ECO ORO MINERALS CORP.

Management's Discussion and Analysis

June 30, 2020

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INTRODUCTION

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Eco Oro Minerals Corp. ("Eco Oro", "we", "our" or the "Company"), our operations, financial performance, and current and future business environment. This MD&A is intended to supplement and complement the consolidated financial statements and notes thereto prepared in accordance with International Financial Reporting Standards ("IFRS") for the six months ended June 30, 2020. This MD&A should be read in conjunction with our unaudited condensed consolidation interim financial statements for the six months ended June 30, 2020 and our annual audited consolidated financial statements for the year ended December 31, 2019, each of which are available on the SEDAR website at www.sedar.com.

This MD&A is prepared as of August 19, 2020. All dollar amounts in this MD&A are expressed in thousands of Canadian dollars, unless otherwise specified. United States dollars and Colombian pesos are referred to as "US$" and "COP," respectively.

OVERVIEW

Eco Oro is a Canadian publicly-listed, precious metals exploration and development company. For over two decades, the Company's focus has primarily been its wholly-owned Angostura gold-silver deposit (the "Angostura Project"), located in northeastern Colombia, during which time it has invested a significant amount in the project's development and in that of the surrounding communities. Historically, the Company has aimed to maximize long-term value for its shareholders by developing its Angostura Project and its satellite prospects through to construction and mining. Despite the Company having diligently complied with Colombian regulations and its obligations under its mining titles, recent measures of the Republic of Colombia ("Colombia") have deprived Eco Oro of its rights and rendered the Angostura Project unviable. As explained below, these measures are now the subject of a dispute between Eco Oro and the Colombia under the Free Trade Agreement between Canada and Colombia signed on November 21, 2008 (the "Free Trade Agreement").

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

While the Company's primary objective was historically the development of the Angostura Project, in light of Colombia's measures, the ICSID Arbitration is now the core focus of the Company.

HIGHLIGHTS

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

  The 2020 Private Placement was completed in two stages.

  - On January 13, 2020, the Company issued US$16,258,890 of 2020 CVRs.

  - On February 4, 2020, the Company issued US$1,725,370 of 2020 CVRs.

Holders of the 2020 CVRs are entitled to receive an amount of money from the proceeds of the ICSID Arbitration (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.

- On January 14, 2020, the Company used proceed from the 2020 Private Placement to repay a bridge loan received from Trexs in 2019 (the "2019 Bridge Loan") in full, with a repayment amount of $8,581 (US$6,569,174).

- The final hearing in the ICSID Arbitration took place in Washington, D.C. from January 20 to 24, 2020.

- On March 1, 2020, the Company filed its Post-Hearing Brief in the ICSID Arbitration.

- On March 18, 2020, the Company completed the second phase of a transfer of property to Minesa, a Colombian gold mining company with a project neighboring Eco Oro's Angostura Project, and received gross proceeds of $902 (US$600,000) from Minesa.

- On July 31, 2020, Blair Wallace was appointed to the Company's board of directors to fill the vacancy created by the resignation of Rebecca Berrebi.

ICSID ARBITRATION

Status of the ICSID Arbitration

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

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

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.

OUTLOOK

Notwithstanding the continuation of the ICSID Arbitration, the Company remains open to engagement with the Colombian authorities in order to achieve an amicable resolution of the dispute.

In the meantime, the Company's immediate plans for the ensuing year are as follows:

- to advance the ICSID Arbitration;
- to continue to assess the Company's activities, including monetization of certain of the Company's assets (including the potential disposition of assets, plant and equipment acquired for the Project) and cost-reduction to support the preservation of its core assets and rights, in an effort to mitigate losses;
- to carefully manage its cash resources;
- to continue to assess the Company's mining titles and related ongoing regulatory requirements; and
- the protection of its rights and interests in Colombia.

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 submitted closure plan in Colombia, COVID-19 may delay the decision to be made by the Colombian authorities.

