



ECO ORO MINERALS CORP.

Condensed Consolidated Interim Financial Statements

June 30, 2024

(unaudited)

Table of Contents

Condensed Consolidated Interim Statements of Financial Position (unaudited)	4
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)	5
Condensed Consolidated Interim Statements of Changes in Deficiency (unaudited)	6
Condensed Consolidated Interim Statements of Cash Flows (unaudited)	7
Notes to Condensed Consolidated Interim Financial Statements (unaudited)	8
1. Nature of operations and going concern	8
2. Material accounting policies and basis of preparation.....	9
3. Plant and equipment.....	10
4. Exploration and evaluation assets.....	10
5. Trade and other payables.....	10
6. Loan payable	11
7. Promissory notes.....	12
8. Site restoration provision	12
9. Deficiency	14
10. Finance costs	15
11. Related parties	15
12. Commitments and contingencies.....	17
13. Segmented information	19
14. Capital management	19
15. Financial instruments.....	20

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, 2024	December 31, 2023
	Note(s)	\$	\$
ASSETS			
Current assets			
Cash		503	289
Accounts receivable		19	20
Prepaid expenses and deposits		197	99
		719	408
Non-current assets			
Plant and equipment	3	65	72
Exploration and evaluation assets	4	1	1
		66	73
TOTAL ASSETS		785	481
LIABILITIES			
Current liabilities			
Trade and other payables	5	395	1,217
Loan payable	6	6,036	3,468
		6,431	4,685
Non-current liabilities			
Promissory notes	7	14,332	12,470
Site restoration provision	8	2,092	2,033
		16,424	14,503
TOTAL LIABILITIES		22,855	19,188
SHAREHOLDERS' EQUITY			
Share capital	9	324,928	324,928
Contribution from shareholders	9	27,687	27,687
Contingent value rights	9	46,974	46,974
Equity reserves	9	31,942	31,942
Deficit		(417,413)	(413,968)
Accumulated other comprehensive loss		(36,188)	(36,270)
TOTAL SHAREHOLDERS' EQUITY		(22,070)	(18,707)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		785	481
Nature of operations and going concern	1		
Commitments and contingencies	12		
Segmented information	13		
Subsequent events	1		

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/ Pierre Amariglio 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(s)	For the three months ended		For the six months ended	
		June 30,	June 30,	June 30,	June 30,
		2024	2023	2024	2023
		\$	\$	\$	\$
Exploration and evaluation expenses					
Administrative expenses		(79)	(176)	(158)	(291)
Consulting		(42)	-	(73)	-
Depreciation	3	(2)	(1)	(3)	(2)
Environmental		(93)	(83)	(178)	(172)
Legal fees		(4)	(10)	(4)	(57)
Other exploration and evaluation expenses		(13)	(13)	(25)	(25)
Salaries and benefits		-	(85)	-	(165)
Surface rights		(1)	(1)	(1)	(3)
Total exploration and evaluation expenses		(234)	(369)	(442)	(715)
General and administrative expenses					
Administrative expenses		(71)	(71)	(137)	(134)
Legal and professional fees	11	(58)	(100)	(351)	(168)
Management and directors' fees	11	(52)	(51)	(103)	(106)
Total general and administrative expenses		(181)	(222)	(591)	(408)
Other income (expenses)					
Finance costs	10	(986)	(593)	(1,854)	(1,158)
Foreign exchange gain (loss)		(187)	361	(573)	364
Gain on disposal of property, plant and equipment		-	-	-	188
Other income		10	7	15	22
Total other income (expenses)		(1,163)	(225)	(2,412)	(584)
Net loss		(1,578)	(816)	(3,445)	(1,707)
Other comprehensive loss					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operations		138	(228)	82	(322)
Total comprehensive loss		(1,440)	(1,044)	(3,363)	(2,029)
Loss per share - basic and diluted		(0.01)	(0.01)	(0.03)	(0.02)
Weighted average number of common shares outstanding		106,524,953	106,524,953	106,524,953	106,524,953
- basic and diluted					

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)

