ECO ORO MINERALS CORP.

Condensed Consolidated Interim Financial Statements

March 31, 2020

(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)

	Note	As at	March 31, 2020 $	December 31, 2019 $
ASSETS				
Current assets				
Cash			8,959	602
Accounts receivable			37	41
Prepaid expenses and deposits			321	887
			9,317	**1,530**
Non-current assets				
Plant and equipment	3		96	112
Exploration and evaluation assets	4		1	1
			97	**113**
TOTAL ASSETS			**9,414**	**1,643**
LIABILITIES				
Current liabilities				
Trade and other payables	5		4,782	5,846
Loan payable	6		-	8,518
Amounts payable on exploration and evaluation asset acquisition	7		752	855
Current portion of site restoration provision	8		177	68
			5,711	**15,287**
Long term liabilities				
Trade and other payables			1,425	1,943
Promissory notes	9		5,976	5,204
Long-term employee benefits			3	3
Site restoration provision	8		2,242	2,654
			9,646	**9,804**
TOTAL LIABILITIES			**15,357**	**25,091**
SHAREHOLDERS' DEFICIENCY				
Share capital	10		324,928	324,928
Contributions from shareholders			27,687	27,687
Contingent value rights	10		46,974	24,294
Equity reserve			31,942	31,942
Deficit			(401,197)	(395,243)
Accumulated other comprehensive loss			(36,277)	(37,056)
TOTAL SHAREHOLDERS' DEFICIENCY			**(5,943)**	**(23,448)**
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY			**9,414**	**1,643**
Nature of operations and going concern	**1**			
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These condensed consolidated interim financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Courtenay Wolfe Director /s/ Rebecca Berrebi 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, 2020	March 31, 2019
	Note	$	$
Exploration and evaluation expenses:			
Administrative expenses		(259)	(192)
Depreciation	3	(3)	(3)
Environmental		(66)	(121)
Legal fees		(256)	(281)
Other exploration and evaluation expenses		(15)	(16)
Salaries and benefits		(197)	(260)
Surface rights		(5)	(5)
		(801)	**(878)**
General and administrative expenses:			
Administrative expenses		(90)	(59)
Legal and professional fees		(5,510)	(3,139)
Management and directors' fees		(251)	(247)
Share-based payments		-	(22)
		(5,851)	**(3,467)**
Other income (expenses)			
Finance costs	6, 9	(334)	(3,109)
Foreign exchange gain		31	631
Impairment recovery on exploration and evaluation assets	4	902	-
Gain on disposal of plant and equipment		35	-
Other income		64	10
		698	**(2,468)**
Loss for the period		**(5,954)**	**(6,813)**
Other comprehensive income (loss)			
Foreign currency translation differences for foreign operations		779	(23)
Total comprehensive loss		**(5,175)**	**(6,836)**
Loss per share - basic and diluted		**(0.05)**	**(0.06)**
Weighted average number of common shares outstanding - basic and diluted		**106,524,953**	**106,524,953**

(Expressed in thousands of Canadian dollars unless otherwise specified)

		Share capital							
	Note	Number of shares	Amount $	Contributions from shareholders $	Contingent value rights $	Equity reserve $	Deficit $	Accumulated other comprehensive income (loss) $	Total $
Balance at December 31, 2019		**106,524,953**	**324,928**	**27,687**	**24,294**	**31,942**	**(395,243)**	**(37,056)**	**(23,448)**
Issuance of contingent value rights	10	-	-	-	22,680	-	-	-	**22,680**
Loss		-	-	-	-	-	(5,954)	-	**(5,954)**
Other comprehensive income		-	-	-	-	-	-	779	**779**
Balance at March 31, 2020		**106,524,953**	**324,928**	**27,687**	**46,974**	**31,942**	**(401,197)**	**(36,277)**	**(5,943)**

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	-	-	-	-	-	(6,813)	-	**(6,813)**
Other comprehensive loss	-	-	-	-	-	-	(23)	**(23)**
Balance at March 31, 2019	**106,524,953**	**324,928**	**11,285**	**7,525**	**31,932**	**(380,818)**	**(37,422)**	**(42,570)**

