CuOro Resources Corp.

(formerly Blue Cove Capital Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED NOVEMBER 30, 2011

Background

This discussion and analysis of financial position and results of operation is prepared as at March 27, 2012 and should be read in conjunction with the audited consolidated financial statements and the accompanying notes for the years ended November 30, 2011 and 2010, of CuOro Resources Corp. (*formerly Blue Cove Capital Corp.*) (the "Company"). The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities, can be found on SEDAR at www.sedar.com .

Forward Looking Statements

Statements contained in this MD&A that are not historical facts constitute "forward-looking statements" and are based on expectations, estimates and projections as of the date of this MD&A. Forward-looking statements include, without limitation, possible events, statements with respect to possible events, the future price of gold and silver, the realization of mineral resource estimates and success of exploration activities. The words "is expected" or "estimates" or variations of such words and phrases or statements that certain actions, events or results "may" or "could" occur and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of the Company contained in this MD&A which may prove to be incorrect, include, but are not limited to, (1) the discovery and expansion of mineral resources on the Company's property being consistent with the Company's current expectations; (2) the implementation of Colombia's mining law and related regulations and policies being consistent with the Company's current expectations; (3) certain price assumptions for gold and silver.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the spot and forward price of gold or certain other commodities; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, Colombia or other countries in which the Company does business or may carry on business in the future; business opportunities that may be presented to, or pursued by, the Company; operating or technical difficulties in connection with mining activities; the speculative nature of gold exploration and development, including the risks of obtaining necessary licenses and permits; diminishing quantities or grades of reserves; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. 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. Although the Company believes that the expectations in the forward-looking statements are reasonable, actual results may vary, and future results, levels of activity, performance or achievements cannot be guaranteed. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

Company Overview

The Company was incorporated under the laws of the Province of British Columbia on October 23, 2007 as Blue Cove Capital Corp. On February 29, 2008 the Company received final receipts for a prospectus and became a reporting issuer in British Columbia and Alberta. On March 31, 2008 the Company completed its initial public offering to raise $200,000 and on April 1, 2008 the Company listed its common shares on the TSX Venture Exchange (the "TSXV") as a capital pool company. On April 18, 2011 the Company effected its name change from "Blue Cove Capital Corp." to "CuOro Resources Corp.".

In October 2009 the Company entered into a mineral property purchase agreement to acquire an interest in certain mineral exploration properties located in the Battle Mountain and Cortez Trends of North Central Nevada. Closing of the agreement was to occur on or before February 19, 2010. The Company was unable to obtain the necessary financing to complete the transaction by February 19, 2010 and, in March 2010, the vendor terminated the agreement.

On April 7, 2010 trading of the Company's common shares on the TSXV was suspended for failure to complete a Qualifying Transaction within the prescribed time. Effective July 6, 2010 the Company's listing was transferred to the NEX Board ("NEX") of the TSXV. In conjunction with the transfer of the listing to the NEX, seed shareholders, in accordance with stipulated policies and procedures, agreed to the cancellation of 1,100,000 escrow shares.

On December 22, 2010 the Company entered into a letter of intent and subsequently, on February 16, 2011, entered into an option agreement, as amended effective March 31, 2011, to acquire a 100% undivided interest in two mining concessions covering approximately 1,287.5 hectares (the "Santa Elena Project") located in the Antioquia District, Colombia. To earn the interest in the Santa Elena Project the Company paid an initial US $25,000 on signing and is required to pay US $3,000,000 in option payments (US $500,000 paid) and conduct US $3,000,000 exploration expenditures.

The Company will also pay US $1,000,000 if the Santa Elena Project contains a measured resource of at least 300,000 tonnes of copper. The vendor will also retain a net smelter return royalty of between 2.0% - 3.0%.

On April 20, 2011 the Company closed on its Qualifying Transaction involving the Santa Elena option and conducted equity financings totalling $10 million as follows:

(i) a short form offering document (the "Short Form Offering") and a brokered private placement (the "Brokered Private Placement" and, together with the Short Form Offering, the "Brokered Financings"). Pursuant to the Short Form Offering, the Company issued 2,000,000 common shares at a price of $1.00 per Share, for proceeds of $2,000,000. Pursuant to the Brokered Private Placement, the Company issued 3,500,000 units at a price of $1.00 per Unit for proceeds of $3,500,000; and

(ii) a non-brokered private placement (the "Non-Brokered Private Placement"). Pursuant to the Non-Brokered Private Placement, the Company issued 4,500,000 units at a price of $1.00 per unit, for proceeds of $4,500,000.

On completion of the Qualifying Transaction the Company met the requirements to be listed as a Tier 2 mining issuer on the TSXV and, at the opening on April 25, 2011, the Company's listing was transferred from the NEX to the TSXV and began trading under the symbol "CUA".

Effective May 31, 2011 the Company completed an offering of 6,690,000 special warrants (the "Special Warrants") at a price of $2.00 per Special Warrant (the "Special Warrant Offering") for gross proceeds of $13,380,000. In addition, the Company issued 810,000 units (the "Private Placement Units") on a non-brokered private placement basis (the "Non-Brokered Private Placement") for gross proceeds of $1,620,000 at the same terms as the Special Warrant Offering. Total gross proceeds raised from the Special Warrant Offering and the Non-Brokered Private Placement was $15,000,000. Each Special Warrant entitled the holder to acquire, for no additional consideration, one unit in the Company on the exercise or deemed exercise of the Special Warrant. The Company subsequently filed its final short form prospectus (the "Prospectus") dated June 30, 2011 to qualify the distribution of the 6,690,000 units upon the deemed exercise of the 6,690,000 Special Warrants issued pursuant to the Offering. On July 6, 2011 (the "Qualification Date") the Company received a receipt for its Prospectus and the Special Warrants were deemed to be exercised.

Constitution of the Board and Management Appointments

On completion of the Qualifying Transaction on April 20, 2011, Mr. John Seaman was appointed to the board of directors. On July 21, 2011, Mr. Jorge Alberto Uribe was appointed as a director of the Company. The Board of directors consists of:

- Robert Sedgemore
- Nick DeMare
- John Seaman
- Dave Doherty
- Jorge Alberto Uribe

The officers of the Company are:

- President and Chief Executive Officer - Robert Sedgemore
- Chief Financial Officer - Nick DeMare
- Corporate Secretary - Marc Cernovitch

Exploration Projects

Santa Elena Copper and Gold Project

The Company filed a NI 43-101 compliant report, "Technical Report on the Santa Elena Project, Department of Antioquia, Colombia", dated May 25, 2011, which is available on the website www.sedar.com

The Santa Elena Project consists of 2 licenses HGLE-02 and HJIG-02 containing a total of 1,287.5 hectares in the Antioquia district, Colombia. The property lies approximately 140 kilometers north east of Medellin, which is accessible by a paved highway and by air from all major cities in Colombia. Infrastructure around the Santa Elena project is well developed, including paved road access, two hydroelectric plants within 5 km, abundant water supply, with nearby pueblos and supportive population.