		Share capital		Contribution	Contingent	Equity	Deficit	Accumulated	
	Note(s)	#	\$	from	value	reserves		other	TOTAL
				shareholders	rights			comprehensive	
				\$	\$	\$	\$	loss	\$
Balance as of December 31, 2023		106,524,953	324,928	27,687	46,974	31,942	(413,968)	(36,270)	(18,707)
Loss and comprehensive loss		-	-	-	-	-	(3,445)	82	(3,363)
Balance as of June 30, 2024		106,524,953	324,928	27,687	46,974	31,942	(417,413)	(36,188)	(22,070)
Balance as of December 31, 2022		106,524,953	324,928	27,687	46,974	31,942	(410,381)	(35,804)	(14,654)
Loss and comprehensive loss		-	-	-	-	-	(1,707)	(322)	(2,029)
Balance as of June 30, 2023		106,524,953	324,928	27,687	46,974	31,942	(412,088)	(36,126)	(16,683)

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, 2024	June 30, 2023
	Note(s)	\$	\$
Cash flow from (used in)			
OPERATING ACTIVITIES			
Net loss		(3,445)	(1,707)
Interest on loan payable	6	401	-
Accretion of promissory notes	7	1,446	1,158
Depreciation	3	3	2
Gain on disposal of plant and equipment		-	(188)
Unwinding of discount of site restoration provision	8	138	133
Effects of currency exchange rate changes		550	(284)
Net changes in non-cash working capital items:			
Accounts receivable		1	(4)
Prepaid expenses		(97)	(195)
Trade and other payables		(815)	189
Amounts payable on exploration and evaluation asset acquisition		-	(165)
Cash flow used in operating activities		(1,818)	(1,061)
INVESTING ACTIVITIES			
Proceeds from disposal of plant and equipment		-	188
Cash flow provided by investing activities		-	188
FINANCING ACTIVITIES			
Proceeds on loan payable, net of transaction costs	6	2,033	-
Cash flow provided by financing activities		2,033	-
Effects of exchange rate changes on cash		(1)	(7)
Decrease in cash		214	(880)
Opening cash		289	948
Closing cash		503	68
Supplemental cash flow information			
Cash paid for income taxes		-	-
Cash paid for interest		-	-

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, 2024

(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. 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 signed on November 21, 2008 (the “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”) arose out of its dispute with Colombia in relation to Colombia’s measures that 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. While the Company’s primary objective was historically the development of the Angostura Project, in light of Colombia’s measures, the ICSID Arbitration Claim became the core focus of the Company.

On September 9, 2021, the arbitral tribunal (the “Tribunal”) constituted under the auspices of the ICSID in relation to its claims against Colombia, issued a Decision on Jurisdiction, Liability and Directions on Quantum (the “Decision”) pursuant to the investment protection chapter of the Free Trade Agreement. The Tribunal found that Colombia breached Article 805 of the Treaty in its treatment of Eco Oro’s investment in the Angostura Project which the Company was pursuing in connection with Concession Contract 3452. The Decision upheld Eco Oro’s claims that Colombia breached Article 805 of the Free Trade Agreement, by failing to accord fair and equitable treatment to Eco Oro’s investments in Colombia relating to the Angostura Project. The Tribunal rendered certain findings with respect to damages, but did not determine the compensation to be awarded to Eco Oro as a result of damages caused to Eco Oro as a result of Colombia’s breach of the Free Trade Agreement. The Tribunal requested from the parties further submissions on damages on specific questions arising from its findings. The Company filed its first submission in response to the Tribunal’s questions on January 14, 2022, Colombia filed its first submission on May 23, 2022, and the Company and Colombia filed its second submission on July 7, 2022 and August 22, 2022, respectively, in accordance with the procedural order from the Tribunal.

On July 15, 2024, the Tribunal constituted under the auspices of the ICSID issued a 2-1 majority award on damages, with a dissenting opinion, awarding the Company no damages in relation to the ICSID Arbitration Claim. On August 29, 2024, the Company submitted a request seeking to rectify a clerical error in the Award, which remains pending. The Company is currently analyzing the Award on Damages with its legal advisors and evaluating its options.

Eco Oro Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2024

(Expressed in thousands of Canadian dollars unless otherwise specified)

1. NATURE OF OPERATIONS AND GOING CONCERN (CONTINUED)

Going concern

At June 30, 2024, the Company had working capital deficiency of \$5,712 and accumulated deficit of \$417,413. The Company's ability to continue operations and fund future business activities is dependent on management's ability to secure additional financing. There are no assurances that the Company will be successful in its efforts to secure additional financing in the future as required. These matters result in material uncertainties which may cast significant doubt on whether the Company will continue as a going concern.