Eco Oro Minerals Corp.
Condensed Consolidated Interim Statements of Cash Flows (unaudited)
(Expressed in thousands of Canadian dollars unless otherwise specified)

		For the three months ended	
	Note	March 31, 2020 $	March 31, 2019 $
Cash flow provided from (used by)			
OPERATING ACTIVITIES			
Loss for the period		**(5,954)**	**(6,813)**
Adjustments for items not affecting cash:			
Accretion of interest of convertible notes		-	112
Accretion of interest of loan payable	6	32	-
Accretion of interest of promissory notes	9	294	-
Accretion of interest of secured loan		-	2,995
Depreciation	3	3	3
Impairment recovery on exploration and evaluation assets	4	(902)	-
Gain on disposal of plant and equipment	3	(35)	-
Remediation expenditures		-	(12)
Share-based payments		-	22
Unrealized foreign exchange loss (gain)		508	(543)
Unwinding of discount of site restoration provision	8	28	81
Change in non-cash working capital			
Accounts receivable		2	(28)
Prepaid expenses and deposits		560	(467)
Trade and other payables		(1,142)	3,625
Long-term employee benefits		-	1
Cash flow used in operating activities		**(6,606)**	**(1,024)**
INVESTING ACTIVITIES			
Proceeds on disposition of exploration and evaluation assets, net of tax and transaction costs	4	902	-
Proceeds on disposition of plant and equipment	3	35	-
Cash flow from investing activities		**937**	**-**
FINANCING ACTIVITIES			
Proceeds on issuance of contingent value rights, net of financing costs	10	22,680	-
Repayment of loan payable	6	(8,581)	-
Cash flow from financing activities		**14,099**	**-**
Effects of exchange rate changes on cash		(73)	(42)
Increase (decrease) in cash		**8,357**	**(1,066)**
Cash, beginning of period		**602**	**1,651**
Cash, end of period		**8,959**	**585**
SUPPLEMENTAL CASH FLOW			
Cash paid during the period for interest		90	-
Cash paid during the period for income taxes		-	-

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 audited consolidated financial statements of the Company as at and for the year ended December 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, 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

The Company's ability to continue operations and fund future business activities is dependent on management's ability to secure additional financing. The Company believes it has sufficient cash to meet short-term operating needs for the next 12 months. 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. 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.

1. NATURE OF OPERATIONS AND GOING CONCERN (CONTINUED)

COVID-19

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

With respect to the Company's arbitration claim against Colombia, the Company considers that, due to the advanced stage of the proceeding, the impact of COVID-19 is likely to be insignificant. The final hearing took place in late January 2020 and the Company filed its Post-Hearing Brief (its final written submission) on March 1, 2020, following which the Tribunal began its deliberations prior to issuing a final award. The Company is working closely with legal counsel to consider any possible impacts as a result of COVID-19.

In terms of the closure plan (note 4) submitted in Colombia, COVID-19 may delay the decision to be made by the Colombian authorities.

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, 2019 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 29, 2020.

New accounting standards

There were no new or amended IFRS pronouncements effective January 1, 2020 that impacted these condensed consolidated interim financial statements.

(Expressed in thousands of Canadian dollars unless otherwise specified)

3. PLANT AND EQUIPMENT

	Buildings $	Office equipment $	Total $
Cost			
As at December 31, 2019	126	14	**140**
Effect of movements in exchange rates	(14)	(2)	**(16)**
As at March 31, 2020	**112**	**12**	**124**
Depreciation			
As at December 31, 2019	(18)	(10)	**(28)**
Charged for the period	(2)	(1)	**(3)**
Effect of movements in exchange rates	2	1	**3**
As at March 31, 2020	**(18)**	**(10)**	**(28)**
Net book value			
As at December 31, 2019	108	4	112
As at March 31, 2020	**94**	**2**	**96**

During the three months ended March 31, 2020, the Company disposed plant and equipment with a carrying value of $nil (COP nil) for cash proceeds of $35 (COP 92,000,000); as a result, the Company recognized a gain of disposal of $35 (COP 92,000,000) in the statements of loss and comprehensive loss.

4. EXPLORATION AND EVALUATION ASSETS

Purchase Agreement with Sociedad Minera de Santander S.A.S.

