



**ECO ORO MINERALS CORP.**

**Condensed Consolidated Interim Financial Statements**

**June 30, 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)*

	As at	June 30, 2020	December 31, 2019
Note		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		7,005	602
Accounts receivable		28	41
Prepaid expenses and deposits		229	887
		<b>7,262</b>	<b>1,530</b>
<b>Non-current assets</b>			
Plant and equipment	3	98	112
Exploration and evaluation assets	4	1	1
		<b>99</b>	<b>113</b>
<b>TOTAL ASSETS</b>		<b>7,361</b>	<b>1,643</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	5	3,909	5,846
Loan payable	6	-	8,518
Amounts payable on exploration and evaluation asset acquisition	7	783	855
Current portion of site restoration provision	8	339	68
		<b>5,031</b>	<b>15,287</b>
<b>Long term liabilities</b>			
Trade and other payables		1,189	1,943
Promissory notes	9	6,069	5,204
Long-term employee benefits		3	3
Site restoration provision	8	2,206	2,654
		<b>9,467</b>	<b>9,804</b>
<b>TOTAL LIABILITIES</b>		<b>14,498</b>	<b>25,091</b>
<b>SHAREHOLDERS' DEFICIENCY</b>			
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		(402,202)	(395,243)
Accumulated other comprehensive loss		(36,466)	(37,056)
<b>TOTAL SHAREHOLDERS' DEFICIENCY</b>		<b>(7,137)</b>	<b>(23,448)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		<b>7,361</b>	<b>1,643</b>
<b>Nature of operations and going concern</b>	<b>1</b>		
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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/ Blair Wallace Director

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

**Eco Oro Minerals Corp.**
**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)**
*(Expressed in thousands of Canadian dollars unless otherwise specified)*

	Note	For the three months ended		For the six months ended	
		June 30,	June 30,	June 30,	June 30,
		2020	2019	2020	2019
		\$	\$	\$	\$
<b>Exploration and evaluation expenses:</b>					
Administrative expenses		(117)	(235)	(376)	(427)
Depreciation	3	(2)	(3)	(5)	(6)
Environmental		(41)	(89)	(107)	(210)
Legal fees		(10)	(200)	(266)	(481)
Other exploration and evaluation expenses		(9)	(19)	(24)	(35)
Salaries and benefits		(208)	(249)	(405)	(509)
Surface rights		(3)	(6)	(8)	(11)
		<b>(390)</b>	<b>(801)</b>	<b>(1,191)</b>	<b>(1,679)</b>
<b>General and administrative expenses:</b>					
Administrative expenses		(71)	(84)	(161)	(143)
Legal and professional fees		(120)	(5,368)	(5,630)	(8,507)
Management and directors' fees		(98)	(250)	(349)	(497)
Share-based payments		-	(10)	-	(32)
		<b>(289)</b>	<b>(5,712)</b>	<b>(6,140)</b>	<b>(9,179)</b>
<b>Other income (expenses)</b>					
Finance costs	6, 9	(327)	(4,182)	(661)	(7,291)
Foreign exchange gain (loss)		(2)	163	29	794
Gain on modification of convertible notes	2	-	400	-	400
Impairment recovery on exploration and evaluation assets	4	-	-	902	-
Gain on disposal of plant and equipment		-	-	35	-
Other income		3	15	67	25
		<b>(326)</b>	<b>(3,604)</b>	<b>372</b>	<b>(6,072)</b>
<b>Loss for the period</b>	<b>2</b>	<b>(1,005)</b>	<b>(10,117)</b>	<b>(6,959)</b>	<b>(16,930)</b>
<b>Other comprehensive income (loss)</b>					
Foreign currency translation differences for foreign operations		(189)	(1)	590	(24)
<b>Total comprehensive loss</b>	<b>2</b>	<b>(1,194)</b>	<b>(10,118)</b>	<b>(6,369)</b>	<b>(16,954)</b>
<b>Loss per share - basic and diluted</b>		<b>(0.01)</b>	<b>(0.09)</b>	<b>(0.06)</b>	<b>(0.16)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>		<b>106,524,953</b>	<b>106,524,953</b>	<b>106,524,953</b>	<b>106,524,953</b>