(Expressed in thousands of Canadian dollars unless otherwise specified)

RESULTS OF OPERATIONS

Selected Financial Information

	For the six months ended		
	June 30, 2020	**June 30, 2019**	**June 30, 2018**
	$	**$**	**$**
Exploration and evaluation expenses	1,191	1,679	1,511
General and administrative expenses	6,140	9,179	5,639
Other expenses (income)	(372)	6,072	3,327
Net loss	(6,959)	(16,930)	(10,477)
Total comprehensive loss	(6,369)	(16,954)	(10,907)
Basic and diluted loss per share	(0.06)	(0.16)	(0.09)

As at	**June 30, 2020**	**December 31, 2019**	**December 31, 2018**
	$	**$**	**$**
Working capital	2,231	(13,757)	(28,319)
Total assets	7,361	1,643	2,295
Total liabilities	14,498	25,091	38,051
Share capital	324,928	324,928	324,928
Deficit	(402,202)	(395,243)	(374,005)

The increase in total assets and decrease in total liabilities during the six months ended June 30, 2020 is mainly due to the completion of the 2020 Private Placement and the repayment of the 2019 Bridge Loan. The decrease in total assets during the year ended December 31, 2019 is mainly due to the repayment of the secured term loan payable and cash used in operating activities which was partially offset by the amount raised from the private placement completed in Year 2019 and the 2019 Bridge Loan received from Trexs on December 6, 2019. The increase in loss and comprehensive loss during the six months ended June30, 2019 is mainly due to legal fees and other professional fees associated with Colombian regulatory compliance and legal advice provided in relation to the ICSID Arbitration. The Company has no operating revenue and relies primarily on financing activities to fund its activities. There have been no distributions or cash dividends declared for the periods presented.

(Expressed in thousands of Canadian dollars unless otherwise specified)

Summary of Quarterly Results

The following table summarizes the Company's results of operations for the last eight quarters:

	Three months ended			
	June 30, 2020	**March 31, 2020**	**December 31, 2019**	**September 30, 2019**
	$	**$**	**$**	**$**
Exploration and evaluation expenses	390	801	(1,850)	592
General and administrative expenses	289	5,851	3,942	1,112
Other expenses	326	(698)	561	829
Net loss	(1,005)	(5,954)	(2,653)	(2,533)
Basic and diluted loss per share	(0.01)	(0.05)	(0.03)	(0.02)

	Three months ended			
	June 30, 2019	**March 31, 2019**	**December 31, 2018**	**September 30, 2018**
	$	**$**	**$**	**$**
Exploration and evaluation expenses	801	878	888	988
General and administrative expenses	5,712	3,467	912	1,102
Other expenses	3,604	2,468	3,245	1,712
Net loss	(10,077)	(6,813)	(5,045)	(3,802)
Basic and diluted loss per share	(0.09)	(0.06)	(0.05)	(0.04)

Except for the change in environmental expenses during the three months ended December 31, 2019 due to the submitted closure plan, the Company's exploration and evaluation expenditures have remained at relatively constant levels in the past eight quarters, due to cost reduction initiatives implemented in 2017.

Except for the significant increase in legal fees and other expenses associated with the litigation and settlement agreement the Company entered into on July 31, 2017, the Company's general and administrative costs are mainly related to the ongoing arbitration and administrative costs.

"Other expenses (income)" mainly consists of finance costs, foreign exchange gain (loss), gain (loss) on disposal of plant and equipment, impairment loss on plant and equipment, loss of modification of Term Loan and convertible notes and currency exchange gain (loss). Finance costs are mainly due to the interest of the convertible notes, loan payable, Term Loan and promissory notes.

Financial Performance for the three months and six months ended June 30, 2020 and 2019

During the three months ended June 30, 2020, the Company incurred a net loss of $1,005 representing a decrease of $9,112 compared to a net loss of $10,117 during the three months ended June 30, 2019.

During the six months ended June 30, 2020, the Company incurred a net loss of $6,959 representing a decrease of $9,971 compared to a net loss of $16,930 during the six months ended June 30, 2019.

(Expressed in thousands of Canadian dollars unless otherwise specified)

The decrease in net loss is primarily due to the decrease in the legal fees and other professional fees associated with Colombian regulatory compliance and legal advice provided in relation to the ICSID Arbitration and finance costs.

