rights certificates (the "2019 CVRs" and, together with the 2016 CVRs, the "CVRs") and (ii) US$15,000,000 of unsecured 0.025% interest-bearing promissory notes due June 30, 2028 (the "2019 Notes"); and

  2) a "Second Tranche" consisting of up to US$7,000,000 of unsecured 10% interest-bearing promissory notes due June 30, 2028 (the "10% Notes" and, together with the 2019 Notes and the 2016 Notes, the "Notes").

  The First Tranche will be completed in two stages, a US$22,596,311 initial subscription (the "Initial Subscription") and a US$5,403,689 supplemental subscription (the "Supplemental Subscription"). The Second Tranche will be drawn as and when additional capital is required.

  On April 9, 2019, the Company completed the Initial Subscription. On completion of the Initial Subscription, the Company issued an aggregate of US$10,491,144 of 2019 CVRs and US$12,105,167 of 2019 Notes, for aggregate gross proceeds of approximately US$22,596,311.

18. SUBSEQUENT EVENTS (CONTINUED)

Concurrent with the completion of the Initial Subscription, the Company amended and restated the 2016 CVRs. Following completion of the 2019 Private Placement, any proceeds from the ICSID Arbitration Claim (the "Claim Proceeds") will be distributed in accordance with the "Distribution Waterfall" described in Section 8 of the Investment Agreement, in the following order of priority (in each case to the extent that the amount of Claims Proceeds is sufficient):

1. in full repayment of any accrued and unpaid default interest, fees, expenses or indemnity obligations in respect of the CVRs and the Notes;

2. in full repayment of all obligations, liabilities and indebtedness (including all principal, interest, fees and other amounts) under the Notes;

3. to holders of CVRs and eligible participants in the Company's Management Incentive Plan (the "MIP"), in an amount equal to the lesser of (i) US$460,000,000 and (ii) their maximum aggregate entitlements to the Claim Proceeds under the CVRs and the MIP;

4. to the Company, US$30,000,000 which may be used for, among other things, distributions to holders of common shares;

5. to holders of CVRs and eligible participants in the MIP, until aggregate distributions equal their maximum aggregate entitlements to the Claim Proceeds under the CVRs and the MIP; and

6. to the Company, the balance which may be used for, among other things, distributions to holders of common shares.

Closing of the Supplemental Subscription and each call of the Second Tranche are subject to customary closing conditions, as set out in more detail in the Investment Agreement.

- The Company used US$20,306,032 of the proceeds from the Initial Subscription to repay the Term Loan in full, including related interest.

- On April 1, 2019, the Company notified the Republic of Colombia of its intention to renounce Concession 3452 to mitigate its losses (Note 5).