CuOro Resources Corp.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED AUGUST 31, 2012

Background

This discussion and analysis of financial position and results of operation is prepared as at October 26, 2012 and should be read in conjunction with the unaudited condensed consolidated interim financial statements and the accompanying notes for the nine months ended August 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 nine months ended August 31, 2012 and comparative information as at and for the nine months ended August 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.

Corporate Update

In October 2012 the Company accepted Mr. Robert Sedgemore's resignation as President and Chief Executive Officer ("CEO") and also as a director of the Company. A separation payment will be payable to Mr. Sedgemore. Mr. John Seaman, currently a director of the Company, was appointed Interim President and CEO. The board of director's will immediately begin a search for a full time replacement.

The Board also appointed Mr. Iain Kelso, M.Sc., P.Geo as VP of Exploration. Mr. Kelso has over ten years of experience in the mineral exploration industry with extensive experience in mineral resource estimation, NI 43-101 reporting, and management of exploration programs involving a variety of commodities and projects in North and South America, Africa and Central Asia. Mr. Kelso is a Qualified Person under the terms defined by NI 43-101 and has been living in Colombia for the past four years. Mr. Kelso has been working for the Company as senior project geologist overseeing the Santa Elena exploration program since July 2012.

In addition, the Company has augmented its Colombian operating team through the appointment of Mr. Pablo Orsolani as General Manager of the Company's subsidiary in Colombia. Mr. Orsolani holds a Mechanical Engineering degree from Universidad Simon Bolivar, Caracas, Venezuela; he also holds two masters' degrees from Massachusetts Institute of Technology, an MBA from the Sloan School and a Master of Science in Mechanical Engineering. Mr. Orsolani has 30 years experience in international business and is fluent in English and Spanish. From 2007 to 2011 Mr. Orsolani was Chief Financial Officer and a Member of the Board of Galway Resources and prior to this Mr. Orsolani was involved in the sale of a Jordex Resources asset to Anglo American for $65 million.

Transaction Agreement with Pacific Road

On May 28, 2012, as amended, October 18, 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 the final approval of the TSXV.

The Agreement also provides for Pacific Road to purchase a minimum of two million common shares of the Company in the secondary market within 15 business days from the date the Company completes and delivers to Pacific Road a "New Drilling Report".

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. The first option will be triggered upon the earlier of the delivery of the New Drilling Report or the Company's share price trading at or above $2.00 per share. 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 Department of Antioquia, 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 mineralized 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

Prior to the commencement of drilling, field geologists had conducted detailed mapping over the massive sulphide outcropping areas, located in an area which represents approximately 10% of the property. Surface mapping and geochemical sampling (of stream sediments and soils over ridges and spurs) was expanded to cover 100% of the property in September, 2012. This campaign of sampling and mapping was completed in October, 2012, and the Company expects to receive all results from this work during November, 2012.

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.

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. 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.

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.

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.

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.

Versatile Time-Domain Electromagnetic (VTEM) Survey

Geotech Ltd. of Aurora, Ontario has been engaged to complete a 416 line-kilometre, helicopter-borne versatile time-domain electromagnetic survey of the Santa Elena Project. Geotech's VTEM system has been shown to be excellent at identifying conductive, massive-sulphide bodies as well as mapping lateral and vertical variations in resistivity. The VTEM system is also equipped with a high sensitivity magnetometer which can aid in mapping geologic structure and lithology. The survey is expected to be completed during October 2012. The Company will immediately investigate any targets generated by the survey with exploration and, if warranted, drilling.

Diamond Drilling

The Company awarded a diamond drill contract to Logan Drilling Colombia S.A.S. for the initial 25,000 meter drill program.

To date, 121 holes totalling 23,812 meters have been drilled by the Company. Drill-hole depths vary between 36 to 434 meters, with the average depth being 198 meters. In general the drill holes were 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 was also carried out around the TEM-2 and TEM-4 anomalies, and north of the TEM-1 anomaly.

The Phase 1 drilling will be completed in October 2012. The drill program's objectives were to define the boundary and extent of mineralization at depth of the TEM anomalies and the massive sulphide outcrops, and to test any new targets generated during the on-going exploration program.

Drill Assay Results

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
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

Drill core samples were submitted to SGS Colombia for analysis. Once in the custody of SGS sample preparation was completed at their Medellín, Colombia facility and sample pulps were thereafter shipped to their Lima, Perú facility for analysis by fire assay and ICP. Analyses of some samples from later in the drill program (after August, 2012) were completed at SGS Colombia's newly opened analytical facility in Medellín. Reference materials and blank samples were inserted into the sample stream to monitor laboratory performance.

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 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

The Company has completed its initial assessment of the Barranco de Lobo project in the Department of Bolívar, Colombia. After review, it was concluded the work program produced mixed results, with some positive indications of gold mineralization. Overall the results did not fully meet expectations.