On July 6, 2018, the Company signed a binding asset purchase agreement (the "Purchase Agreement") with Sociedad Minera de Santander S.A.S. ("Minesa") to sell to Minesa the Company's interests in certain mining and land titles located near Minesa's project in the Santander Department of Colombia, along with related technical information and ancillary assets. These titles are unrelated to Eco Oro's Angostura Project and Concession 3452, which are the subject of Eco Oro's ongoing arbitration against Colombia and in relation to which Minesa has acquired no interest. Pursuant to the terms of the Purchase Agreement, Minesa will pay the Company an aggregate purchase price of US$5,000,000 upon completion of the transaction. The transaction will be completed in different phases.

During the three months ended March 31, 2020, the Company completed the second phase of the transfer and received gross proceeds of $902 (US$600,000) from Minesa.

Renunciation of Concession 3452

On April 1, 2019, the Company notified Colombia of its intention to renounce Concession 3452. On May 13, 2019, by Resolution VSC No. 000365, the ANM accepted the renunciation of Concession 3452. The ANM is expected to continue with the administrative procedure for renouncing Concession 3452 in accordance with Law 685 of 2001. On July 5, 2019, the Company submitted the closure plan for 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) for approval.

5. TRADE AND OTHER PAYABLES

	March 31, 2020 $	December 31, 2019 $
Trade payables	2,611	2,940
Accrued liabilities	1,044	1,628
Other payables	2,552	3,221
	6,207	**7,789**
Current	4,782	5,846
Long-term	1,425	1,943
	6,207	**7,789**

The long-term portion of trade and other payables represents the contractual payments, which are due after March 31, 2021, of the Company.

6. LOAN PAYABLE

	US$ (in thousands)	$
As at December 31, 2019	**6,544**	**8,518**
Finance costs	25	32
Payment	(6,569)	(8,581)
Effect of movements in exchange rate	-	31
As at March 31, 2020	**-**	**-**

On December 6, 2019, the Company received a bridge loan in an amount of $8,589 (US$6,500,000) from Trexs Investments, LLC ("Trexs"). The bridge loan bore interest at a rate of 10% per annum

During the three months ended March 31, 2020, the Company recognized an accretion expense of $32 (US$24,832) as finance costs with a corresponding increase in the carrying value of the liability.

On January 14, 2020, the Company repaid the bridge loan in full, with a repayment amount of $8,581 (US$6,569,174).

7. AMOUNTS PAYABLE ON EXPLORATION AND EVALUATION ASSETS ACQUISITION

	COP (in thousands)	$
As at December 31, 2019	**2,150,000**	**855**
Effect of movements in exchange rates	-	(103)
As at March 31, 2020	**2,150,000**	**752**

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 $752 (COP2,150,000,000) is reflected on the statement of financial position as of December 31, 2019 (December 31, 2019 – $855 (COP2,150,000,000)).

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 noncompliance 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 Seventh Civil Circuit Court of Bucaramanga (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. The evidentiary hearing took place on June 7, 2019 before the Court. At the hearing, the Court determined that Eco Oro had not breached the agreement. The claimant filed an appeal against the ruling before the Court. At the hearing held on February 14, 2020, the Superior Court of the Judicial District of Bucaramanga asserted that it was not possible to decide the appeal filed by Mr. Isidoro Garcia, the claimant, against Eco Oro with respect to the claim, which seeks to declare that Eco Oro failed to pay the purchase price of the property called "Las Puentes". The above, taking into account that the claim filed by Mr. García must be on hold until the lawsuit to claim damages for overpricing ("Lesión Enorme" – a claim that seeks that a transaction be rescinded on the basis of a grossly unfair price), initiated by Eco Oro against Mr. Isidoro Garcia, be decided. In accordance with the above, once the process of "Lesion Enorme" is decided by the Superior Court, the breach claim should be resumed in order for a final decision to be issued with respect to the claim for breach before the same Superior Court.

