CuOro Resources Corp.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED MAY 31, 2012

Background

This discussion and analysis of financial position and results of operation is prepared as at July 25, 2012 and should be read in conjunction with the unaudited condensed consolidated interim financial statements and the accompanying notes for the six months ended May 31, 2012, of CuOro Resources Corp. ("CuOro" or the "Company"). The Company adopted International Financial Reporting Standards ("IFRS") and the following disclosure and associated condensed consolidated interim financial statements are presented in accordance with IFRS. All comparative information provided is in accordance with IFRS. 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 .

Adoption of International Financial Reporting Standards ("IFRS")

The Company's financial statements and the financial data included in the interim MD&A have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee that are expected to be effective for the fiscal year ending November 30, 2012, the Company's first annual reporting under IFRS. The adoption of IFRS does not impact the underlying economics of the Company's operations.

The IFRS accounting polices set forth in Note 3 of the condensed consolidated interim financial statements have been applied in preparing the financial statements for the six months ended May 31, 2012 and comparative information as at and for the six months ended May 31, 2011, as at and for the year ended November 30, 2011 and an opening Statement of Financial Position as at December 1, 2010. Notes 2 and 3 to the unaudited condensed consolidated interim financial statements contains a detailed description of the Company's adoption of IFRS. The Company's adoption of IFRS had no impact on the financial statements previously prepared under Canadian Generally Accepted Accounting Principles ("Canadian GAAP") to those under IFRS. The adoption of IFRS has not had an impact on the Company's strategic decisions, operations, or cash flows. Further information on the IFRS impacts is provided in the Accounting Changes and Pronouncements section of this MD&A as well as in Note 13 to the unaudited condensed interim financial statements.

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 is a junior mineral exploration company primarily engaged in the acquisition and exploration of precious metals on mineral properties located in Colombia with the aim of developing them to a stage where they can be exploited at a profit or to arrange joint ventures whereby other companies provide funding for development and exploitation. As of the date of this MD&A, the Company has not earned any production revenue, nor found any proven reserves on any of its properties. The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange ("TSXV") under the symbol "CUA", as a Tier 2 mining issuer.

The Company's principal office is located #1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

Transaction Agreement with Pacific Road

On May 28, 2012 the Company and Pacific Road Resources Fund II and Pacific Road Resources Fund II L.P. (collectively "Pacific Road") entered into a definitive agreement (the "Agreement") with respect to certain investments that may be made in the Company by Pacific Road (the "Transaction").

Under the terms of the Agreement, the Company has granted to Pacific Road two separate options to purchase units of the Company by way of non-brokered private placements, subject to certain terms and conditions as set out in the Agreement. The issuance of the units is subject to shareholder approval and in each case the final approval of the TSXV.

The Agreement also provides for Pacific Road to purchase between two million and three million common shares of the Company in the secondary market, subject to certain terms and conditions as set out in the Agreement.

The first option to purchase units of the Company (the "P1 Units") provides for an investment in the Company by Pacific Road between $5.0 and $7.5 million at a price of $2.00 per P1 Unit, subject to the pricing rules of the TSXV. Each P1 Unit shall consist of one common share and one-half of a common share purchase warrant of the Company. Each whole warrant shall be exercisable for one common share at a price of $2.50 for a period of two years from the date of issue, but will not be exercisable until 65 days after the issue of the P1 Units.

The second option to purchase units of the Company (the "P2 Units") provides for an investment in the Company by Pacific Road of up to $40 million at a price per P2 Unit equal to the 20-day volume-weighted average price of the Company's common shares at the time the second option is exercised, subject to the pricing rules of the TSXV. The second option may be exercised at any time within 45 days of the earlier of the Company completing and delivering to Pacific Road a Resource Statement and Preliminary Economic Assessment or a Pre-Feasibility Study. Each P2 unit shall consist of one common share and one-half of a common share purchase warrant of the Company. Each whole warrant shall be exercisable for one common share at a price equal to 125% of the P2 Unit purchase price for a period of two years from the date of issue.