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 Deficiency (unaudited)

(Expressed in thousands of Canadian dollars unless otherwise specified)

	Note	Share capital		Contributions from shareholders	Contingent value rights	Equity reserve	Deficit	Accumulated other comprehensive income (loss)	Total
		Number of shares	Amount						
			\$	\$	\$	\$	\$	\$	\$
<b>Balance at December 31, 2019</b>		<b>106,524,953</b>	<b>324,928</b>	<b>27,687</b>	<b>24,294</b>	<b>31,942</b>	<b>(395,243)</b>	<b>(37,056)</b>	<b>(23,448)</b>
Issuance of contingent value rights	10	-	-	-	22,680	-	-	-	22,680
Loss		-	-	-	-	-	(6,959)	-	(6,959)
Other comprehensive income		-	-	-	-	-	-	590	590
<b>Balance at June 30, 2020</b>		<b>106,524,953</b>	<b>324,928</b>	<b>27,687</b>	<b>46,974</b>	<b>31,942</b>	<b>(402,202)</b>	<b>(36,466)</b>	<b>(7,137)</b>

  

<b>Balance at December 31, 2018</b>		<b>106,524,953</b>	<b>324,928</b>	<b>11,285</b>	<b>7,525</b>	<b>31,910</b>	<b>(374,005)</b>	<b>(37,399)</b>	<b>(35,756)</b>
Issuance of contingent value rights		-	-	-	16,769	-	-	-	16,769
Issuance of promissory notes		-	-	16,841	-	-	-	-	16,841
Amendment of convertible notes		-	-	(439)	-	-	439	-	-
Share-based payments		-	-	-	-	32	-	-	32
Net loss		-	-	-	-	-	(16,930)	-	(16,930)
Other comprehensive income		-	-	-	-	-	-	(24)	(24)
<b>Balance at June 30, 2019</b>		<b>106,524,953</b>	<b>324,928</b>	<b>27,687</b>	<b>24,294</b>	<b>31,942</b>	<b>(390,496)</b>	<b>(37,423)</b>	<b>(19,068)</b>

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

**Eco Oro Minerals Corp.**

## Condensed Consolidated Interim Statements of Cash Flows (unaudited)

*(Expressed in thousands of Canadian dollars unless otherwise specified)*

		For the six months ended	
		June 30, 2020	June 30, 2019
	Note	\$	\$
<b>Cash flow provided from (used by)</b>			
<b>OPERATING ACTIVITIES</b>			
Loss for the period	2	(6,959)	(16,930)
<b>Adjustments for items not affecting cash:</b>			
Accretion of interest of convertible notes		-	123
Accretion of interest of loan payable	6	32	-
Accretion of interest of promissory notes	9	615	231
Accretion of interest of secured loan		-	3,260
Depreciation	3	5	6
Impairment recovery on exploration and evaluation assets	4	(902)	-
Gain on disposal of plant and equipment	3	(35)	-
Gain on modification of convertible notes	2	-	(400)
Remediation expenditures		-	(15)
Share-based payments		-	32
Unrealized foreign exchange loss (gain)		280	(641)
Unwinding of discount of site restoration provision	8	55	154
<b>Change in non-cash working capital</b>			
Accounts receivable		12	(29)
Prepaid expenses and deposits		657	315
Trade and other payables		(2,375)	7,398
Long-term employee benefits		-	1
<b>Cash flow used in operating activities</b>		<b>(8,615)</b>	<b>(6,495)</b>
<b>INVESTING ACTIVITIES</b>			
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	-
<b>Cash flow from investing activities</b>		<b>937</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds on issuance of contingent value rights, net of financing costs	10	22,680	16,769
Repayment of secured loan		-	(27,106)
Repayment of loan payable	6	(8,581)	-
<b>Cash flow from financing activities</b>		<b>14,099</b>	<b>9,012</b>
<b>Effects of exchange rate changes on cash</b>		<b>(18)</b>	<b>(312)</b>
<b>Increase in cash</b>		<b>6,403</b>	<b>2,205</b>
<b>Cash, beginning of period</b>		<b>602</b>	<b>1,651</b>
<b>Cash, end of period</b>		<b>7,005</b>	<b>3,856</b>

Supplementary cash flow information

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## **Eco Oro Minerals Corp.**

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2020

*(Expressed in thousands of Canadian dollars unless otherwise specified)*

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### **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.



