



ECO ORO MINERALS CORP.

Condensed Consolidated Interim Financial Statements

June 30, 2021

(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, 2021	December 31, 2020
Note		\$	\$
ASSETS			
Current assets			
Cash		4,046	7,118
Accounts receivable		23	24
Prepaid expenses and deposits		203	91
		4,272	7,233
Non-current assets			
Plant and equipment	3	82	95
Exploration and evaluation assets	4	1	1
		83	96
TOTAL ASSETS		4,355	7,329
LIABILITIES			
Current liabilities			
Trade and other payables	5	1,581	2,056
Amounts payable on exploration and evaluation asset acquisition	6	711	802
Current portion of site restoration provision	7	261	17
		2,553	2,875
Long term liabilities			
Trade and other payables	5	-	610
Promissory notes	8	6,829	6,308
Long-term employee benefits		-	3
Site restoration provision	7	2,061	2,580
		8,890	9,501
TOTAL LIABILITIES		11,443	12,376
SHAREHOLDERS' DEFICIENCY			
Share capital	9	324,928	324,928
Contributions from shareholders	9	27,687	27,687
Contingent value rights	9	46,974	46,974
Equity reserve	9	31,942	31,942
Deficit		(402,339)	(400,079)
Accumulated other comprehensive loss		(36,280)	(36,499)
TOTAL SHAREHOLDERS' DEFICIENCY		(7,088)	(5,047)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		4,355	7,329
Nature of operations and going concern			
	1		
Commitments and contingencies			
	11		
Segmented information			
	12		

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

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,
		2021	2020	2021	2020
		\$	\$	\$	\$
Exploration and evaluation expenses:					
Administrative expenses		(133)	(117)	(267)	(376)
Depreciation	3	(2)	(2)	(3)	(5)
Environmental		(59)	(41)	(127)	(107)
Legal fees		(44)	(10)	(97)	(266)
Other exploration and evaluation expenses		(11)	(9)	(25)	(24)
Salaries and benefits		(280)	(208)	(648)	(405)
Surface rights		(3)	(3)	(7)	(8)
		(532)	(390)	(1,174)	(1,191)
General and administrative expenses:					
Administrative expenses		(68)	(71)	(130)	(161)
Legal and professional fees		(187)	(120)	(340)	(5,630)
Management and directors' fees		(57)	(98)	(120)	(349)
		(312)	(289)	(590)	(6,140)
Other income (expenses)					
Finance costs		(328)	(327)	(639)	(661)
Foreign exchange gain		62	(2)	107	29
Impairment recovery on exploration and evaluation assets		-	-	-	902
Gain on disposal of plant and equipment		-	-	-	35
Other income		8	3	36	67
		(258)	(326)	(496)	372
Loss for the period		(1,102)	(1,005)	(2,260)	(6,959)
Other comprehensive income					
Foreign currency translation differences for foreign operations		63	(189)	219	590
Total comprehensive loss		(1,039)	(1,194)	(2,041)	(6,369)
Loss per share - basic and diluted		(0.01)	(0.01)	(0.02)	(0.06)
Weighted average number of common shares outstanding - basic and diluted		106,524,953	106,524,953	106,524,953	106,524,953

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

Eco Oro Minerals Corp.

Condensed Consolidated Interim Statements of Changes in 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						
			\$	\$	\$	\$	\$	\$	\$
Balance at December 31, 2020		106,524,953	324,928	27,687	46,974	31,942	(400,079)	(36,499)	(5,047)
Loss		-	-	-	-	-	(2,260)	-	(2,260)
Other comprehensive income		-	-	-	-	-	-	219	219
Balance at June 30, 2021		106,524,953	324,928	27,687	46,974	31,942	(402,339)	(36,280)	(7,088)