Val D'Or Geophysics conducted a surface geophysical Transient Electromagnetic Survey ("TEM") at fifty-meter intervals on a selected area of the property with outcropping mineralization by in 1997 for Noranda Mining and Exploration Inc. The results demonstrated four strong conductors with good vertical extent which remains open to the north.

The Company started an immediate work program including geological mapping and systematic sampling over the entire area TEM surveyed area and a continuation of the geophysical survey to the north where it remains open so as to define the extent of the exhalite horizon. Although the Azufral and Arroyo zones were drill ready it was the Company's intent to clearly identify all the anomalies and full potential of the property before commencing an extensive diamond drill program.

In April 2011, the Company completed its Qualifying Transaction and moved quickly to implement the proposed work programs to advance the exploration and development of the Santa Elena Project. The Company established its base of operations and office in Medellin, Colombia and the entire project team relocated to Medellin. The Company's plan is to complete an extensive exploration program, consisting of mapping, ground and airborne geophysics, as well as a large diamond drill program, with the goal of generating a scoping study with an inferred and indicated resource on the Santa Elena property by the fourth quarter of 2012.

Exploration results to date include the following:

Mapping

Field geologists have conducted detailed mapping over the TEM outcropping area, which represents approximately 10% of the property. Recent surface mapping have resulted in new mineralization outcrop discoveries to the southwest of the TEM area. Regional mapping has commenced further to the west where geologists have recently found several adits located approximately two kilometers west of the current drill area within the Company's concession. One main adit has significant work done, advanced up to 100 meters. These adits appear to be abandoned artisanal gold mines. Sampling and testing of these workings will be carried out during the work program scheduled over the next few weeks.

Channel Sampling

CuOro conducted a channel sampling program on the mineralized Volcanogenic Massive Sulphide (VMS) outcrops at the Santa Elena Project. Channel samples were collected over four different areas which coincide with TEM geophysical anomalies - named TEM-1, TEM-2, TEM-3, and TEM-4 respectively. At TEM-1, channel samples were taken over discontinuous outcrops that spanned a total length of approximately 70 meters. Samples from TEM-2 were cut from a five meter exposed outcrop, the TEM-3 sample from a one-meter outcrop, and the TEM-4 sample from a one-meter outcrop as well. The TEM-1 outcrop is the furthest north of the outcrops. The TEM-3 outcrop is located 150 meters south of the TEM-1 outcrop, and 300 meters further south is the TEM-2 outcrop. The TEM-4 outcrop is located 200 meters south of TEM-2. In total, the outcrops span a distance of 650 meters from north to south.

The program included 51 saw-cut channel samples totalling 41.66 linear meters forming 15 composite channels across the exposed outcrops. The assay results were significant returning the length weighted average grade of 2.53 % copper. The highest individual results from this initial round of sampling was one meter at 6.31% copper and 0.62 meters at 6.07% copper and the highest length-weighted average result was four linear meters at 4.96% copper. Channel samples are considered representative of the in-situ mineralization sampled.

Geophysical Surveys

Airborne Magnetic and Radiometric Survey

On October 20, 2011 the Company received the final data, maps, and report on the airborne magnetometer and radiometric survey which was conducted by MPX Geophysics Ltd (“MPX”) over the Santa Elena Project.

The airborne magnetometer and radiometric survey was flown with a helicopter and covered the entire 1287.5 hectare project area. Lines were orientated east-west and flown at a 50 meter line spacing with north-south tie lines every 500 meters. A total of 352 line-kilometers of data were collected.

The objectives of the airborne magnetic and radiometric survey were to provide information to facilitate geological mapping and to assist in the delineation of target areas for future ground geophysical surveys and guide the current diamond drilling program. Prioritization will be the interpretation of anomalies, which may represent massive sulphide mineralization.

VMS deposits typically contain pyrrhotite, an iron sulphide that is magnetic and can be detected by magnetometer surveys. Tests by Company geologists confirm the presence of pyrrhotite within the massive sulphides at Santa Elena.

Within the current area of exploration a large magnetic feature has been delineated from the southern most massive sulphide outcrops to the northern most edge of the Santa Elena Property. The magnetic feature is over a kilometer in length and is on strike with the existing massive sulphide outcrops.

A large highly intense magnetic anomaly has been mapped on the southwest corner of the property several kilometers from the current area of exploration. This magnetic feature is approximately one kilometer in length and five hundred meters in width. It is unknown whether this magnetic anomaly is part of a larger magnetic body, or if it is an independent geological feature. This anomaly warrants further investigation, and field crews will be deployed to this area immediately. No prior exploration or field mapping has been conducted in this area however recent work has discovered two new massive sulphide outcrops that are currently being channel sampled.

Several smaller yet intensely magnetic bodies have been mapped on the Company’s northern concession. These anomalies will be targeted for field exploration. This data used in combination with the completed phase one IP and resistivity survey will greatly enhance the Company’s interpretation and understanding of the regional geology and structural system within the Santa Elena Project area, along with the identification of additional drill target areas.

Ground Induced Polarization (IP) and Resistivity Survey

On October 11, 2011 KTTM Geophysics Ltd., based out of Medellin, Colombia completed 15 line kilometers of induced polarization and resistivity surveys over the mineralized outcropping area at Santa Elena. The purpose of the geophysical surveys was to investigate several areas identified as potential drill targets that were identified during previous surface mapping and geochemical programs and from the historical TEM survey conducted by Val D'or Geophysics.

This survey was conducted over top of the historical TEM survey and the results of the program were very positive in identifying several new anomalies and new drill targets. The historical TEM survey identified very high conductor zones that extended approximately 900m long in a north-south direction and 400m wide in a east-west direction. The results from the IP survey were very positive in identify new drill targets within and outside of the TEM surveyed area. The results established new drill targets extending over 500m to the west, 400m to the north and over 500m to the southwest.

Transient Electromagnetic (TEM) Survey

The data is currently being acquired by Crone Geophysics of Canada. A borehole TEM system that can acquire 3D data which consists of the Hz - or axial component - and the the Hx and Hy components is being used. The borehole transient EM method is a time-domain, down-hole electromagnetic technique capable of detecting conductive mineralization intersected by the drill hole or lying off-hole. Conductive off-hole EM targets can be detected within 25m to 100m radius of the drill hole.