The final number of units to be issued under each option, if exercised, and the price and expiry dates of the securities to be issued under each option will be announced at the time such option is exercised by Pacific Road. Assuming that all contemplated purchases of securities in the market and exercise of options to purchase units of the Company are made by Pacific Road it is expected that Pacific Road will ultimately become a control person in the Company within the meaning of the TSXV rules and applicable securities laws.

The Agreement contains representations and warranties of the Company and Pacific Road as well as certain conditions precedent and covenants that must be satisfied in connection with the Transaction. The Company has also agreed to grant to Pacific Road certain shareholder rights including representation on the board of directors of the Company, registration rights and preemptive rights conditional upon the completion of the exercise of the first option. The Agreement contains a mutual termination right as well as certain termination rights in favour of the Company and Pacific Road, respectively.

Exploration Projects

Santa Elena Copper and Gold Project

History

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 two 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 and one hundred 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 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

Mapping

Field geologists have conducted detailed mapping over the massive sulphide outcropping areas, located in an area which represents approximately 10% of the property. Recent surface mapping have resulted in new mineralization outcrop discoveries to the southwest of the principle area of interest. 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. This main adit was sampled and 41 rock chip samples were collected. All rock chip samples were collected on uniform one meter intervals along both sides (ribs) of the underground workings. Sampling and testing of these workings has been carried out and assay results have been received. Results returned an average gold assay value of 0.26g/t along a 4 meter interval of the adit across both sides. This indicates that a later low sulphidation gold system exists that appears to strike in a north-south direction.

Channel Sampling

CuOro conducted a channel sampling program on the mineralized Volcanogenic Massive Sulphide (VMS) outcrops at the Santa Elena Project in February 2011. 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 outcrops near the TEM-4 anomaly are located 200 meters south of TEM-2. In total, the outcrops span a distance of 650 meters from north to south.

TEM-1 (Azufral) Outcrops

The initial channel sampling program carried out in February 2011 at the TEM-1 outcrops consisted of a total of 46 horizontal channel samples amounting to 39.2 meters. The length weighted average grades of all the samples returned 2.62% copper, 0.15 g/t gold, 5.1 g/t silver, and 0.39% zinc.

A second channel sampling program was conducted over the original channel sampling program on the mineralized outcrops. Individual vertical channel samples were cut and collected at one meter spaced intervals over the discontinuous outcrops. This second channel sampling program was carried out in May 2011. The program consisted of a total of 51 vertical channel samples amounting to 49.72 meters. The length weighted average grades of all the samples returned 2.72 % copper, 0.18 g/t gold, 5.4 g/t silver, and 0.44% zinc.

Results of both the independent channel sampling programs returned significant copper values. Channel samples are considered representative of the in-situ mineralization sampled.

TEM-2 (Arroyo) Outcrops

CuOro completed an extensive channel sampling program over the exposed sections of massive sulphides at the TEM-2 (Arroyo) outcrops in March 2012. Vertical channel samples were cut at two to three meter intervals where exposure permitted. Due to the limitations of natural outcroppings this nominal spacing was adjusted to fit local conditions. The true thickness has not yet been determined. The exposed outcrops are cut by a small stream, and channel samples were collected on both sides of the stream.

The program consisted of 17 individual saw-cut vertical channel samples totaling 12.49 linear meters collected over the exposed strike length. The length weighted average grades returned values of 1.63% copper, 0.18 g/t gold, 13.8 g/t silver, and 0.33% zinc. Note that this calculation includes two channel samples previously collected at the TEM-2 outcrop in February 2011.

Geophysical Surveys

Airborne Magnetic and Radiometric Surveys

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.

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 Surveys

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 in length in a north-south direction and 400m wide in an east-west direction. The results from the IP survey were very positive in identifying 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. The IP method has proven to be very effective in finding the mineralized alteration zones, be it disseminated sulphide or stringer sulphide zones. In some cases direct delineation of the massive sulphide mineralization has been achieved.