**Eco Oro Minerals Corp.**

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2020

*(Expressed in thousands of Canadian dollars unless otherwise specified)*

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**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 August 19, 2020.

**Restatement of consolidated financial information for the six months ended June 30, 2019**

During the six months ended June 30, 2019, the Company recognized a gain on modification of convertible notes of \$839, of which \$400 was considered to be a liability component and \$439 was considered to be an equity component, in the statements of loss and comprehensive loss.

In compliance with IFRS 9 Financial instruments, during the audit for the year ended December 31, 2019, the Company recognized the liability component of \$400 in the statements of loss and comprehensive loss and re-allocated the equity component of \$439 directly to the deficit.

The Company restated the financial information for the six months ended June 30, 2019 to reflect the effect of the adjustments described above.

**Eco Oro Minerals Corp.**

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2020

*(Expressed in thousands of Canadian dollars unless otherwise specified)***2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION****Restatement of consolidated financial information for the six months ended June 30, 2019 (continued)**

The following table summarizes the impact of the statements of loss and comprehensive loss for the three months and six months ended June 30, 2020 and the statements of cash flow for the six months ended June 30, 2019:

**Effect on statements of loss and comprehensive loss**

	For the six months ended June 30, 2019		
	As previously presented	Change	As restated
	\$	\$	\$
Gain on modification of convertible notes	839	(439)	400
Loss for the period	(16,491)	(439)	(16,930)
Total comprehensive loss	(16,515)	(439)	(16,954)

	For the three months ended June 30, 2019		
	As previously presented	Change	As restated
	\$	\$	\$
Gain on modification of convertible notes	839	(439)	400
Loss for the period	(9,678)	(439)	(10,117)
Total comprehensive loss	(9,679)	(439)	(10,118)

**Effect on statements of cash flows**

	For the six months ended June 30, 2019		
	As previously presented	Change	As restated
	\$	\$	\$
<b>OPERATING ACTIVITIES</b>			
Loss for the period	(16,491)	(439)	(16,930)
Gain on modification of convertible notes	(839)	439	(400)
Cash flow used in operating activities	(6,495)	-	(6,495)

There were no changes in cash flows provided by investing and financing activities.

**New accounting standards**

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

**Eco Oro Minerals Corp.**

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2020

*(Expressed in thousands of Canadian dollars unless otherwise specified)***3. PLANT AND EQUIPMENT**

	Buildings \$	Office equipment \$	Total \$
<b>Cost</b>			
As at December 31, 2019	126	14	140
Effect of movements in exchange rates	(10)	(1)	(11)
<b>As at June 30, 2020</b>	<b>116</b>	<b>13</b>	<b>129</b>
<b>Depreciation</b>			
As at December 31, 2019	(18)	(10)	(28)
Charged for the period	(3)	(2)	(5)
Effect of movements in exchange rates	1	1	2
<b>As at June 30, 2020</b>	<b>(20)</b>	<b>(11)</b>	<b>(31)</b>
<b>Net book value</b>			
As at December 31, 2019	108	4	112
<b>As at June 30, 2020</b>	<b>96</b>	<b>2</b>	<b>98</b>

During the six months ended June 30, 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 six months ended June 30, 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.

**Eco Oro Minerals Corp.**

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2020

*(Expressed in thousands of Canadian dollars unless otherwise specified)***5. TRADE AND OTHER PAYABLES**

	June 30, 2020	December 31, 2019
	\$	\$
Trade payables	2,527	2,940
Accrued liabilities	206	1,628
Other payables	2,365	3,221
	<b>5,098</b>	<b>7,789</b>
Current	3,909	5,846
Long-term	1,189	1,943
	<b>5,098</b>	<b>7,789</b>

The long-term portion of trade and other payables represents the contractual payments, which are due after June 30, 2021, of the Company.