In addition to detecting the presence of conductive mineralization, the character of the anomalous response observed in a borehole transient EM survey can be used to determine certain characteristics of the conductor such as shape, size, position, and attitude. This system is very useful in detecting EM targets associated with potential VMS type mineralization.

Fixed-loop surface soundings will also be collected over areas of the property where no drilling exists. This survey will involve reading lines both within and outside of a large rectangular loop. Both methods will test for the presence of vertical and sub-vertical conductors, as well flat lying conductors.

The Company plans to test all drill holes that are open. Drill holes will be surveyed immediately after they are finished and any high priority conductors that are identified will be targeted for drill testing. The survey crew is expected to be on site for at least one month until the end of March 2012.

Diamond Drilling

The Company awarded a diamond drill contract to Logan Drilling Colombia S.A.S. The contract covers the initial phase of the 25,000 meter drill program. The Company received the necessary environmental and water permits to conduct its drilling activities and drilling commenced in early July 2011.

The Phase 1 drill program has completed 56 holes to date at varying depths from 40 to 350 meters and are mostly spaced at 50 to 100 meters along the northerly axis of the historic TEM anomaly, which extends approximately 900 meters (north-south) by 500 meters (east-west).

It is anticipated that Phase 1 drilling - currently utilizing four diamond drill rigs - will be completed before the end of the third quarter of 2012. The drill program's objectives are to define the boundary and extent of mineralization at depth of the TEM anomalies and the VMS outcrops.

Drill Assay Results

The first drill results returned near surface high grade VMS mineralization and were all drilled from platforms located north of the TEM-1 outcrops. Additional massive sulphide mineralization was encountered 300m east of this area near the existing exploration tunnel. The Company also drilled into high grade VMS mineralization 650m south of the TEM-1 outcrops in the area with the geophysical TEM-4 anomaly. All current VMS mineralization is located near surface between depths of 10m to 120m below surface.

Significant results from the initial drilling include:

- SE-DDH-002: 46.8m of 1.76% Cu, including 21.0m of 2.87% Cu
- SE-DDH-005: 40.0m of 2.28% Cu, including 10.0m of 5.32% Cu
- SE-DDH-020: 20.0m of 1.47% Cu
- SE-DDH-024: 9.0m of 2.69% Cu
- SE-DDH-025: 6.0m of 4.84% Cu
- SE-DDH-039: 102.9m of 1.44% Cu, including 30.0m of 2.06% Cu
- SE-DDH-047: 4.0m of 1.78% Cu
- SE-DDH-053: 6.0m of 9.42% Cu, including 2.0m of 15.97% Cu

Note that all widths represent down-the-hole core lengths and the true widths are unknown at this stage.

Hole ID	Azimuth (degrees)	Dip (degrees)	Total Depth (meters)	Intercept From (meters)	To (meters)	Interval (meters)	Cu %	Au (g/t)	Ag (g/t)	Zn (%)
SE-DDH-1	190	-60	54.5	38.2	48.5	10.3	1.52	0.05	3.4	0.13
including				43.2	48.5	5.3	2.42	0.09	5.4	0.21
SE-DDH-2	190	-75	164.4	62.5	109.3	46.8	1.76	0.09	4.6	0.21
including				71.0	92.0	21.0	2.87	0.18	6.7	0.37
& including				71.0	77.0	6.0	4.34	0.27	9.5	0.60
SE-DDH-3	0	-90	186.75	50.0	80.5	30.5	0.54	0.05	2.4	0.12
including				50.0	65.0	15.0	0.84	0.09	4.4	0.16
SE-DDH-4	100	-45	36.0	15.0	24.0	9.0	3.14	0.29	21.4	0.08
including				15.0	16.6	1.6	11.56	0.02	1.8	0.15
SE-DDH-5	100	-60	248.6	26.15	66.15	40.0	2.28	0.16	5.9	0.99
including				28.15	58.15	30.0	2.87	0.21	7.1	1.21
& including				28.15	48.15	20.0	3.87	0.29	9.9	1.48
& including				28.15	38.15	10.0	5.32	0.43	12.7	1.92
SE-DDH-6	10	-45	191.5	18.3	58.3	40.0	1.10	0.13	4.4	0.23
including				18.3	35.3	17.0	2.27	0.30	9.6	0.50
& including				20.3	23.3	3.0	8.01	1.39	42.0	0.71
& including				21.3	22.3	1.0	17.97	3.75	94.0	1.35
SE-DDH-7	10	-75	228.0	35.6	43.0	7.4	1.18	0.12	7.8	0.23
and				51.5	72.5	21.0	0.57	0.04	1.5	0.09
SE-DDH-8	115	-60	324.4	No significant mineralization			-	-	-	-
SE-DDH-9	270	-45	259.9	76.3	119.3	43.0	0.31	0.03	0.9	0.04
SE-DDH-10	270	-60	221.7	No significant mineralization			-	-	-	-
SE-DDH-11	180	-45	241.5	No significant mineralization			-	-	-	-
SE-DDH-12	315	-45	254.2	No significant mineralization			-	-	-	-
SE-DDH-13	135	-45	42.0	No significant mineralization			-	-	-	-
SE-DDH-14	190	-70	292.2	No significant mineralization			-	-	-	-
SE-DDH-15	135	-55	218.5	No significant mineralization			-	-	-	-
SE-DDH-16	0	90	257.5	No significant mineralization			-	-	-	-
SE-DDH-17	245	-45	288.0	No significant mineralization			-	-	-	-
SE-DDH-18	0	-90	288.5	12.0	17.0	5.0	2.13	0.14	6.5	0.05
SE-DDH-20	135	-75	230.0	51.0	71.0	20.0	1.47	0.15	8.0	0.19
including				51.0	63.0	12.0	1.98	0.18	9.7	0.27