Transient Electromagnetic (TEM) Surveys

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 are also being 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 are surveyed immediately after they are finished and any high priority conductors that are identified are targeted for drill testing. Cuoro staff, from recently completed modeling of this geophysical data, has identified several new drill targets and additional drilling and drill platform construction is currently underway. The Company has drilled several high priority off-hole conductors that were identified by the geophysical down-hole surveys and results have been very encouraging to date. Drilling of these targets is continuing.

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 100 holes to date with 19,735 meters of core drilled. Drill-hole depths vary between 40 to 359 meters, with the average depth being 197 meters. In general, the drill holes are spaced at 50 to 100 meters along the northerly axis of the historic TEM anomalies, which extend approximately 900 meters (north-south) by 500 meters (east-west). Additional drilling is being carried out around the TEM-2 and TEM-4 anomalies, and north of the TEM-1 anomaly.

It is anticipated that Phase 1 drilling - currently utilizing two 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, and to test any new targets generated during the on-going exploration program.

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. To date the Company has completed a total of 100 drill holes completing approximately 19,735 meters of drilling, of which the Company has received assay results from the first 91 drill holes. The Company is awaiting delivery of all other assay results.

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-037: 21.0m of 1.61% 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
- SE-DDH-079: 10.0m of 3.21% Cu
- SE-DDH-081: 9.0m of 1.51% Cu
- SE-DDH-083: 12.0m of 4.28% Cu
- SE-DDH-084: 6.0m of 4.93% Cu
- SE-DDH-091: 5.0m of 1.81% Cu

The following table lists all the drill holes that have returned significant mineralized results. Note that all intercepts represent down-the-hole core lengths and the true widths are unknown at this stage.

Hole ID	**Intercept**		**Interval**	**Cu**	**Au**	**Ag**	**Zn**
	From (m)	**To (m)**	**(m)**	**%**	**(g/t)**	**(g/t)**	**(%)**
SE-DDH-1	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	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	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	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

Hole ID	Intercept		Interval	Cu	Au	Ag	Zn
	From (m)	To (m)	(m)	%	(g/t)	(g/t)	(%)
SE-DDH-5	26.2	66.2	40.0	2.28	0.16	5.9	0.99
including	28.2	58.2	30.0	2.87	0.21	7.1	1.21
& including	28.2	48.2	20.0	3.87	0.29	9.9	1.48
& including	28.2	38.2	10.0	5.32	0.43	12.7	1.92
SE-DDH-6	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	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-9	76.3	119.3	43.0	0.31	0.03	0.9	0.04
SE-DDH-18	12.0	17.0	5.0	2.13	0.14	6.5	0.05
SE-DDH-20	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
SE-DDH-24	12.5	21.5	9.0	2.69	0.21	12.1	0.13
SE-DDH-25	71.0	77.0	6.0	4.84	0.21	13.8	0.20
SE-DDH-26	13.8	17.9	6.9	1.94	0.09	4.7	0.06
SE-DDH-29	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-37	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-39	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-41	31.0	37.0	6.0	0.47	0.04	1.4	0.16
SE-DDH-43	45.1	52.6	7.5	0.42	0.02	1.0	0.06
SE-DDH-47	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-53	123.1	129.1	6.0	9.42	0.32	22.3	0.10
including	123.1	124.1	1.0	15.97	0.60	37.0	0.22
& including	128.1	129.1	1.0	15.98	0.39	41.0	0.17
and	100.7	111.5	10.9	0.45	0.01	0.5	0.13
SE-DDH-56	61.5	67.5	6.0	0.39	0.04	6.7	0.02
SE-DDH-58	29.6	36.2	6.6	0.81	0.02	3.0	0.03
and	70.2	78.2	8.0	0.52	0.01	1.2	0.01
and	108.5	114.5	6.0	0.40	0.02	0.6	0.09
SE-DDH-60	87.5	95.5	8.0	0.19	0.01	1.5	0.70
SE-DDH-61	10.8	12.3	1.5	1.33	0.13	1.8	0.02
SE-DDH-62	37.0	47.0	10.0	0.86	0.02	0.5	0.01
including	37.0	42.0	5.0	1.12	0.03	0.7	0.01
and	85.0	90.0	5.0	0.39	0.05	1.0	0.04
SE-DDH-65	19.8	30.8	11.0	0.38	0.01	1.0	0.58
SE-DDH-69	112.0	130.5	18.5	0.58	0.06	2.2	0.05
SE-DDH-79	42.0	52.0	10.0	3.21	0.24	8.9	0.87
SE-DDH-80	128.5	139.0	10.5	0.29	0.02	1.1	0.03
SE-DDH-81	72.5	81.5	9.0	1.51	0.02	3.3	0.19
SE-DDH-81A	78.0	83.0	5.0	1.27	0.04	5.1	0.13
SE-DDH-83	28.0	40.0	12.0	4.28	0.25	12.3	0.75
SE-DDH-84	56.0	62.0	6.0	4.93	0.40	16.2	0.42
SE-DDH-88	145.5	213.0	67.5	0.22	0.01	0.5	0.03
SE-DDH-91	28.0	30.0	2.0	1.82	0.07	4.4	0.04
and	35.0	40.0	5.0	1.18	0.02	2.3	0.05