8. SITE RESTORATION PROVISION

	$
Beginning	**2,722**
Unwinding of discount	28
Effect of movements in exchange rates	(331)
Ending	**2,419**
Current portion	177
Long-term portion	2,242
	2,419
Undiscounted liability for site restoration	2,624

9. PROMISSORY NOTES

	US$ (in thousands)	$
As at December 31, 2019	**3,999**	**5,204**
Finance costs	219	294
Effect of movements in exchange rates	-	478
As at March 31, 2020	**4,218**	**5,976**

During the three months ended March 31, 2020, accretion expenses of $294 (US$219,315) were recorded as finance costs with a corresponding increase in the carrying value of the liability (March 31, 209 – $nil).

As at March 31, 2020, the carrying value of the promissory notes is $5,976 (US$4,217,766) (December 31, 2019 – $5,204 (US$3,998,451)).

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, 2020 and December 31, 2019, the Company had 106,524,953 common shares issued and outstanding with a value of $324,928.

During the three months ended March 31, 2020 and 2019, no share capital transactions occurred.

10. DEFICIENCY (CONTINUED)

Contingent Value Rights (the "CVRs")

On January 10, 2020, the Company entered into an investment agreement with Trexs (the "2020 Investment Agreement"), pursuant to which Trexs and eligible CVRs holders were entitled to participate in a private placement (the "2020 Private Placement") for of up to US$20,000,000 of contingent value right certificates (the "2020 CVRs").

The 2020 Private Placement was completed in two stages, as follows:

- On January 13, 2020, the Company issued $21,221 (US$16,258,890) of 2020 CVRs; and
- On February 4 ,2020, the Company issued $2,292 (US$1,725,370) of 2020 CVRs.

In connection with the 2020 Private Placement, the Company incurred issuance costs of $833 which are recorded as a reduction of the carrying value of the 2020 CVRs.

Holders of the 2020 CVRs are entitled to receive an amount of money from the proceeds of the ICSID Arbitration Claim (the "Claim Proceeds"), with the amount they are entitled to receive (the "2020 Total CVR Amount") to be based on the amount of time between the closing of the 2020 Private Placement and payment of the Claim Proceeds. As the 2020 Total CVR Amount will be funded by the re-direction of amounts to which the holders of contingent value right certificates issued in 2016, as subsequently amended in Year 2019, and holders of contingent value right certificates issued in 2019, the 2020 Private Placement will not have any impact on the amount of Claim Proceeds (if any) retained by the Company.

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, 2020 and 2019.

(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, 2020:

Expiry date	Exercise price ($)	Options outstanding	Options exercisable	Estimated grant date fair value ($)	Weighted average remaining contractual life (in years)
September 2, 2020	0.50	872,000	872,000	361,967	0.42
October 7, 2020	0.63	200,000	200,000	90,020	0.52
May 8, 2022	0.49	1,480,000	1,480,000	517,768	2.10
		2,552,000	**2,552,000**	**969,755**	**1.41**
Weighted average exercise price ($)		**0.50**	**0.50**		

11. RELATED PARTIES

Subsidiaries

	Ownership interest at	
	March 31, 2020	**December 31, 2019**
	$	**$**
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, 2020 and 2019, the short-term benefits incurred for the key management personnel were $285 and $280, 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 two months of their base compensation by way of lump sum payment.

(Expressed in thousands of Canadian dollars unless otherwise specified)

11. RELATED PARTIES (CONTINUED)

Transactions and balances

The aggregate value of transactions with other current and former related parties, including entities over which key management personnel have or had control or significant influence, is as follows:

	For the three months ended	
	March 31, 2020	March 31, 2019
	$	$
Canopy Capital Ltd. ("Canopy")		
Directors' fees	25	25
Croftcap Inc. ("Croftcap")		
Directors' fees	25	25
Eric T Consulting Corp.		
Professional fees	34	-
Fintec Holdings Corp. ("Fintec")		
Management fees	130	128
Quantum Advisory Partners LLP ("Quantum")		
Management and professional fees	45	79
Trexs Investments, LLC ("Trexs")		
Finance costs	-	2,995
	259	**3,252**

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

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.

Eric T Consulting Corp. is a company owned by the Company's Chief Financial Officer (CFO), Eric Tsung. The services provided by Eric T Consulting Corp. were in the normal course of operations related to CFO, accounting and corporate secretarial services.

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.