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		-	-	-	22,680	-	-	-	22,680
Loss		-	-	-	-	-	(6,959)	-	(6,959)
Other comprehensive income		-	-	-	-	-	-	590	590
Balance at June 30, 2020		106,524,953	324,928	27,687	46,974	31,942	(402,202)	(36,466)	(7,137)

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)

	Note	For the six months ended	
		June 30, 2021	June 30, 2020
		\$	\$
Cash flow provided from (used by)			
OPERATING ACTIVITIES			
Loss for the period		(2,260)	(6,959)
<i>Adjustments for items not affecting cash:</i>			
Accretion of interest of loan payable		-	32
Accretion of interest of promissory notes	8	697	615
Depreciation	3	3	5
Impairment recovery on exploration and evaluation assets		-	(902)
Gain on disposal of plant and equipment		-	(35)
Unrealized foreign exchange gain		(176)	280
Unwinding of discount of site restoration provision	7	21	55
Change in non-cash working capital			
Accounts receivable		-	12
Prepaid expenses and deposits		(116)	657
Trade and other payables		(846)	(2,375)
Cash flow used in operating activities		(2,677)	(8,615)
INVESTING ACTIVITIES			
Proceeds on disposition of exploration and evaluation assets, net of tax and transaction costs		-	902
Proceeds on disposition of plant and equipment		-	35
Cash flow from investing activities		-	937
FINANCING ACTIVITIES			
Proceeds on issuance of contingent value rights, net of financing costs		-	22,680
Repayment of loan payable		-	(8,581)
Cash flow from financing activities		-	14,099
Effects of exchange rate changes on cash		(395)	(18)
Increase (decrease) in cash		(3,072)	6,403
Cash, beginning of period		7,118	602
Cash, end of period		4,046	7,005
SUPPLEMENTAL CASH FLOW			
Cash paid during the period for interest		-	90
Cash paid during the period for income taxes		-	-

The accompanying notes are an integral part of 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, 2021

(Expressed in thousands of Canadian dollars unless otherwise specified)

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of operations

Eco Oro Minerals Corp. (the "Company" and "Eco Oro") is a publicly listed company incorporated under the legislation of the Province of British Columbia. The Company's shares are listed on the Canadian Securities Exchange ("CSE") under the symbol "EOM". The Company's registered office is located at Suite 1800 - 510 West Georgia Street, Vancouver, British Columbia, Canada. The unaudited condensed consolidated financial statements of the Company as at and for the six months ended June 30, 2021, 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, 2021

(Expressed in thousands of Canadian dollars unless otherwise specified)

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, have adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. To date, the COVID-19 has not had a significant impact on the Company's operations.

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 years ended December 31, 2020 and 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 23, 2021.

New accounting standards

There were no new or amended IFRS pronouncements effective January 1, 2021 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, 2021

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

	\$
Cost	
As at December 31, 2020	118
Effect of movements in exchange rates	(12)
As at June 30, 2021	106
Depreciation	
As at December 31, 2020	(23)
Charged for the period	(3)
Effect of movements in exchange rates	2
As at June 30, 2021	(24)
Net book value	
As at December 31, 2020	95
As at June 30, 2021	82

4. EXPLORATION AND EVALUATION ASSETS**Renunciation of Concession 3452**

On April 1, 2019, the Company notified Colombia of its intention to renounce Concession 3452 to mitigate its losses. 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

	June 30, 2021	December 31, 2020
	\$	\$
Trade payables	134	611
Accrued liabilities	70	102
Other payables	1,377	1,953
	1,581	2,666
Current	1,581	2,056
Long-term	-	610
	1,581	2,666

Eco Oro Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2021

*(Expressed in thousands of Canadian dollars unless otherwise specified)***6. AMOUNTS PAYABLE ON EXPLORATION AND EVALUATION ASSET ACQUISITION**

	COP (in thousands)	\$
As at December 31, 2020	2,150,000	802
Effect of movements in exchange rates	-	(91)
As at June 30, 2021	2,150,000	711

The balance of \$711 (COP2,150,000,000) as of June 30, 2021, 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, 2020 – \$802 (COP2,150,000,000)).