Exploration and evaluation expenses

The following table summarizes the Company's exploration and evaluation expenses for the relevant periods:

	For the three months ended			For the six months ended		
	June 30, 2020 $	June 30, 2019 $	Change $	June 30, 2020 $	June 30, 2019 $	Change $
Administrative expenses	117	235	(118)	376	427	(51)
Depreciation	2	3	(1)	5	6	(1)
Environmental	41	89	(48)	107	210	(103)
Legal fees	10	200	(190)	266	481	(215)
Other exploration and evaluation expenses	9	19	(10)	24	35	(11)
Salaries and benefits	208	249	(41)	405	509	(104)
Surface rights	3	6	(3)	8	11	(3)
	390	**801**	**(411)**	**1,191**	**1,679**	**(488)**

Administrative expenses include the ongoing administrative costs incurred in Colombia to provide support related to the Company's operations.

Environmental expenses include the impact of the current period's changes in the site restoration provision. The cost estimates are updated periodically to reflect known developments and are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations. The decrease during the three months and six months ended June 30, 2020 was due mainly to the accretion of interest on site restoration provision.

Legal fees are mainly related to the Company's operations and the ICSID Arbitration.

Salaries and benefits are the salaries paid to the employees in Colombia to provide support related to the Company's operations and the ICSID Arbitration.

General and administrative expenses

The following table summarizes the Company's general and administrative expenses for the relevant periods:

	For the three months ended			For the six months ended		
	June 30, 2020 $	June 30, 2019 $	Change $	June 30, 2020 $	June 30, 2019 $	Change $
Administrative expenses	71	84	(13)	161	143	18
Legal and professional fees	120	5,368	(5,248)	5,630	8,507	(2,877)
Management and directors' fees	98	250	(152)	349	497	(148)
Share-based payments	-	10	(10)	-	32	(32)
	289	**5,712**	**(5,423)**	**6,140**	**9,179**	**(3,039)**

(Expressed in thousands of Canadian dollars unless otherwise specified)

Legal fees and other professional fees were primarily associated with Colombian regulatory compliance and legal advice provided in relation to the ICSID Arbitration. The decrease during the three months and six months ended June 30, 2020 is mainly related to the decrease in legal and professional fees related to the arbitration as the hearing was completed in January 2020 and the Post-Hearing Brief was filed on March 1, 2020.

Management and directors' fees were primarily related to management fees paid to the current CEO, the consulting fees paid to the Company's former Chair and the directors fees paid to the current directors.

Other expenses (income)

The following table summarizes the Company's other expenses (income) for the relevant periods:

	For the three months ended			For the six months ended		
	June 30, 2020 $	June 30, 2019 $	Change $	June 30, 2020 $	June 30, 2019 $	Change $
Finance costs	327	4,182	(3,855)	661	7,291	(6,630)
Foreign exchange loss (gain)	2	(163)	165	(29)	(794)	765
Loss (gain) on modification of convertible notes	-	(400)	400	-	(400)	400
Impairment recovery on exploration and evaluation assets	-	-	-	(902)	-	(902)
Gain on disposal of plant and equipment	-	-	-	(35)	-	(35)
Other income	(3)	(15)	12	(67)	(25)	(42)
	326	**3,604**	**(3,278)**	**(372)**	**6,072**	**(6,444)**

Finance and other expenses decreased by $3,855 and $6,630 during the three months and six months ended June 30, 2020 compared to the three months and six months ended June 30, 2019. The repayment of the secured term loan payable on April 9, 2019 resulted the decrease in finance costs during the three months and six months ended June 30, 2020.

Foreign exchange loss (gain) is primarily a result of the translation of the Company's U.S. cash, US$-denominated loans and notes which is denominated in COP into Canadian dollars.

Impairment recovery on exploration and evaluation assets was primarily related to the $902 (US$600,000) received from Minesa. During the six months ended June 30, 2020, the Company completed the second phase of a transfer of property to Minesa, a Colombian gold mining company with a project neighboring Eco Oro's Angostura Project, and received gross proceeds of $902 (US$600,000) from Minesa.

Gain on disposal of plant and equipment was primarily related to the proceeds from the disposition of the plant and equipment in Colombia which were impaired to $nil during the year ended December 31, 2016.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2020, the Company had a working capital of $2,231 (December 31, 2019 – working capital deficiency of $13,757) including cash of $7,005 (December 31, 2019 – $602).

On January 13, 2020, the Company repaid the 2019 Bridge Loan in full with an amount of $8,581 and issued $21,221 (US$16,258,890) of 2020 CVRs pursuant to the first stage of the 2020 Private Placement.

On February 4, 2020, the Company issued $2,292 (US$1,725,370) of the 2020 CVRs pursuant to the second stage of the 2020 Private Placement.