Quantum is a limited liability partnership of which the Company's Chief Executive Officer (CEO) is the incorporated partner. The services provided by Quantum were in the normal course of operations related to CEO and management services.

11. RELATED PARTIES (CONTINUED)

Transactions and balances (continued)

The balances due to the Company's directors and officer included in accounts payables and accrued liabilities were $64 as at March 31, 2020 (December 31, 2019 – $342), which were paid subsequent to March 31, 2020. These amounts are unsecured, non-interest bearing and payable on demand.

12. COMMITMENTS AND CONTINGENCIES

Management Incentive Plan

During the year ended December 31, 2017, the Company implemented a management incentive plan (the "MIP") to incentivize certain key personnel toward the effective prosecution and collection of the ICSID Arbitration Claim.

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 ICSID Arbitration Claim.

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 ICSID Arbitration Claim.

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.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Contingencies (continued)

La Plata Mining Title Assignment (continued)

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. 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.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

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 social and economic 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.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Uncertainties (continued)

Páramo ecosystem boundaries (continued)

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.

The ANM subsequently indicated through a series of inconsistent decisions that Eco Oro may also have been prohibited from carrying out mining activities within the “restoration” zone of the Santurbán Páramo. The ANM’s responses, however, did not provide 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 could 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 was subsequently granted two extensions to the deadline for carrying out the new delimitation of the Santurbán Páramo: first, until July 2019, and subsequently, until December 2019. To date, the Colombian Government has still not completed the new delimitation of the Santurbán Páramo.

The Court noted that the new delimitation cannot provide a lesser degree of protection to the Santurbán Páramo than the original delimitation such that the new delimitation could result in more significant mining restrictions in the area of Concession 3452.

As a consequence of these uncertainties, the relevant environmental authorities informed the Company that the Angostura project could not be licensed. Ultimately, as discussed above, Eco Oro renounced Concession 3452 in April 2019.

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.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Uncertainties (continued)

Páramo ecosystem boundaries (continued)

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. On June 1, 2019, the Company filed its Reply Memorial. On October 9, 2019, Colombia filed its Rejoinder on the Merits. On December 5, 2019, the Company filed its Rejoinder on Jurisdiction. The final hearing took place in Washington, D.C. from January 20 to 24, 2020, and on March 1, 2020, the Company filed its Post-Hearing Brief. The Company is seeking US$696 million plus interest at a rate of 6.6 percent per annum, compounded semi-annually, 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.

13. 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.

14. 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, 2020, 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.

(Expressed in thousands of Canadian dollars unless otherwise specified)

15. 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, 2020		FVTPL $	Amortized costs $	FVTOCI $
Financial assets:				
ASSETS				
Cash	8,959	-	8,959	-
Accounts receivable	37	-	37	-
Financial liabilities:				
LIABILITIES				
Trade and other payables	6,207	-	6,207	-
Amounts payable on exploration and evaluation asset acquisition	752	-	752	-
Promissory notes	5,976	-	5,976	-

December 31, 2019		FVTPL $	Amortized costs $	FVTOCI $
Financial assets:				
ASSETS				
Cash	602	-	602	-
Accounts receivable	41	-	41	-
Financial liabilities:				
LIABILITIES				
Trade and other payables	7,789	-	7,789	-
Loan payable	8,518	-	8,518	-
Amounts payable on exploration and evaluation asset acquisition	855	-	855	-
Promissory notes	5,204	-	5,204	-

15. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value (continued)

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 March 31, 2020 and December 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.

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, amounts payable on exploration and evaluation asset acquisition, loan payable and promissory 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 and promissory notes are held in CAD, USD and COP; therefore, USD and COP accounts are subject to fluctuation against the Canadian dollar.

Based on the financial position of the Company as at March 31, 2020, 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 $395.

The Company does not invest in derivatives to mitigate these risks.

15. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Market risk (continued)

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 $8,959 as at March 31, 2020, an increase or decrease in the annual interest rate of 1% would result in a corresponding increase or decrease of annual interest income by $90.

The Company's promissory notes and loan payable 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.

Liquidity risk

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

As at March 31, 2020, all of the Company's other financial liabilities except for the promissory notes have maturities less than one year. As at March 31, 2020, the Company had cash of $8,959 in order to meet short-term operating needs.