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 and zinc as needed. 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

Historical

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.

Geochemical Soil and Stream Sampling

Exploration field work continues across the 3,976 hectare land package in search of additional gold-silver targets to evaluate for drilling. The Company has recently initiated a reconnaissance geochemistry sampling program, consisting of collecting both stream sediment and soil samples. The soil samples are being collected over a 3 km by 3 km grid - or 9 square kilometers - with samples being collected on the grid spaced 200 meters by 200 meters apart. The soil geochemical survey will be an effective first-pass ground tool for this type of system. The key indicator elements for gold in this particular geological environment have been identified from geochemical analysis of previously collected rock samples.

Once the reconnaissance soil sampling program has been completed the data will be analyzed and any favourable areas will be sampled further with soil samples collected at 50 meter station intervals. These high density samples will further define and pin-point targets for possible drill testing.

Geophysics

With the completion of the soil and stream sediment surveys the sampled grid will then be surveyed with geophysics, consisting of induced polarization and resistivity surveys, ground magnetic surveys, and very low frequency (VLF) surveys.

Drilling

A drill rig will be mobilized to site when the Company has evaluated the alteration and geological mapping, geophysics, soil, stream sediment, and rock chip assay geochemistry and targets have been defined and prioritized.

Selected Financial Data

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

	Fiscal 2012		**Fiscal 2011**				**Fiscal 2010**	
Three Months Ended	**May 31, 2012 $**	**Feb. 29, 2012 $**	**Nov. 30, 2011 $**	**Aug. 31, 2011 $**	**May 31, 2011 $**	**Feb. 28, 2011 $**	**Nov. 30, 2010 $**	**Aug. 31, 2010 $**
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(762,213)	(565,925)	(560,506)	(1,725,912)	(1,878,298)	(275,931)	(548,375)	(887)
Net income (loss)	(673,732)	(587,934)	(528,358)	(1,676,453)	(1,876,717)	(275,931)	(548,375)	(887)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

	Fiscal 2012		Fiscal 2011				Fiscal 2010	
Three Months Ended	**May 31, 2012 $**	**Feb. 29, 2012 $**	**Nov. 30, 2011 $**	**Aug. 31, 2011 $**	**May 31, 2011 $**	**Feb. 28, 2011 $**	**Nov. 30, 2010 $**	**Aug. 31, 2010 $**
Balance Sheet								
Working capital (deficiency)	12,257,639	15,812,521	17,973,996	20,636,100	22,490,565	230,782	564,228	(171,439)
Total assets	21,406,491	21,806,157	22,406,931	22,779,610	23,635,132	440,620	834,711	26,998
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

During the six months ended May 31, 2012 (the "2012 period") the Company reported a net loss of $1,261,666 ($0.04 per share) compared to a net loss of $2,152,648 ($0.15 per share) for the six months ended May 31, 2011 (the "2011 period"), a decrease in loss of $890,982.