Hole ID	Azimuth (degrees)	Dip (degrees)	Total Depth (meters)	Intercept From (meters)	To (meters)	Interval (meters)	Cu %	Au (g/t)	Ag (g/t)	Zn (%)
SE-DDH-21	270	-45	300.0	No significant mineralization			-	-	-	-
SE-DDH-22	135	-60	278.0	No significant mineralization			-	-	-	-
SE-DDH-23	270	-60	233.0	No significant mineralization			-	-	-	-
SE-DDH-24	270	-75	205.9	12.5	21.5	9.0	2.69	0.21	12.1	0.13
SE-DDH-25	150	-45	164.5	71.0	77.0	6.0	4.84	0.21	13.8	0.20
SE-DDH-26	270	-60	212.8	13.8	17.9	6.9	1.94	0.09	4.7	0.06
SE-DDH-27	45	-45	167.1	No significant mineralization			-	-	-	-
SE-DDH-28	315	-45	195.4	No significant mineralization			-	-	-	-
SE-DDH-29	90	-45	182.3	103.0	117.0	14.0	0.37	0.04	2.3	0.09
including				103.0	105.0	2.0	1.62	0.17	13.3	0.55
SE-DDH-30	0	-75	235.3	No significant mineralization			-	-	-	-
SE-DDH-31	0	-90	103.3	No significant mineralization			-	-	-	-
SE-DDH-32	0	-45	150.0	No significant mineralization			-	-	-	-
SE-DDH-33	0	-90	203.5	No significant mineralization			-	-	-	-
SE-DDH-34	270	-45	150.0	No significant mineralization			-	-	-	-
SE-DDH-35	0	-45	149.3	No significant mineralization			-	-	-	-
SE-DDH-36	315	-45	100.0	No significant mineralization			-	-	-	-
SE-DDH-37	115	-45	202.5	125.0	146.0	21.0	1.61	0.14	2.5	0.22
including				125.0	134.0	9.0	2.41	0.16	4.4	0.39
SE-DDH-38	0	-45	150.0	No significant mineralization			-	-	-	-
SE-DDH-39	190	-55	150.0	30.6	133.5	102.9	1.44	0.07	2.4	0.23
including				30.6	60.6	30.0	2.06	0.12	4.8	0.28
& including				95.0	120.0	25.0	1.98	0.07	2.8	0.15
SE-DDH-40	270	-45	142.2	No significant mineralization			-	-	-	-
SE-DDH-41	220	-45	150.0	31.0	37.0	6.0	0.47	0.04	1.4	0.16
SE-DDH-42	0	-90	204.5	No significant mineralization			-	-	-	-
SE-DDH-43	160	-55	201.2	45.1	52.6	7.5	0.42	0.02	1.0	0.06
SE-DDH-44	0	-90	148.2	No significant mineralization			-	-	-	-
SE-DDH-45	0	-90	208.0	No significant mineralization			-	-	-	-
SE-DDH-46	270	-45	210.0	No significant mineralization			-	-	-	-
SE-DDH-47	110	-45	250.0	156.0	160.0	4.0	1.78	0.53	11.8	1.30
including				159.0	160.0	1.0	2.90	0.43	21.0	4.47
SE-DDH-48	225	-45	219.5	No significant mineralization						

Hole ID	Azimuth (degrees)	Dip (degrees)	Total Depth (meters)	Intercept From (meters)	To (meters)	Interval (meters)	Cu %	Au (g/t)	Ag (g/t)	Zn (%)
SE-DDH-49	110	-60	213.5	No significant mineralization						
SE-DDH-50	110	-45	76.2	No significant mineralization						
SE-DDH-51	110	-60	297.6	No significant mineralization						
SE-DDH-52	110	-60	300.0	No significant mineralization						
SE-DDH-53	150	-45	250.0	123.1	129.1	6.0	9.42		22.3	0.10
including				123.1	124.1	1.0	15.97		37.0	0.22
& including				128.1	129.1	1.0	15.98		41.0	0.17
and				100.7	111.5	10.9	0.45		0.5	1.25

To date the Company has completed a total of 56 drill holes completing just over 11,300 meters of drilling with the first 53 assayed and reported above, while the remaining are awaiting assay results. Cuoro staff, from recently completed and on-going geophysical surveys, has identified several new drill targets and additional drill platform construction is currently underway.

The drill core is logged, photographed, cut and stored in the Company’s warehouse in Medellin. Samples are transported to assay labs in Medellin where they pulp the entire sample from which a representative split is taken. Testing methods include fire assay for gold and four acid total digestion with an AA finish for copper. As part of the QA/QC program a series of duplicates and blanks are submitted. Drill core assays have a four to five week turnaround time depending on lab congestion.

Surface Access Agreement

The Company has entered into a surface access agreement with the five surface rights property owners, which make up the Santa Elena Project. The terms of the agreement allow the Company immediate and full access over the principle areas of interest at Santa Elena, including TEM 1, TEM 2, TEM 3 and TEM 4, as well as the right to explore, drill and construct a road on the property. The agreement has a one-year term and will renew annually for as long as access is needed by the Company to continue its exploration and development activities. Additional access agreements on property outside of the TEM area has also been negotiated with agreements signed. The Company recently acquired land access to a large portion of the southern concession along with the use of houses located on the property which will serve as a temporary base camp during exploration in this area.

Barranco de Loba Gold Project

Effective August 16, 2011 the Company entered into an option agreement to acquire a 100% interest in the Barranco de Loba Gold Project (the “Barranco Project”), within the Segovia Belt and the historical gold district of Serrania San Lucas, located in the Department of Sur de Bolivar, Colombia.

The Company previously announced the execution of a Letter of Intent dated December 9, 2010, to acquire the Barranco Project. However, given the ongoing positive exploration results the Company has been reporting from its flagship Santa Elena copper-gold project, CuOro management elected to conduct additional and extensive due diligence at the Barranco Project prior to finalizing acquisition terms and the option agreement.

Highlights from the Company’s reconnaissance level due diligence and sampling programs for indications and confirmation of the presence of significant gold mineralization at the Barranco Project are summarized below:

- Sampling of historical and active small-scale artisanal workings yielded results indicating the presence of significant gold mineralization. Rock chip grab samples of underground-mineralized veins returned values up to 87.5g/t of Au. Samples were taken from a combination of outcropping veins, stockworks, and mine tunnels.

- Selective and most significant grab sample results were as follows:
  - Talide 2 vein at 87.5g/t Au
  - Jerez 3 vein at 21.5 g/ Au
  - Las Aguacate 2 vein at 19.0 g/t Au
  - Nuvia vein at 17.3 g/t Au
  - Saballanes 3 vein at 12.9 g/t Au
  - Saballanes 1 vein at 6.7 g/t Au
- The property surrounds three sides of the Gloria Gold Mine, which is operated and exploited as a mining cooperative with over 1,500 artisanal miners currently active on the property.
- The artisanal gold workings sampled are both easily identified by weathering profiles and their occurrence in large sub parallel structures which are contained within a larger structurally controlled vein system.
- There is a clear relationship between the north easterly trending geochemical anomaly stream sediments and gold bearing artisanal workings that continues over five kilometers on the Barranco Project.