7. SITE RESTORATION PROVISION

	\$
Beginning	2,597
Unwinding of discount	21
Effect of movements in exchange rates	(296)
Ending	2,322
Current portion	261
Long-term portion	2,061
	2,322
Undiscounted liability for site restoration	2,392

8. PROMISSORY NOTES

	US\$ (in thousands)	\$
As at December 31, 2020	4,951	6,308
Finance costs	559	697
Effect of movements in exchange rates	-	(176)
As at June 30, 2021	5,510	6,829

During the six months ended June 30, 2021, accretion expenses of \$697 (US\$558,592) were recorded as finance costs with a corresponding increase in the carrying value of the liability (June 30, 2020 – \$615 (US\$450,710)).

As at June 30, 2021, the carrying value of the promissory notes is \$6,829 (US\$5,509,501) (December 31, 2020 – \$6,308 (US\$4,950,909)).

Eco Oro Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2021

*(Expressed in thousands of Canadian dollars unless otherwise specified)***9. 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

As of June 30, 2021 and December 31, 2020, the Company had 106,524,953 common shares issued and outstanding with a value of \$324,928.

During the six months ended June 30, 2021 and 2020, no share capital transactions occurred.

Contingent Value Rights (the "CVRs")

At of June 30, 2021 and December 31, 2020, the aggregate carrying value of the CVRs is \$46,974.

Stock option plan

The Company has a share option plan (the "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 six months ended June 30, 2021 and 2020.

The following summarizes information about stock options outstanding and exercisable at June 30, 2021:

Expiry date	Exercise price (\$)	Options outstanding	Options exercisable	Estimated grant date fair value (\$)	Weighted average remaining contractual life (in years)
May 8, 2022	0.49	1,480,000	1,480,000	517,768	0.85

Eco Oro Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2021

*(Expressed in thousands of Canadian dollars unless otherwise specified)***10. RELATED PARTIES****Subsidiary**

	Ownership interest at	
	December 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 six months ended June 30, 2021 and 2020, the short-term benefits incurred for the key management personnel were \$187 and \$416, 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, 2021	June 30, 2020
	\$	\$
Canopy Capital Ltd. ("Canopy")		
Directors' fees	28	41
Croftcap Inc. ("Croftcap")		
Directors' fees	29	41
Eric T Consulting Corp.		
Professional fees	68	68
Fintec Holdings Corp. ("Fintec")		
Management fees	5	155
Quantum Advisory Partners LLP ("Quantum")		
Management and professional fees	30	70
Trexs		
Finance costs	-	32
	160	407

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, 2021

(Expressed in thousands of Canadian dollars unless otherwise specified)

10. RELATED PARTIES (CONTINUED)

Transactions and balances (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 former 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, CFO, accounting, corporate secretarial services and management services.

Trexs is an entity managed by Tenor Capital Management Company, L.P. ("TCM") in which the Company's current director, Blair Wallace, is a partner and portfolio manager of TCM and the Company's former director, David Kay, formerly owned an interest.

The balances due to the Company's officers and directors, and the companies controlled by the Company's officers and directors included in trade and other payables were \$nil as at June 30, 2021 (December 31, 2020 – \$4).

11. COMMITMENTS AND CONTINGENCIES

Contingent Value Rights and Promissory Notes

In 2016, the company issued US\$5,527,273 of contingent value rights certificates (the "2016 CVRs") and US\$9,672,727 aggregate principal amount of promissory notes (the "2016 Notes"). The 2016 Notes bear interest at a rate of 0.025% per annum and mature on June 30, 2028.

The 2019 Private Placement was completed in two tranches on April 9, 2019 and May 31, 2019, for aggregate gross proceeds of US\$28,000,000 comprising (i) US\$13,000,000 of contingent value rights certificates (the "2019 CVRs") and (ii) US\$15,000,000 of promissory notes (the "2019 Notes"). The 2019 Notes bear interest at a rate of 0.025% per annum and mature on June 30, 2028.