The Barranco de Lobo project was held pursuant to an option agreement that called for further cash payments of US $600,000. The Company had been in negotiations with the underlying owner seeking an amendment of the quantum and timing of the option payments. Such negotiations have recently concluded with the owner demanding payment of the option payments as per the initial contract or a notice of default would be issued. In light of this, management has recommended and the Board has approved terminating the option agreement. The Company will be writing off all capitalized costs.

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	**Aug. 31, 2012 $**	**May 31, 2012 $**	**Feb. 29, 2012 $**	**Nov. 30, 2011 $**	**Aug. 31, 2011 $**	**May 31, 2011 $**	**Feb. 28, 2011 $**	**Nov. 30, 2010 $**
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(649,047)	(762,213)	(565,925)	(560,506)	(1,725,912)	(1,878,298)	(275,931)	(548,375)
Net income (loss)	(702,100)	(673,732)	(587,934)	(528,358)	(1,676,453)	(1,876,717)	(275,931)	(548,375)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet								
Working capital	9,769,648	12,257,639	15,812,521	17,973,996	20,636,100	22,490,565	230,782	564,228
Total assets	20,567,404	21,406,491	21,806,157	22,406,931	22,779,610	23,635,132	440,620	834,711
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

During the nine months ended August 31, 2012 (the "2012 period") the Company reported a net loss of $1,963,766 ($0.06 per share) compared to a net loss of $3,829,101 ($0.20 per share) for the nine months ended August 31, 2011 (the "2011 period"), a decrease in loss of $1,865,335.

Excluding the stock-based compensation expenses of $69,763, significant general and administrative expenses incurred during the 2012 period totalled $1,907,422 (2011 - $1,752,815) and include:

- $60,636 (2011 - $55,378) for accounting and administrative fees, including $35,850 (2011 - $44,100) for accounting, financial reporting and administrative services provided by Chase Management Ltd. a private company owned by a director of the Company;
- $89,895 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 participate in any marketing campaigns;
- $230,557 for legal costs, an increase of $225 from $230,302 for the 2011 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 and agreement with Pacific Road;
- $61,514 (2011 - $79,951) 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;
- $289,770 (2011 - $248,333) for salary and compensation, including $232,991 (2011 - $226,962) for salaries and compensation paid to the President of the Company;
- $100,882 (2011 - $104,420) for office, warehouse and apartment rents in Colombia;
- $34,545 (2011 - $113,118)for shareholder communications for news dissemination and marketing in North America and Europe;
- $72,108 (2011 - $30,000) 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;
- $263,475 (2011 - $77,212) for professional fees. During the 2012 period the Company incurred $109,800 (2011 - $41,900) for professional fees for services provided by private companies owned by directors and an officer of the Company and $153,675 (2011 - $35,312) for professional fees billed by third parties;
- $213,249 (2011 - $136,114) for general and administrative expenses; and
- $39,858 for telephone, website and internet costs, an increase of $25,525 from $14,333 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 $109,629 interest income from demand deposits held compared to $61,637 during the 2011 period. The increase in interest income was due to higher levels of cash held during the 2012 period compared to the 2011 period.

During the 2012 period the Company incurred $642,650 (2011 - $658,223) for acquisition costs and $5,543,333 (2011 - $544,419) for exploration activities on the Santa Elena Project and incurred $nil (2011 - $370,803) for acquisition costs and $288,645 (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 August 31, 2012, the Company had working capital of approximately $9,769,648. 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 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 August 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 nine months ended August 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 nine months ended August 31, 2012 and 2011 the following amounts were incurred with respect to the Company's President and his spouse:

	2012 $	2011 $
Salary and compensation	232,991	226,962
Secretarial fees	24,420	10,991
Rent for apartment	39,498	19,493
Relocation expenses	-	27,600
Share-based compensation	-	251,781
	296,909	536,827

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

	2012 $	2011 $
Professional fees	22,500	12,500
Accounting and administration	35,850	44,100
Salary and compensation	-	253,658
	58,350	310,258

The accounting and administration expense was paid to Chase Management Ltd. ("Chase") a private corporation owned by the Chief financial Officer, for services provided by Chase personnel.

As at August 31, 2012, $9,000 (2011 - $13,300) remained unpaid and has been included in accounts payable and accrued liabilities.

(b) *Transactions with Other Related Parties*

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

	2012 $	2011 $
Professional fees	87,300	29,400
Share-based compensation	-	879,009
	87,300	908,409

As at August 31, 2012, $nil (2011 - $3,500) 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 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 nine months ended August 31, 2012, the Company paid $54,000 (2011 - $30,000) 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. Effective May 1, 2012 the engagement of Accent is on a month to month basis. 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 nine months ended August 31, 2012, the Company was billed $18,108 (EUR 13,500) by Accent for investor relations services.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As at October 26, 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".