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. Such adjustments may be material.

2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These financial statements comply with International Accounting Standard 34, Interim Financial Reporting.

Basis of presentation

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2023.

These condensed consolidated interim financial statements were approved by the Board of Directors and authorized for issuance on August 29, 2024.

New accounting standards

Certain IFRS pronouncements that are mandatory for accounting years beginning on or after January 1, 2024 have been issued. The Company concluded that the application of these new and revised standards, amendments and interpretations had no material impact on its results and financial position.

Eco Oro Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2024

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

	\$
COST	
As of December 31, 2023	108
Effect of movements on exchange rates	(5)
As of June 30, 2024	104
ACCUMULATED DEPRECIATION	
As of December 31, 2023	(36)
Addition	(3)
Effect of movements on exchange rates	1
As of June 30, 2024	(38)
Net book value as of June 30, 2024	66

4. EXPLORATION AND EVALUATION ASSETS

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

As described in Note 1, the Company considered all the risk factors and decided to impair the exploration and evaluations assets to \$1 during the year ended December 31, 2016. There has been no change in the underlying factors which lead to the impairment as of June 30, 2024.

5. TRADE AND OTHER PAYABLES

	June 30, 2024	December 31, 2023
	\$	\$
Trade payables	182	160
Accrued liabilities	30	919
Other payables	183	138
	395	1,217

Eco Oro Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2024

*(Expressed in thousands of Canadian dollars unless otherwise specified)***6. LOAN PAYABLE**

	US\$ (in thousands)	CA\$
Opening	2,618	3,468
Addition	1,500	2,033
Interest	295	401
Effect of movements on exchange rates	-	134
Ending	4,413	6,036

On September 19, 2023, the Company entered into a credit agreement (the "Credit Agreement") with Graywolfe Capital SEZC ("Graywolfe") (Note 12) pursuant to which the Company may borrow up to US\$6,000,000, of which US\$4,500,000 will be used for operating activities and the US\$1,500,000 only available at the discretion of the lender under certain circumstances, from the Lender (the "Graywolfe Facility"). The outstanding principal amount of the Facility bears interest at a rate of 16.5% per annum, and all obligations under the Graywolfe Facility are secured by a general security interest over certain assets and properties of the Company.

Unless the Company prepays the Graywolfe Facility in accordance with its terms, the Company's outstanding obligations under the Graywolfe Facility must be repaid within five business days after the Company receives any proceeds of the ICSID Arbitration Claim (Note 12).

The amount due under the Graywolfe Facility is classified as a current liability in the consolidated statements of financial position, given that the repayment date of the Facility is subject to the receipt of proceeds of the ICSID Arbitration Claim, which is uncertain.

During the six months ended June 30, 2024, borrowed an additional \$2,033 (US\$1,500,000) under the Graywolfe Facility. In connection with the withdrawal, the Company incurred professional fees amounting to \$7, which have been recognized as finance costs in the consolidated statements of loss and comprehensive loss for the six months ended June 30, 2024 (June 30, 2023 – \$nil).

During the six months ended June 30, 2024, the Company recognized an interest of \$401 (US\$294,835) as finance costs with a corresponding increase in the carrying value of the liability (June 30, 2024 – \$nil (US\$nil)).

As of June 30, 2024, the outstanding balance including interest of the Graywolfe Facility is \$6,036 (US\$4,413,161) (December 31, 2023 – \$3,468 (US\$2,618,326)).

Eco Oro Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2024

*(Expressed in thousands of Canadian dollars unless otherwise specified)***7. PROMISSORY NOTES**

The Company has issued promissory notes with a total principal amount of US\$24,672,727 which bear interest at a rate of 0.025% per annum and mature on June 30, 2028 (Note 12). The promissory notes are considered below market-rate notes. For accounting purposes, the Company calculated the fair value of the Promissory Notes at the date of issuance by using a risk-adjusted discount rate of 20%.

	US\$ (in thousands)	CA\$
Opening	9,415	12,470
Accretion of promissory notes	1,065	1,446
Effect of movements on exchange rates	-	416
Ending	10,480	14,332

During the six months ended June 30, 2024, accretion expenses of \$1,446 (US\$1,064,510) were recorded as finance costs with a corresponding increase in the carrying value of the liability (June 30, 2023 – \$1,158 (US\$858,561))

As of June 30, 2024, the carrying value of the promissory notes is \$14,332 (US\$10,478,969) (December 31, 2023 – \$12,470 (US\$9,414,459)).