The Barranco Project is located approximately 35 kilometers due south of the town of Barranco de Loba in the municipality of Barranco de Loba, Sur de Bolivar, Department of Bolivar, Colombia. The Barranco Project comprises one mining concession (IEV-16061), with elevations ranging from less than 100 meters to approximately 600 meters above sea level, having a total area of 3,976 hectares. The nearest major town is El Banco (population 34,000), which is located approximately 16 kilometers ENE along the Magdalena River. The area is located between the two major cities of Bucaramanga, located approximately 240 kilometers to the SSE and Valledupar some 185 kilometers to the NNE. The Barranco Project is accessed by dirt road to the south, and the annual rainfall is in the order of 3,000 mm, primarily from March to May and September to December, however, exploration can be conducted year round.

The San Lucas gold district is believed to be one of the most prolific in Colombia and has been artisanally mined for over 200 years. There are currently more than 5,000 small-scale miners working in the San Lucas district however very little modern or systematic exploration work has been carried out.

The regional structure in Serrania de San Lucas gold district is dominated by northerly and northeasterly trending photo-linear structures due to both tensional and distortional deformation, and act as important controls for the hydrothermal mineralization. The dominant NE trending structures are associated with both extension and dilation shearing that created channel ways, along with hydrothermal mineralization as pinch and swell veining both along strike as well as down dip and down plunge. Subsequent post mineralization movement has served to variably offset the principle vein sets along trend.

The bulk of the hydrothermal mineralization at the Barranco Project occurs in narrow vein systems from a few centimeters wide and up to 6 meters in width. The principal vein trends are north-easterly with dips ranging from 90-50°E and 90-70°W. The veins are variably continuous along strike from a few meters to several hundred meters, and may attain depths to 200-300 meters. These hydrothermal vein systems are mainly comprised of low sulphidation quartz and sulphide (chalcopyrite, sphalerite, galena, and pyrite). There are also occasional stock work and disseminated gold bearing mineralization found on the property. Placer gold is described as occurring erratically in the recent flood plain sediments. These variably mineralized zones are traceable southeasterly over a distance of three to four kilometers, and across an approximate width of between two to five kilometers.

The planned work program to be completed over the next six months includes initial exploration surface mapping, geochemical sampling, and trenching. Ground geophysics will then be carried out over any identified vein structures and geochemical anomalies to establish and identify targets for a diamond drill program.

Selected Financial Data

The following selected financial information is derived from the audited annual consolidated financial statements of the Company prepared in accordance with Canadian GAAP.

	Years Ended November 30,		
	2011 $	2010 $	2009 $
Operations:			
Revenues	Nil	Nil	Nil
Expenses	(4,392,625)	(674,858)	(242,372)
Net loss	(4,309,437)	(674,858)	(242,372)
Loss per share - basic and diluted	(0.20)	(0.12)	(0.06)
Dividends per share	Nil	Nil	Nil
Balance Sheet:			
Working capital (deficiency)	17,973,996	564,228	(48,709)
Total assets	22,406,931	834,711	57,669
Total long-term liabilities	Nil	Nil	Nil

The following selected financial information is derived from the unaudited consolidated interim financial statements of the Company prepared in accordance with Canadian GAAP.

	Fiscal 2011				Fiscal 2010			
Three Months Ended	Nov. 30, 2011 $	Aug. 31, 2011 $	May 31, 2011 $	Feb. 28, 2011 $	Nov. 30, 2010 $	Aug. 31, 2010 $	May 31, 2010 $	Feb. 28, 2010 $
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(641,624)	(1,694,650)	(1,780,420)	(275,931)	(548,375)	(887)	(29,444)	(96,152)
Net income (loss)	(609,476)	(1,645,191)	(1,778,839)	(275,931)	(548,375)	(887)	(29,444)	(96,152)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet								
Working capital (deficiency)	17,973,996	20,636,100	22,490,565	230,782	564,228	(171,439)	(170,552)	(141,109)
Total assets	22,406,931	22,779,610	23,635,132	440,620	834,711	26,998	29,798	37,984
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended November 30, 2011 Compared to Three Months Ended November 30, 2010

During the three months ended November 30, 2011 (the "2011 Quarter") the Company reported a net loss of $609,476 compared to a net loss of $548,375 for the three months ended November 30, 2010 (the "2010 Quarter"), an increase of $61,101. During the 2010 Quarter the Company had limited operations. Significant expenses during this period were for due diligence costs incurred for the identification of the Qualifying Transaction which was completed in April 2011.

The primary costs in the 2011 Quarter are as follows:

- a total increase of $196,251 in legal fees, general and administrative expenses, rent and salary and compensation expenses from $18,671 for the 2010 Quarter to $214,922 for the 2011 Quarter, reflecting increased operation activities conducted after the identification and completion of the Qualifying Transaction;
- $17,368 increase in accounting and administration, from $1,690 for the 2010 Quarter to $19,058 for the 2011 Quarter. During the 2011 Quarter the Company was billed $9,000 (2010 - $1,690) for accounting and administrative services provided by Chase Management Ltd., a private company owned by a director of the Company;

- participation in a market awareness program at a cost of $55,665. During the 2010 Quarter the Company did not participate in any program;
- participation in investment conferences and trade shows in Europe and North America for total costs of $43,556. During the 2010 Quarter the Company did into participate in any investment conferences.
- Effective May 1, 2011 the Company engaged Apex Capital Inc. ("Apex") to conduct market and investor relations services on behalf of the Company. During the 2011 Quarter the Company paid $18,000 to Apex;
- $115,228 increase in travel expenses from $5,204 for the 2010 Quarter to $120,432 for the 2011 Quarter. The increase was primarily due to ongoing travel by Company management, personnel to oversee the property and exploration program and for general corporate activities; and
- $87,945 in professional fees. During the 2011 Quarter the Company paid $15,000 for professional services provided by the Corporate Secretary of the Company and $72,945 for professional fees billed by third parties. No such fees were incurred in the 2010 Quarter.

The increase in loss was partially offset by a $434,987 decrease in stock-based compensation expense, from $481,550 for the 2010 Quarter to $46,563 for the 2011 Quarter. During the 2011 Quarter the Company recorded $313 (2010 Quarter - $481,550) stock-based compensation expense on 25,000 (2010 Quarter - 1,171,752) stock options granted and $46,250 (2010 Quarter - $nil) on the vesting of stock options previously granted.

Year Ended November 30, 2011 Compared to the Year Ended November 30, 2010

During the year ended November 30, 2011 ("fiscal 2011") the Company reported a net loss of $4,309,437 compared to a net loss of $674,858 for the year ended November 30, 2010 ("fiscal 2010"), an increase of $3,634,579. Fiscal 2011 reflects significant activities conducted by the Company while negotiating and completing the Qualifying Transaction and increased operations as an active junior resource company. During fiscal 2010 the Company was inactive as it had not yet identified a Qualifying Transaction. The significant contributing factors for the increase in loss in fiscal 2011 were attributed to: (i) a total increase of $792,632 in due diligence costs, legal fees and travel costs, primarily incurred for the identification and evaluation of the Qualifying Transaction that was completed on April 20, 2011; and (ii) the recognition of stock-based compensation of $2,044,749 for stock options granted during fiscal 2011.