Following completion of the 2019 Private Placement, the terms of such securities provided that the proceeds from the ICSID Arbitration ("Claim Proceeds") would be distributed in the following order of priority (in each case to the extent that the amount of Claim Proceeds is sufficient):

1. in full repayment of any accrued and unpaid default interest, fees, expenses or indemnity obligations in respect of the 2019 CVRs, the 2016 CVRs, the 2019 Notes and the 2016 Notes;

Eco Oro Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2021

(Expressed in thousands of Canadian dollars unless otherwise specified)

11. COMMITMENTS AND CONTINGENCIES (CONTINUED)**Contingent Value Rights and Promissory Notes (continued)**

2. in full repayment of all obligations, liabilities and indebtedness (including all principal, interest, fees and other amounts) under the 2019 Notes and 2016 Notes;
3. to the holders of 2019 CVRs, the 2016 CVRs and eligible participants ("MIP Participants") in the MIP (as defined below), on a pro rata basis in accordance with their pro rata entitlement to the Claims Proceeds, in an amount equal to the lesser of (i) US\$460,000,000 and (ii) their maximum aggregate entitlements to the Claim Proceeds;
4. to the Company, US\$30,000,000;
5. to holders of the 2019 CVRs, the holders of the 2016 CVRs and the MIP Participants, on a pro rata basis in accordance with their pro rata entitlement to the Claims Proceeds, the remaining proceeds until the aggregate distributions to such persons equals their maximum aggregate entitlements to the Claim Proceeds; and
6. to the Company, the balance (if any) of the Claims Proceeds.

Pursuant to the 2020 Private Placement, the Company issued an aggregate of US\$17,984,260 of contingent value rights certificates ("2020 CVRs" and, together with the 2016 CVRs and 2019 CVRs, the "CVRs") on January 13, 2020 and February 4, 2020. Holders of the 2020 CVRs are entitled to receive an amount of money from 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. Because the 2020 Total CVR Amount will be funded by the re-direction of amounts to which the holders of 2016 CVRs and 2019 CVRs, and holders of other similar rights 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.

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.

Eco Oro Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2021

(Expressed in thousands of Canadian dollars unless otherwise specified)

11. COMMITMENTS AND CONTINGENCIES (CONTINUED)**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.

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.

12. 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.

13. 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, 2021, 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, 2021

*(Expressed in thousands of Canadian dollars unless otherwise specified)***14. 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, 2021	FVTPL \$	Amortized costs \$	FVTOCI \$
Financial assets:				
ASSETS				
Cash	4,046	-	4,046	-
Accounts receivable	23	-	23	-
Financial liabilities:				
LIABILITIES				
Trade and other payables	1,581	-	1,581	-
Amounts payable on exploration and evaluation asset acquisition	711	-	711	-
Promissory notes	6,829	-	6,829	-
	December 31, 2020	FVTPL \$	Amortized costs \$	FVTOCI \$
Financial assets:				
ASSETS				
Cash	7,118	-	7,118	-
Accounts receivable	24	-	24	-
Financial liabilities:				
LIABILITIES				
Trade and other payables	2,666	-	2,666	-
Amounts payable on exploration and evaluation asset acquisition	802	-	802	-
Promissory notes	6,308	-	6,308	-

Eco Oro Minerals Corp.

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14. 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, 2021 and December 31, 2020, 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, 2021, 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 \$500.

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

Eco Oro Minerals Corp.

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14. 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 \$4,046 as at June 30, 2021, an increase or decrease in the annual interest rate of 1% would result in a corresponding increase or decrease of annual interest income by \$40.

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, 2021, all of the Company's other financial liabilities except for the promissory notes have maturities less than one year. As at June 30, 2021, the Company had cash of \$4,046 in order to meet short-term operating needs.