**6. LOAN PAYABLE**

	US\$ (in thousands)	\$
<b>As at December 31, 2019</b>	<b>6,544</b>	<b>8,518</b>
Finance costs	25	32
Payment	(6,569)	(8,581)
Effect of movements in exchange rate	-	31
<b>As at June 30, 2020</b>	<b>-</b>	<b>-</b>

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

During the six months ended June 30, 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).

**Eco Oro Minerals Corp.**

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2020

*(Expressed in thousands of Canadian dollars unless otherwise specified)***7. AMOUNTS PAYABLE ON EXPLORATION AND EVALUATION ASSETS ACQUISITION**

	COP (in thousands)	\$
<b>As at December 31, 2019</b>	<b>2,150,000</b>	<b>855</b>
Effect of movements in exchange rates	-	(72)
<b>As at June 30, 2020</b>	<b>2,150,000</b>	<b>783</b>

The balance of \$783 (COP2,150,000,000) as of June 30, 2020 represents outstanding payments in relation to the Company's purchase of real property in 2009, which are currently pending until a dispute between the vendors of the property and unrelated group is settled (December 31, 2019 – \$855 (COP2,150,000,000)).

**8. SITE RESTORATION PROVISION**

	\$
<b>Beginning</b>	<b>2,722</b>
Unwinding of discount	55
Effect of movements in exchange rates	(232)
<b>Ending</b>	<b>2,545</b>
Current portion	339
Long-term portion	2,206
	<b>2,545</b>
Undiscounted liability for site restoration	2,733

**9. PROMISSORY NOTES**

	US\$ (in thousands)	\$
<b>As at December 31, 2019</b>	<b>3,999</b>	<b>5,204</b>
Finance costs	451	615
Effect of movements in exchange rates	-	250
<b>As at June 30, 2020</b>	<b>4,450</b>	<b>6,069</b>

During the six months ended June 30, 2020, accretion expenses of \$615 (US\$450,710) were recorded as finance costs with a corresponding increase in the carrying value of the liability (June 30, 2020 – \$231 (US\$172,940)).

As at June 30, 2020, the carrying value of the promissory notes is \$6,069 (US\$4,449,161) (December 31, 2019 – \$5,204 (US\$3,998,451)).

## **Eco Oro Minerals Corp.**

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2020

*(Expressed in thousands of Canadian dollars unless otherwise specified)*

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### **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 June 30, 2020 and December 31, 2019, the Company had 106,524,953 common shares issued and outstanding with a value of \$324,928.

During the six months ended June 30, 2020 and 2019, no share capital transactions occurred.

#### **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 2019, and holders of contingent value right certificates issued in 2019 would otherwise be entitled, 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.

**Eco Oro Minerals Corp.**

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2020

*(Expressed in thousands of Canadian dollars unless otherwise specified)***10. DEFICIENCY (CONTINUED)****Stock option plan (continued)**

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 six months ended June 30, 2020 and 2019.

The following summarizes information about stock options outstanding and exercisable at June 30, 2020:

<b>Expiry date</b>	<b>Exercise price (\$)</b>	<b>Options outstanding</b>	<b>Options exercisable</b>	<b>Estimated grant date fair value (\$)</b>	<b>Weighted average remaining contractual life (in years)</b>
September 2, 2020	0.50	872,000	872,000	361,967	0.18
October 7, 2020	0.63	200,000	200,000	90,020	0.27
May 8, 2022	0.49	1,480,000	1,480,000	517,768	1.85
		<b>2,552,000</b>	<b>2,552,000</b>	<b>969,755</b>	<b>1.16</b>
<b>Weighted average exercise price (\$)</b>		<b>0.50</b>	<b>0.50</b>		