Excluding the stock-based compensation expenses of $2,044,749, significant general and administrative expenses incurred during fiscal 2011 totalled $2,347,876 and include:

- $74,436 (2010 - $1,690) for accounting and administrative fees. During fiscal 2011 the Company was billed $53,700 for accounting, financial reporting and administrative services provided by Chase Management Ltd. a private company owned by a director of the Company;
- $123,507 for participation and costs for attendance at investment conferences. Also included in this category was $15,000 paid to Apex for attendance at the conferences. During fiscal 2011 the Company participated in investment conferences and trade shows in Europe, North America and Asia. During fiscal 2010 the Company did not participate in any investment conferences;
- $304,728 for salary and compensation, including $283,306 for salaries and benefits, fees and a signing bonus paid to the President of the Company;
- $60,556 paid for relocation costs, comprising of $10,918 for travel costs incurred for the relocation of the President and his family plus a $27,600 (US $28,500) relocation payment to the President and $22,038 relocation payment to the Company's technical manager;
- $126,932 for office, warehouse and apartment rents in Colombia;
- $102,821 for shareholder communications, including $49,926 paid for marketing and consulting services in Germany and $14,000 paid to Apex for an online marketing campaign and assistance in preparation of corporate brochures and design logo. In addition the Company paid $55,665 for advertising, marketing and consulting services provided by arms-length companies directed towards the investment community in Germany;
- $48,000 for investor relations. Effective May 1, 2011 the Company entered into an investor relations agreement with Apex to provide marketing and investor relations services for the Company for twelve months at a rate of $8,000 per month. Effective August 1, 2011 the agreement was amended to $6,000 per month;
- $145,757 for professional fees. During fiscal 2011 the Company paid $35,000 for professional services provided by the corporate secretary of the Company and $110,757 for professional fees billed by third parties;

- $256,908 for general and administrative expenses; and
- $20,047 increase in regulatory fees, due to increased activities and fees associated with the filing of the annual information form.

During fiscal 2011 the Company completed a number of equity financings whereby it raised a total of $11,620,000 from the issuances of common shares and a further $13,380,000 from a special warrant financing. See also “Company Overview”. The Company also received a further $52,716 from stock options and warrant exercises. The majority of the funds raised during fiscal 2011 have been deposited in an interest bearing savings account and the purchase of a $14,569,850 redeemable bank guaranteed investment certificates. During fiscal 2011 the Company earned $108,943 interest income.

During fiscal 2011 the Company incurred $720,293 for acquisition costs and $2,413,845 for exploration activities on the Santa Elena Project and $370,803 for acquisition costs and $994 for exploration activities on the Barranco de Loba Project. See also “Exploration Projects”.

Financial Condition / Capital Resources

Since inception the Company’s capital resources have been limited to amounts raised from the sale of common shares in the Company.

As at November 30, 2011, the Company had working capital of approximately $17,973,996. The Company believes that it currently has sufficient financial resources to conduct anticipated exploration programs, make its payments on the option agreement for the Santa Elena Project and meet anticipated corporate administration costs for the upcoming twelve month period. In addition, the Company expects to have sufficient financial resources to acquire the Barranco de Loba Project if completed on favourable terms. However, exploration activities may change due to ongoing results and recommendations, or the Company may acquire additional properties, which may entail significant funding or exploration commitments. In the event that the occasion arises, the Company may be required to obtain additional financing. The Company has relied solely on equity financing to raise the requisite financial resources. While it has been successful in the past, there can be no assurance that the Company will be successful in raising future financing should the need arise.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company does not have any proposed transactions.

Critical Accounting Estimates

A detailed summary of all the Company’s significant accounting policies is included in Note 2 to the November 30, 2011 audited financial statements. See also “Changes in Accounting Policies”.

Changes in Accounting Policies

Adoption of Accounting Policies

With the completion of the option agreement on the Santa Elena Project the Company is now a junior resource company. The following accounting policies are now applicable to the Company’s most recent financial statements.

Basis of Presentation

The consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”). The preparation of the consolidated financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management’s opinion, been properly prepared using careful judgement with reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned Colombian subsidiary, Minera CuOro S.A.S., which was incorporated on March 15, 2011. Inter-company balances and transactions are eliminated on consolidation.

Use of Estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Examples of significant estimates made by management include amortization, the provision for income taxes, composition of future income tax assets, future income tax liabilities and asset retirement obligations and valuations of mineral resource interests, equipment and stock-based compensation. Actual results may differ from those estimates.

Cash Equivalents

Cash equivalents include short-term deposits maturing within 90 days of the original date of acquisition. As at November 30, 2011 the Company did not hold any cash equivalents.

Mineral Resource Interests

Unproven mineral interests costs and exploration, development and field support costs directly relating to mineral interests are deferred until the mineral interest to which they relate is placed into production, sold or abandoned. The deferred costs will be amortized over the life of the orebody following commencement of production or written off if the mineral interest is sold or abandoned. Administration costs and other exploration costs that do not relate to any specific mineral interest are expensed as incurred.

On a periodic basis, management reviews the carrying values of deferred unproven mineral interest acquisition and exploration expenditures with a view to assessing whether there has been any impairment in value. Management takes into consideration various information including, but not limited to, results of exploration activities conducted to date, estimated future metal prices, and reports and opinions of outside geologists, mine engineers and consultants. When it is determined that a project or mineral interest will be abandoned or its carrying value has been impaired, a provision is made for any expected loss on the project or mineral interest.

Although the Company has taken steps to verify title to the unproven mineral interests, according to the usual industry standards for the stage of exploration of such mineral interests, these procedures do not guarantee the Company's title. Such mineral interests may be subject to prior agreements or transfers and title may be affected by undetected defects.

From time to time the Company acquires or disposes of mineral interests pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are recorded as mineral interest costs or recoveries when the payments are made or received.

The Company also accounts for foreign value added taxes which relate to deferred mineral resource expenditures as part of deferred costs. The recovery of these taxes will commence on the beginning of foreign commercial operations. Should these amounts be recovered they would be treated as a reduction in the carrying costs of mineral property interests.

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is recorded on a straight-line basis over the estimated useful life at a rate of: 10% for machinery and equipment; 10% for office equipment; 20% for computers and telephone equipment; and 20% for vehicles.

Asset Retirement Obligations

The fair value of a liability for an asset retirement obligation is recognized when a reasonable estimate of fair value can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is charged to earnings using a systematic and rational method and is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flow. The Company has determined that it does not have any asset retirement obligations at November 30, 2011.