As of June 30, 2024, the face value, including the principal amount of US\$24,672,727 (December 31, 2023 – US\$24,672,727) and outstanding interest of US\$31,769 (December 31, 2023 – US\$28,741), of the promissory notes US\$24,704,496 (December 31, 2023 – US\$24,701,468).

8. SITE RESTORATION PROVISION

	\$
Opening	2,033
Accretion	138
Effect of movements on exchange rates	(79)
Ending	2,092

Eco Oro Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2024

(Expressed in thousands of Canadian dollars unless otherwise specified)

8. SITE RESTORATION PROVISION (CONTINUED)

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 settlement of accounts of Concession 3452 was finalized on December 30, 2020.

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.

In March 2022, the CDMB issued a site visit report making certain observations, recommendations, and findings with respect to the closure plan for Concession 3452. On June 30, 2022, the Company provided a written response to CDMB's site visit report. This site visit report is not a final determination from the CDMB on the closure plan submitted by the Company, which is still due.

In February 2023, the CDMB initiated a sanctioning proceeding against Eco Oro, alleging that Eco Oro had failed to implement the measures recommended in the March 2022 site visit report. On May 31, 2023, the Company requested that the CDMB terminate the sanctioning proceeding given that, in the absence of a formal decision on the closure plan (or a response to Eco Oro's submission of 30 June 2022), the company cannot implement measures that form part of its closure plan.

On November 28, 2023, the Ministry of Environment and Sustainable Development ("MADS") issued Resolution No. 1293, through which it assumed responsibility for the environmental monitoring project of files No. LA-155, VE-0016-2013, SA-0011-2023 and SA-0015-2023, related to Concession No. 3452 and ordered the National Environmental License Authority ("ANLA") to carry out the administrative actions, monitoring and procedural promotion of the aforementioned files, taking over from the CDMB.

On December 14, 2023, the Company was notified of a new environmental sanctioning proceeding (SA-0015-2023). The sanctioning proceeding was initiated against EOM, 4 mining companies and multiple natural persons, as holders of lands located in Soto Norte. The environmental authority alleged environmental affectations, illegal mining, damage to natural resources and violation of the environmental law. In January 2024, the Company requested the termination of this proceeding.

As of June 30, 2024, the Company has yet to receive the formal decision on either the submitted closure plan or the request to terminate the sanctioning proceeding.

Significant estimates and assumptions are made in determining the site restoration provision as there are numerous factors that will affect the ultimate liability payable. Those uncertainties may result in future actual expenditures differing from the amount currently provided.

Eco Oro Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2024

(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, 2024 and December 31, 2023, the Company had 106,524,953 common shares issued and outstanding.

During the six months ended June 30, 2024 and 2023, no share capital transactions occurred.

Contingent Value Rights (the "CVRs") (Note 12)

As of June 30, 2024 and December 31, 2023, the 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.

As of June 30, 2024 and December 31, 2023, no options were issued and outstanding.

Eco Oro Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2024

*(Expressed in thousands of Canadian dollars unless otherwise specified)***10. FINANCE COSTS**

	For the six months ended	
	June 30, 2024	June 30, 2023
	\$	\$
Finance costs on loan payable (Note 7)	7	-
Interest of loan payable (Note 7)	401	-
Accretion of promissory notes (Note 8)	1,446	1,158
	1,854	1,158

11. RELATED PARTIES**Subsidiaries**

	Ownership interest at	
	June 30, 2024	December 31, 2023
	\$	\$
Eco Oro S.A.S	100%	100%
Eco Oro Services Corp.	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, 2024 and 2023, the short-term benefits incurred for the key management personnel were \$170 and \$175, 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.

Eco Oro Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2024

*(Expressed in thousands of Canadian dollars unless otherwise specified)***11. RELATED PARTIES (CONTINUED)****Transactions and balances**

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

	For the six months ended	
	June 30, 2024	June 30, 2023
	\$	\$
Graywolfe Capital SECZ ("Graywolfe")		
Directors' fees	24	25
Finance costs (Note 6)	401	-
	425	25
Croftcap Inc. ("Croftcap")		
Directors' fees	24	26
Eric T Consulting Corp.		
Professional fees	68	68
Quantum Advisory Partners LLP ("Quantum")		
Management and professional fees	30	30
TOTAL	547	149

Graywolfe is a company owned by the Company's current director, Courtenay Wolfe. The services provided by Graywolfe were in the normal course of operations related to director fees. In addition, Graywolfe is the lender who provided the credit facility to the Company (Note 6).