**11. SUPPLEMENTARY CASH FLOW INFORMATION**

	<b>For the six months ended</b>	
	<b>June 30, 2020</b>	<b>June 30, 2019</b>
	<b>\$</b>	<b>\$</b>
De-recognition of carrying value of convertible debentures on conversion to promissory notes	-	2,466
Reclassification of contribution from shareholders of promissory notes	-	16,841
Reclassification of contributions from shareholders to deficit due to the amendment of convertible debentures	-	439
Cash paid during the period for interest	90	-
Cash paid during the period for income taxes	-	-

**Eco Oro Minerals Corp.**

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2020

*(Expressed in thousands of Canadian dollars unless otherwise specified)***12. RELATED PARTIES****Subsidiaries**

	Ownership interest at	
	June 30, 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 six months ended June 30, 2020 and 2019, the short-term benefits incurred for the key management personnel were \$416 and \$559, 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.

**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 six months ended	
	June 30, 2020	June 30, 2019
	\$	\$
<b>Canopy Capital Ltd. ("Canopy")</b>		
Directors' fees	41	50
<b>Croftcap Inc. ("Croftcap")</b>		
Directors' fees	41	50
<b>Eric T Consulting Corp.</b>		
Professional fees	68	-
<b>Fintec Holdings Corp. ("Fintec")</b>		
Management fees	155	262
<b>Quantum Advisory Partners LLP ("Quantum")</b>		
Management and professional fees	70	176
<b>Trexs Investments, LLC ("Trexs")</b>		
Finance costs	-	3,260
	<b>375</b>	<b>3,798</b>

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



**Eco Oro Minerals Corp.**

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2020

*(Expressed in thousands of Canadian dollars unless otherwise specified)*

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**12. RELATED PARTIES (CONTINUED)**

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.

The balances due to the Company's directors and officer included in accounts payables and accrued liabilities were \$nil as at June 30, 2020 (December 31, 2019 – \$342).

**13. 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**

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.

## **Eco Oro Minerals Corp.**

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2020

*(Expressed in thousands of Canadian dollars unless otherwise specified)*

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### **13. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

#### **Uncertainties**

##### **Páramo ecosystem boundaries**

As described in note 1, the Company filed a request for arbitration ICSID against Colombia on December 9, 2016.

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.

### **14. 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.

### **15. CAPITAL MANAGEMENT**

The Company's objective when managing capital is to maintain adequate levels of funding in order to safeguard the Company's ability to continue as a going concern, fund its planned activities and commitments and retain financial flexibility to respond to unforeseen future events and circumstances. The Company manages and makes adjustments to its capital structure based on the level of funds on hand and anticipated future expenditures. In order to maintain or adjust the capital structure, the Company has, when required, raised additional capital from shareholders. The Company has not paid dividends, nor returned capital to shareholders to date. As at June 30, 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.

**Eco Oro Minerals Corp.**

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2020

*(Expressed in thousands of Canadian dollars unless otherwise specified)***16. 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:

	June 30, 2020	FVTPL \$	Amortized costs \$	FVTOCI \$
<b>Financial assets:</b>				
<b>ASSETS</b>				
Cash	7,005	-	7,005	-
Accounts receivable	28	-	28	-
<b>Financial liabilities:</b>				
<b>LIABILITIES</b>				
Trade and other payables	5,098	-	5,098	-
Amounts payable on exploration and evaluation asset acquisition	783	-	783	-
Promissory notes	6,069	-	6,069	-
	December 31, 2019	FVTPL \$	Amortized costs \$	FVTOCI \$
<b>Financial assets:</b>				
<b>ASSETS</b>				
Cash	602	-	602	-
Accounts receivable	41	-	41	-
<b>Financial liabilities:</b>				
<b>LIABILITIES</b>				
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	-

**Eco Oro Minerals Corp.**

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2020

*(Expressed in thousands of Canadian dollars unless otherwise specified)*

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**16. 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 June 30, 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 June 30, 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 \$486.

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

**Eco Oro Minerals Corp.**

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2020

*(Expressed in thousands of Canadian dollars unless otherwise specified)*

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**16. 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 \$7,005 as at June 30, 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 \$70.

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 June 30, 2020, all of the Company's other financial liabilities except for the promissory notes have maturities less than one year. As at June 30, 2020, the Company had cash of \$7,005 in order to meet short-term operating needs.