Impairment of Long-Lived Assets

Long-lived assets are assessed for impairment when events and circumstances warrant. The carrying value of a long-lived asset is impaired when the carrying amount exceeds the estimated undiscounted net cash flow from use and fair value. In that event the amount by which the carrying value of an impaired long-lived asset exceeds its fair value is charged to earnings. Fair value is generally determined using a discounted cash flow analysis.

Translation of Foreign Currencies

As the Company's foreign subsidiary has been dependent on funding from its parent, the operation is considered to be integrated. As a result, the temporal method of translating the accounts of the foreign subsidiary has been adopted. Under this method, the Company translates monetary items at the rate of exchange in effect at the balance sheet date. Non-monetary items are translated at average rates in effect during the period in which they were earned or incurred. Revenues and expenses are translated at average rates in effect during the period except for depreciation and amortization which are translated at historical rates. Gains and losses resulting from the fluctuation of foreign exchange rates have been included in the determination of income.

Stock-Based Compensation

Stock-based compensation is accounted for at fair value as determined by the Black-Scholes option pricing model using amounts that are believed to approximate the volatility of the trading price of the Company's stock, the expected lives of awards of stock-based compensation, the fair value of the Company's stock and the risk-free interest rate. The estimated fair values of stock-based compensation are charged to expense as awards vest, with offsetting amounts recognized as contributed surplus.

Income Taxes

Future income tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities, measured using substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse. The effect on future income tax assets and liabilities of a change in income tax rates is included in the period that includes the enactment date. Future income tax assets are recognized to the extent that they are considered more likely than not to be realized.

Equity Transactions

The Company issues units in private placements. The Company applies the residual approach to calculate the fair value of the units, which comprise of common shares and warrants. Under this approach the common shares are valued first and the difference, if any, between the gross proceeds and the fair value of the common shares is assigned to the warrants.

Income (Loss) Per Share

Basic income (loss) per share is calculated using the weighted average number of common shares outstanding during the period. Diluted income (loss) per share is calculated in accordance with the treasury stock method which assumes that proceeds received from the exercise of stock options and warrants would be used to repurchase common shares at the prevailing market rate. Under the treasury stock method, the basic and diluted loss per share are the same, as the effect of common shares issuable upon the exercise of warrants and stock options of the Company would be anti-dilutive.

Financial Instruments

Under Section 3855, *Financial Instruments - Recognition and Measurement*, all financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale assets or other financial liabilities. All financial instruments, including derivatives, are included on the balance sheet and are measured at fair market value upon inception with the exception of certain related party transactions. Subsequent measurement and recognition of change in the fair value of financial instruments depends on their initial classification. Held-for-trading financial investments are measured at fair value and all gains and losses are included in operations in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in other comprehensive income until the asset is removed from the balance sheet. Loans and receivables, held- to-maturity investments and other financial liabilities are measured at amortized cost using the effective interest method. Gains and losses upon inception, derecognition, impairment write-downs and foreign exchange translation adjustments are recognized immediately. Transaction costs related to financing will be expensed in the period incurred.

The Company has designated its cash and short-term investments as held-for-trading, which are measured at fair value. Amounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

Section 3862, *Financial Instruments - Disclosures*, requires disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 - inputs that are not based on observable market data.

The principles in this section complement the principles for recognizing, measuring and presenting financial assets and financial liabilities in Section 3855, *Financial Instruments - Recognition and Measurement*, Section 3863, *Financial Instruments - Presentation*, and Section 3865, *Hedges*.

Section 3863, *Financial Instruments - Presentation*, enhances financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset.

Comprehensive Income

Section 1530, *Comprehensive Income*, provides standards for the reporting and presentation of comprehensive income, which is defined as the change in equity, from transactions and other events and circumstances from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income but that are excluded from net income calculated in accordance with generally accepted accounting principles. A statement of comprehensive income has not been presented as no components of comprehensive income have been identified and therefore have not affected the current or comparative period balances on the consolidated financial statements.

Capital Disclosures

Section 1535, *Capital Disclosures*, establishes standards for disclosing information about an entity's capital and how it is managed.

Future Accounting Policies

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, *Business Combinations,* Section 1601, *Consolidated Financial Statements,* and Section 1602, *Non-Controlling Interests*. These new standards will be effective for fiscal years beginning on or after January 1, 2011.

Section 1582 replaces Section 1581, *Business Combinations,* and establishes standards for the accounting for a business combination. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace Section 1600, *Consolidated Financial Statements.* Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

The Company does not expect the adoption of these accounting standards to have an impact on its financial statements.

International Financial Reporting Standards

In January 2006, the Canadian Accounting Standards Board adopted a strategic plan, which includes the decision to move financial reporting for Canadian publicly accountable enterprises to a single set of globally accepted high-quality standards, namely, International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. The effective implementation date of the conversion from Canadian generally accepted accounting principles ("Canadian GAAP") to IFRS is December 1, 2011, with an effective transition date of December 1, 2010 for financial statements prepared on a comparative basis.

At this point, the Company's IT accounting and financial reporting systems are not expected to be significantly impacted. Further, the Company has in place internal and disclosure control procedures to ensure continued effectiveness during this transition period.

Based on the review undertaken, the Company believes that IFRS will have limited impact on its current financial position. At the same time, IFRS will likely require more extensive disclosure and analysis of balances and transactions in the notes to the financial statements. The specific accounting areas the Company has focused its analysis on are outlined below together with the more salient issues under each area.

Key Area	**Canadian GAAP (as currently applied)**	**IFRS**	**Analysis and Preliminary Conclusions**
Capital Assets	Capital assets are recorded at historical cost.	Capital assets can be recorded using the cost (on transition to IFRS, the then fair value can be deemed to be the cost) or revaluation models.	Capital assets will likely continue to be recorded at their historical costs due to the complexity and resources required to determine fair values on an annual basis.
	Depreciation is based on their useful lives after due estimation of their residual values.	Depreciation must be based on the useful lives of each significant component within Capital assets.	Based on an analysis of Capital assets' significant components and their useful lives, it is unlikely that changes to their useful lives and, therefore, depreciation rates and expenses, will be required.
Resource Properties	Exploration, evaluation and development costs directly relating to unproven mineral interests are deferred until the mineral interest in which they relate is placed into production, sold or abandoned	IFRS has limited guidance with respect to these costs and currently allows exploration and evaluation costs to be either capitalized or expensed.	The existing accounting policy is likely to be maintained.