Excluding the stock-based compensation expenses of $68,465, significant general and administrative expenses incurred during the 2012 period totalled $1,259,673 (2011 - 1,074,971) and include:

- $46,499 (2011 - $32,800) for accounting and administrative fees, including $28,150 (2011 - $32,800) for accounting, financial reporting and administrative services provided by Chase Management Ltd. a private company owned by a director of the Company;
- $66,321 for corporate development. During the 2012 period the Company engaged in several marketing campaigns in North America and Europe. During the 2011 period the Company did not incur any corporate development expenses;
- $112,371 for legal costs, a decrease of $90,449 from $202,820 for the 2011 period to $112,371 for the 2012 period. The legal costs incurred during the 2011 period were primarily for review and evaluations with respect to the Company's proposed acquisitions. The legal costs incurred during the 2012 period were for general corporate matters;
- $57,996 (2011 - $72,942) for participation and costs for attendance at investment conferences. During the 2012 period the Company participated in investment conferences and trade shows in Asia, Europe and North America;
- $215,081 (2011 - $156,119) for salary and compensation, including $176,506 (2011 - $149,148) for salaries and compensation paid to the President of the Company;
- $68,790 (2011 - $24,984) for office, warehouse and apartment rents in Colombia;
- $20,517 (2011 - $74,015)for shareholder communications for news dissemination and marketing in North America and Europe;
- $48,571 (2011 - $8,000) for investor relations. During the 2012 period the Company had two firms providing marketing and investor relations services for the Company compared to one firm during the 2011 period. See "Investor Relations Activities" for detailed descriptions of investor relations activities;
- $168,466 (2011 - $35,855) for professional and directors fees. During the 2012 period the Company incurred $73,200 (2011 - $5,000) for professional and directors' fees for professional services provided by private companies owned by directors and an officer of the Company and $95,266 (2011 - $30, 855) for professional fees billed by third parties;
- $129,490 (2011 - $43,323) for general and administrative expenses; and
- $23,831 for telephone, website and internet costs, an increase of $10,400 from $13,431 in the 2011 period.

During the 2012 period the Company received $110,390 from the exercise of warrants.

During the 2012 period the Company recorded $76,246 interest income from demand deposits held compared to $9,500 during the 2011 period. The increase in interest income was due to higher levels of cash held along with slightly higher rates of interest during the 2012 period compared to the 2011 period.

During the 2012 period the Company incurred $578,017 (2011 - $598,274) for acquisition costs and $3,852,414 (2011 - $36,998) for exploration activities on the Santa Elena Project and $162,190 (2011 - $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 May 31, 2012, the Company had working capital of approximately $12,257,639. The Company believes that it currently has sufficient financial resources to conduct anticipated exploration programs, make its payments on the option agreements for the Santa Elena Project and Barranco Project and meet anticipated corporate administration costs for the upcoming twelve month period. 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. In light of the current financial market conditions, management will monitor all exploration programs, activities and corporate overheads and make adjustments where it is prudent to do so.

The Company has also entered into the Agreement with Pacific Road. See "Transaction Agreement with Pacific Road".

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

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include estimating the fair values of financial instruments, valuation allowances for deferred income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates.

A detailed summary of all the Company's significant accounting policies is included in Note 3 to the May 31, 2012 condensed consolidated interim financial statements.

Changes in Accounting Policies

Statement of Compliance and Conversion to International Financial Reporting Standards

The Company's condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. These condensed consolidated interim financial statements represent the Company's initial presentation of its results and financial position under IFRS. These condensed consolidated interim financial statements for the six months ended May 31, 2012 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and IFRS 1 *First-time Adoption of IFRS* along with the accounting policies the Company expects to adopt in its November 30, 2012 financial statements. Those accounting policies are based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations that the Company expects to be applicable at that time. The policies set out below were consistently applied to all the periods presented unless otherwise noted below.