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 related to director 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.

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.

As of June 30, 2024 and December 31, 2023, 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 are \$nil and \$nil, respectively.

In addition, as of June 30, 2024 and December 31, 2023, loan payables of \$6,036 and \$3,468 were due to Graywolfe (Note 6).

Eco Oro Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2024

(Expressed in thousands of Canadian dollars unless otherwise specified)

12. COMMITMENTS AND CONTINGENCIES

Contingent Value Rights and Promissory Notes

In 2016, the Company issued US\$5,527,273 CVRs (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.

During the year ended December 31, 2019, the Company completed a financing (the “2019 Private Placement”) 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 CVRs (the “2019 CVRs”) and (ii) US\$15,000,000 of promissory notes (the “2019 Notes” and, together with the 2016 Notes, the “Notes”). The 2019 Notes bear interest at a rate of 0.025% per annum and mature on June 30, 2028.

During the year ended December 31, 2020, the Company issued an aggregate of US\$17,984,260 of CVRs (the “2020 CVRs” and, together with the 2019 CVRs and the 2016 CVRs, the “CVRs”). Holders of the 2020 CVRs are entitled to receive an amount of money from the ICSID Arbitration Claim (“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 any payment of 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 would otherwise be entitled to receive, the 2020 Private Placement will not have any impact on the amount of Claim Proceeds (if any) retained by the Company.

Under the terms of the CVRs and the Notes, any Claim Proceeds the Company receives (net of any amounts paid to Graywolfe pursuant to the Graywolfe Facility) will be distributed or retained in the following order of priority (in each case to the extent that the amount of any Claim Proceeds is sufficient):

- 1) to the holders of the CVRs and the Notes, an amount equal to the accrued and unpaid default interest, fees, expenses or indemnity obligations in respect of the CVRs and the 2016 Notes;
- 2) to the holders of the Notes, an amount equal to the aggregate amount of interest and indebtedness owed by the Company to the holder of the Notes (of which approximately US\$24.7 million is outstanding as of the date hereof);
- 3) to the holders of the CVRs and eligible participants (“MIP Participants”) in the MIP (as defined below), an amount equal to the lesser of (i) US\$460,000,000 and (ii) 95% of the Claim Proceeds;
- 4) to the Company, US\$30,000,000;
- 5) to holders of the CVRs and the MIP Participants, until the aggregate distributions to such persons equals 95% of the Claim Proceeds; and
- 6) to the Company, the balance (if any) of the Claims Proceeds.

Eco Oro Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2024

(Expressed in thousands of Canadian dollars unless otherwise specified)

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Contingent Value Rights and Promissory Notes (continued)

If and to the extent that the Company receives any Claim Proceeds, the Company will not be entitled to retain any portion of such Claim Proceeds pursuant to step four of the distribution waterfall described above unless such Claim Proceeds (net of any amounts payable to Graywolfe pursuant to the Credit Agreement) exceed amounts payable to the holders of the Promissory Notes and CVRs in the first, second and third steps of the distribution waterfall described above.

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 are 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.

Uncertainties

Páramo ecosystem boundaries

As described in Note 1, the Company filed a Request for Arbitration 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.

On September 9, 2021, the Tribunal, as defined above in Note 1, issued the Decision in relation to the Company's claims against Colombia pursuant to the Free Trade Agreement. The Decision upheld Eco Oro's claims that Colombia breached Article 805 of the Free Trade Agreement, by failing to accord fair and equitable treatment to Eco Oro's investments in Colombia relating to the Angostura Project. The Tribunal rendered certain findings with respect to damages but did not determine the compensation to be awarded to Eco Oro as a result of Colombia's breach of the Free Trade Agreement. The Tribunal requested from the parties' further submissions on damages on specific questions arising from its findings. The Company filed its first submission in response to the Tribunal's questions on January 14, 2022, Colombia filed its first submission on May 23, 2022, and the Company and Colombia filed its second submission on 7 July 2022 and August 22, 2022, respectively, in accordance with the procedural order from the Tribunal.