Key Area	Canadian GAAP (as currently applied)	IFRS	Analysis and Preliminary Conclusions
Asset Retirement Obligations	Canadian GAAP limits the definition of ARO's to legal obligations.	IFRS defines ARO's as legal or constructive obligations.	The broadening of this definition is unlikely to cause a significant change in current estimates.
	ARO is calculated using a current credit-adjusted, risk-free rate for upward adjustments, and the original credit-adjusted, risk-free rate for downward revisions. The original liability is not adjusted for changes in current discount rates.	ARO is calculated using a current pre-tax discount rate (which reflects current market assessment of the time value of money and the risk specific to the liability) and is revised every reporting period to reflect changes in assumptions or discount rates.	The change in calculation of ARO and the discounting process will likely generate some changes in the value of ARO on transition.
Impairment of Long Lived Assets	Impairment tests of its long-term assets are considered annually based on indications of impairment.	Impairment tests of "cash generating units" are considered annually in the presence of indications of impairment.	Assets will continue to be grouped under the Company's various mining operations. Currently, there are no indications of impairment and, therefore, no impairment test has been performed.
	Impairment tests are generally done on the basis of undiscounted future cash flows.	Impairment tests are generally carried out using the discounted future cash flow.	Impairment tests using discounted values could generate a greater likelihood of write downs in the future.
	Write-downs to net realizable values under an impairment test are permanent changes in the carrying value of assets.	Write downs to net realizable values under an impairment test can be reversed if the conditions of impairment cease to exist.	Potential significant volatility in earnings could arise as a result of the difference in the treatment of write-downs.
Stock-Based Compensation	Stock-based compensation is determined using fair value models (e.g. Black-Scholes) for equity-settled awards and the intrinsic model for cash-settled awards.	Stock-based compensation is determined using fair value models for all awards. However, upon settlement, cash-settled awards are adjusted to the value actually realized (intrinsic model).	The determination of the value of stock-based compensation for share appreciation rights and deferred share units, both cash-settled awards, will change and likely be more volatile under a Black-Scholes model until the awards are settled.
Income Taxes	There is no exemption from recognizing a deferred income tax for the initial recognition of an asset or liability in a transaction that is not a business combination. The carrying amount of the asset or liability acquired is adjusted for the amount of the deferred income tax recognized.	A deferred income tax is not recognized if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction affects neither accounting profit nor taxable profit.	The Company does not expect the difference in recognition of deferred income tax to have any significant change in the future.
	All deferred income tax assets are recognized to the extent that it is "more likely than not" that the deferred income tax assets will be realized recognized.	A deferred tax asset is recognized if it is "probable" that it will be realized.	"Probable" in this context is not defined and does not necessarily mean "more likely than not". The Company is in the final stages of quantifying the impact of this difference.

The above comments should not be considered as a complete list of changes that will result from the transition to IFRS as the Company's analysis is still in progress and no final determinations have been made where choices of accounting policies are available. In addition, the accounting bodies responsible for issuing Canadian and IFRS accounting standards have significant ongoing projects that could impact the Company's financial statements as at November 30, 2011 and in subsequent years, including projects regarding income taxes, financial instruments and joint venture accounting. In addition, there is an extractive industries project currently underway that will lead to more definitive guidance on the accounting for exploration and evaluation expenditures, but this is still in the discussion paper stage and may not be completed for some time. The Company is continuing to monitor the development of these projects and will assess their impact in the course of its transition process to IFRS.

Transactions with Related Parties

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period. The terms of conditions of the transactions with key management personnel and those entities were no more favourable than those available, or which might reasonably be expected to be available, for similar transactions with non-related entities on an arm's length basis.

(a) *Transactions with Key Management Personnel*

(i) The following amounts were incurred with respect to the Company's President and Chief Executive Officer and the spouse of the Company's President:

	2011 **$**	**2010** **$**
Salary and compensation	283,306	-
Secretarial fees	18,527	-
Rent for apartment	31,678	-
Relocation expenses	27,600	-
Share-based compensation	251,781	241,221
	612,892	241,221

(ii) The following amounts were incurred with respect to the Company's Chief Financial Officer:

	2011 **$**	**2010** **$**
Directors fees	17,500	-
Accounting and administration	53,700	1,690
Share-based compensation	253,658	41,096
	324,858	42,786

As at November 30, 2011, $10,100 (2010 - $1,690) remained unpaid and has been included in accounts payable and accrued liabilities.

(b) *Transactions with Other Related Parties*

The following amounts were incurred with respect to former and current officers and directors of the Company:

	2011 **$**	**2010** **$**
Legal	-	43,860
Directors fees	23,500	-
Professional fees	35,000	-
Share-based compensation	879,009	102,741
	937,509	146,601

As at November 30, 2011, $3,500 (2010 - $166,052) remained unpaid and has been included in accounts payable and accrued liabilities.

Risks and Uncertainties

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims and other interests, as well as for the recruitment and retention of qualified employees.

The Company is in compliance in all material regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

Colombia is home to South America’s largest and longest running political insurgency, and over the past two decades has experienced significant social upheaval and criminal activity relating to drug trafficking. While the situation has improved dramatically in recent years, there can be no guarantee that the situation will not again deteriorate. As such, the Company is subject to governmental, political, economic, and other uncertainties, including, but not limited to, expropriation of property without fair compensation, changes in policies or the personnel administering them, nationalization, currency fluctuations and devaluations, exchange controls and royalty increases, renegotiation or nullification of existing concessions and contracts, changes in taxation policies, economic sanctions and the imposition of specific obligations and the other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations are conducted, as well as risks of loss due to civil strife, acts of war, guerrilla activities, insurrections, the actions of national labour unions, terrorism and abduction. Additionally, the continued perception that matters have not improved in Colombia may hinder the Company’s ability to access capital in a timely or cost effective manner.

Investor Relations Activities

On May 1, 2011, the Company engaged Apex to provide marketing and investor relations services for the Company at $8,000 per month, for a term of twelve months. Effective August 1, 2011 the arrangement was amended to $6,000 per month. The Company also granted options to Apex to purchase 150,000 common shares of the Company at $1.00 per share, for a term of five years. During fiscal 2011, the Company paid $48,000 to Apex for investor relations services. In addition a further $34,000 was paid to Apex for other services provided.

Outstanding Share Data

The Company’s authorized share capital is unlimited common shares without par value. As at March 27, 2012 there were 30,412,397 issued and outstanding common shares, 2,942,752 stock options outstanding to purchase common shares at exercise prices ranging from $0.52 to $2.10 per share, 8,767,047 warrants outstanding to purchase common shares at exercise prices ranging from $0.25 to $2.50 per share and 468,300 Underwriters’ Warrants outstanding to purchase units at an exercise price of $2.00 per unit.