As these are the Company's first condensed consolidated interim financial statements prepared in accordance with IFRS, the Company's disclosures exceed the minimum requirements under IAS 34. The Company has elected to exceed the minimum requirements in order to present the Company's accounting policies in accordance with IFRS and the additional disclosures required under IFRS, which also highlight the changes from the Company's November 30, 2011 annual financial statements prepared in accordance with Canadian generally accepted accounting principles

("Canadian GAAP"). In 2013 and beyond, the Company may not provide the same amount of disclosure in the Company's condensed interim financial statements under IFRS as the reader will be able to refer to the annual financial statements which will be prepared in accordance with IFRS.

The Company's financial statements were previously prepared in accordance with Canadian GAAP. Canadian GAAP differs in some respects from IFRS. In preparing these condensed consolidated interim financial statements, management has amended certain accounting and valuation methods previously applied in the Canadian GAAP financial statements to comply with IFRS. Adoption of IFRS had no impact on the financial statements previously prepared under Canadian GAAP.

Accounting Standards and Interpretations Issued but Not Yet Adopted

As at the date of these financial statements, the following standards, amendments and interpretations have not been applied in these financial statements.

(i) IFRS 9 *Financial Instruments* (New; to replace IAS 39); effective for annual periods beginning on or after January 1, 2013.

(ii) IFRS 10 *Consolidated Financial Statements*; effective for annual periods beginning on or after January 1, 2013. Early application is permitted. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidated - Special Purpose Entities*.

(iii) IFRS 11 *Joint Arrangements*; effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. IFRS supersedes the current IAS 31 *Interest in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-Monetary Contributions by Ventures*.

(iv) IFRS 12 *Disclosure of Interest in Other Entities*; effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity.

(v) IFRS 13 *Fair Value Measurements*; to be applied for annual periods beginning on or after January 1, 2013. Earlier application is permitted. IFRS 13 defines fair value, sets out in a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements).

(vi) IAS 12 *Income Taxes, Amendments Regarding Deferred Tax: Recovery of Underlying Assets*; effective for annual periods beginning on or after January 1, 2012.

Management is currently assessing the impact, if any, that the adoption of these standards will have on its financial statements.

Related Party Disclosures

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.

(a) *Transactions with Key Management Personnel*

(i) During the six months ended May 31, 2012 and 2011 the following amounts were incurred with respect to the Company's President and his spouse:

	2012 $	2011 $
Salary and compensation	176,506	149,148
Secretarial fees	16,066	1,138
Rent for apartment	26,629	6,927
Relocation expenses	-	13,068
Share-based compensation	-	112,617
	219,201	282,898

(ii) During the six months ended May 31, 2012 and 2011 the following amounts were incurred with respect to the Company's Chief Financial Officer:

	2012 $	2011 $
Directors fees	15,000	2,500
Accounting and administration	28,150	32,800
Salary and compensation	-	160,882
	43,150	196,182

As at May 31, 2012, $98,833 (2011 - $8,500) remained unpaid and has been included in accounts payable and accrued liabilities.

(b) *Transactions with Other Related Parties*

During the six months ended May 31, 2012 and 2011 the following amounts were incurred with respect to other officers and directors of the Company:

	2012 $	2011 $
Professional fees	58,200	5,000
Share-based compensation	-	506,777
	58,200	511,777

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 Capital Corp. ("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. During the six months ended May 31, 2012, the Company paid $36,000 (2011 - $8,000) to Apex for investor relations services. On November 1, 2011 the Company engaged Accent Marketing GmbH ("Accent") to provide marketing and investor relations services for the Company at EUR 1,500 per month, for a term of six months. The Company also granted options to Accent to purchase 25,000 common shares of the Company at $1.50 per share, for a term of five years. During the six months ended May 31, 2012, the Company was billed $12,571 (EUR 9,000) by Accent for investor relations services.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As at July 25, 2012 there were 30,495,620 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, 8,758,824 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. See also "Transaction Agreement with Pacific Road".