On March 18, 2020, the Company completed the second phase of a transfer of property to Minesa, a Colombian gold mining company with a project neighboring Eco Oro's Angostura Project, and received gross proceeds of $902 (US$600,000) from Minesa.

The Company's ability to continue operations and fund future business activities is dependent on management's ability to secure additional financing. Upon completion of the 2020 Private Placement, 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.

COMMITMENTS, CONTRACTUAL OBLIGATIONS & 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.

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.

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

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 as 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.

OUTSTANDING SHARE DATA

The Company's authorized share capital consists of an unlimited number of common shares issued without par value. The Company has a stock option plan.

At June 30, 2020 and December 31, 2019, the Company had 106,524,953 common shares issued and outstanding.

As at the date of this MD&A, the Company had:

- 106,524,953 common shares issued and outstanding; and
- 2,552,000 stock options with exercise prices ranging from $0.49 to $0.63 per option outstanding.

FINANCIAL INSTRUMENTS

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations. These financial risks and the Company's exposure to these risks are provided in various tables in note 16 and note 20 of our unaudited condensed consolidated interim financial statements for the six months ended June 30, 2020 and audited consolidated financial statements for the year ended December 31, 2019, respectively. For a discussion on the significant assumptions made in determining the fair value of financial instruments, refer also to note 2(d) of the consolidated financial statements for the year ended December 31, 2019.

RELATED PARTIES

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.

(Expressed in thousands of Canadian dollars unless otherwise specified)

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**
	$	**$**
Canopy Capital Ltd. ("Canopy")		
Directors' fees	41	50
Croftcap Inc. ("Croftcap")		
Directors' fees	41	50
Eric T Consulting Corp.		
Professional fees	68	-
Fintec Holdings Corp. ("Fintec")		
Management fees	155	262
Quantum Advisory Partners LLP ("Quantum")		
Management and professional fees	70	176
Trexs Investments, LLC ("Trexs")		
Finance costs	-	3,260
	375	**3,798**

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.

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).

CRITICAL ACCOUNTING ESTIMATES

The preparation of our consolidated financial statements requires management to use judgment and make estimates and assumptions that affect the reported amounts assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results could materially differ from these estimates. Refer to note 2 of our annual audited consolidated financial statements for the year ended December 31, 2019 for a more detailed discussion of the critical accounting estimates and judgments.

NEW ACCOUNTING STANDARDS

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

OFF-BALANCE SHEET FINANCING ARRANGEMENTS

As of June 30, 2020 and the date of this MD&A, the Company did not have any off-balance sheet financing arrangements.

PROPOSED TRANSACTIONS

No transactions are proposed.

RISKS AND UNCERTAINTIES

The business of the Company is subject to a variety of risks and uncertainties, including but not limited to, the ability of the Company to obtain a permanent solution with respect to any defaults that may exist under the Investment Agreement, contingent value rights certificates or convertible notes. For a discussion of additional risks and uncertainties faced by the Company, please refer to the most recent Annual Information Form. These risks could materially adversely affect the Company's future business, operations and financial condition and could cause such future business, operations and financial condition to differ materially from the forward-looking statements and information contained in this MD&A and as described in under "Forward-Looking Statements" section below.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Management Discussion and Analysis constitute forward-looking statements. Forward-looking statements include, but are not limited to, statements with respect to the settlement or potential outcome of the ICSID Arbitration under the Free Trade Agreement, the Company's ability to obtain additional funding, the Company's ability to comply with its covenants under the Investment Agreement, defaults under the Investment Agreement, estimated capital expenditures, estimated internal rates of return, currency fluctuations, requirements for additional capital, government regulation of mining operations and environmental risks or claims.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks relating to the outcome and timing of the ICSID Arbitration; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; risks related to the business being subject to environmental laws and regulations which may increase costs of doing business and restrict the Company's operations; risks relating to all the Company's properties being located in Colombia, including political, economic and regulatory instability; accidents, labour disputes and other risks of the mining industry; as well as those factors discussed in the section entitled "Risk and Uncertainties" above.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management as of the date the statements are made, including, without limitation, the potential settlement or outcome of the ICSID Arbitration, that the Company can access financing, and the Company does not assume any obligation to update any forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, readers should not place undue reliance on forward-looking statements.