Eco Oro Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2024

(Expressed in thousands of Canadian dollars unless otherwise specified)

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Uncertainties (continued)

Páramo ecosystem boundaries (continued)

The Company sought US\$696 million plus interest at a rate of 6.6% per annum, compounded semi-annually, as compensation for damages the Company sustained as a result of Colombia's measures. The Company did not record any amount in the financial statements as a contingent gain due to the ultimate uncertainty of the outcome.

On July 15, 2024, the Tribunal constituted under the auspices of the ICSID issued a 2-1 majority award on damages (the "Award on Damages"), with a dissenting opinion, awarding the Company no damages in relation to the ICSID Arbitration Claim. On August 29, 2024, the Company submitted a request seeking to rectify a clerical error in the Award, which remains pending. The Company is currently analyzing the Award on Damages with its legal advisors and evaluating its options.

13. SEGMENTED INFORMATION

The Company has one reportable segment, being the evaluation and exploration of mineral exploration properties in one geographic region: Colombia. All of the Company's non-current assets are located in Colombia.

14. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding in order to safeguard the Company's ability to continue as a going concern, fund its planned activities and commitments and retain financial flexibility to respond to unforeseen future events and circumstances. The Company manages and makes adjustments to its capital structure based on the level of funds on hand and anticipated future expenditures. In order to maintain or adjust the capital structure, the Company has, when required, raised additional capital from shareholders. The Company has not paid dividends, nor returned capital to shareholders to date. As at June 30, 2024, 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, 2024

*(Expressed in thousands of Canadian dollars unless otherwise specified)***15. FINANCIAL INSTRUMENTS****Fair value**

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

	June 30, 2024	FVTPL	Amortized costs	FVTOCI
	\$	\$	\$	\$
FINANCIAL ASSETS				
ASSETS				
Cash	503	-	503	-
Accounts receivable	19	-	19	-
FINANCIAL LIABILITIES				
LIABILITIES				
Trade and other payables	(395)	-	(395)	-
Loan payable	(6,036)	-	(6,036)	-
Promissory notes	(14,332)	-	(14,332)	-

	December 31, 2023	FVTPL	Amortized costs	FVTOCI
	\$	\$	\$	\$
FINANCIAL ASSETS				
ASSETS				
Cash	289	-	289	-
Accounts receivable	20	-	20	-
FINANCIAL LIABILITIES				
LIABILITIES				
Trade and other payables	(1,217)	-	(1,217)	-
Loan payable	(3,468)	-	(3,468)	-
Promissory notes	(12,470)	-	(12,470)	-

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 of June 30, 2024 and December 31, 2023, 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.

Eco Oro Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the six months ended June 30, 2024

*(Expressed in thousands of Canadian dollars unless otherwise specified)***15. FINANCIAL INSTRUMENTS (CONTINUED)****Fair value (continued)**

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

The Company had the following balances in foreign currency as at June 30, 2024:

	CA\$	US\$	COP
Cash	64	318	11,888
Accounts receivable	9	-	30,692
Trade and other payables	(49)	(100)	(633,909)
Loan payable	-	(4,413)	-
Promissory notes	-	(10,479)	-
	24	(14,674)	(591,329)
Rate to convert to \$1.00 CA\$	1.00000	1.36772	0.00033
Equivalent to CA\$	24	(20,070)	(195)

Based on the financial position of the Company as of June 30, 2024, 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 \$2,000.

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, 2024

(Expressed in thousands of Canadian dollars unless otherwise specified)

15. FINANCIAL INSTRUMENTS (CONTINUED)**Financial risk management (continued)****Market risk (continued)****Currency 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 \$503 as of June 30, 2024, an increase or decrease in the annual interest rate of 1% would result in a corresponding increase or decrease of annual interest income by \$5.

The Company's loan payable promissory notes are not subject to interest rate risk as it is not subject to a variable interest rate.

Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company manages its credit risk through its counterparty ratings and credit limits.

The Company's cash is held through large Canadian and Colombian 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 of June 30, 2024, the Company's trade and other payables have less than one-year maturities. The due date of the loan payable is uncertain and is subject to the timing of the Claim Proceeds. As of June 30, 2024, the Company had cash of \$503 to meet short-term operating needs.