CuOro Resources Corp.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED NOVEMBER 30, 2012

Background

This discussion and analysis of financial position and results of operation is prepared as at March 28, 2013 and should be read in conjunction with the audited consolidated financial statements and the accompanying notes for the year ended November 30, 2012 and 2011, of CuOro Resources Corp. ("CuOro" or the "Company"). The Company adopted International Financial Reporting Standards ("IFRS") and the following disclosures and associated 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 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 effective as at November 30, 2012, the date of the Company's first annual reporting under IFRS. The adoption of IFRS does not impact the underlying economics of the Company's operations.

These are the Company's first annual consolidated financial statements prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). The Company has applied, *First-Time Adoption of International Financial Reporting Standards* ("IFRS 1") on the transition from previous Canadian Generally Accepted Accounting Principles ("Canadian GAAP") to IFRS and the impact of the transition is explained in Note 14 of the consolidated financial statements, including the effects of the transition to IFRS on the Company's financial position, equity, comprehensive loss and cash flows.

Subject to the application of the transition elections described in Note 14 of the consolidated financial statements, the accounting policies applied in the consolidated financial statements, have been applied consistently to all periods presented, including the opening statement of financial position as at December 1, 2010 (the Company's "Transition Date"), except where the Company applied certain exemptions upon transition to IFRS.

Comparative information in this MD&A has been restated to comply with IFRS requirements, unless otherwise indicated.

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. Mr. John Seaman, a director of the Company, was appointed interim President and CEO.

The Board also appointed Mr. Iain Kelso, M.Sc., P.Geo, as Vice-President 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 the Chief Financial Officer ("CFO") and a member of the Board of Galway Resources Ltd. and prior to this Mr. Orsolani was involved in the sale of a Jordex Resources Inc. asset to Anglo American for $65 million.

In December 2012 Mr. Joseph Belan was appointed to the Company's board of directors. Mr. Belan is a seasoned mining investment professional having held senior positions at Bank of America, Merrill Lynch, Pala Investments AG and Goldman Sachs International. In addition, Mr. Belan brings direct Colombian mining experience having served as interim CEO and a board member of Coal Corp. Mining Inc. ("Coal Corp.") from January 2009 to March 2010 where he led the development and implementation of a restructuring plan designed to preserve liquidity, establish a foundation for a viable business and allow the Coal Corp. to pursue strategic alternatives.

The current directors and officers of the Company are as follows:

Mr. John Seaman, Director, interim President and interim CEO
Mr. Nick DeMare, Director, CFO
Mr. David Doherty, Director
Mr. Jorge Alberto Uribe, Director
Mr. Joseph Belan, Director
Mr. Iain Kelso, Vice-President Exploration
Mr. Marc Cernovitch, Corporate Secretary

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" on the Santa Elena Project.

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 mining exploration concessions, HGLE-02 and HJIG-02 in the Department of Antioquia, Colombia, which comprise a total area of 1,287.5 ha. The property is located approximately 140 km northeast of Medellin and is accessible by paved roads. Infrastructure around the Santa Elena Project is well developed, including paved road access, unpaved secondary roads, two hydroelectric plants within 5 km, abundant water supply and nearby population.

Historical work completed by Noranda Mining and Exploration Inc. ("Noranda Mining") in 1997 identified outcroppings of volcanogenic massive sulphide ("VMS")-type, massive-sulphide mineralization within concession HJIG-02. Noranda Mining 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. The results demonstrated four strong conductors with good vertical extent.

In early 2011 the Company initiated a work program including geological mapping and systematic sampling over the TEM surveyed area and a continuation of the geophysical survey to the north. In April 2011 the Company completed its Qualifying Transaction and implemented the proposed work programs to advance the exploration and development of the Santa Elena Project.

Exploration

Work completed to date by the Company at the Santa Elena property is summarized in the table below:

Date	Work Completed	Operator
February 2011	Mapping and channel-sampling of mineralized outcrops	CuOro
June 2011	Phase 1 drilling initiated	CuOro / Logan Drilling
October 2011	Heli-borne magnetic and radiometric survey	MPX Geophysics
October 2011	Induced polarization ("IP") and ground magnetic survey	KTTM Geophysics
February 2012	TEM surveys initiated	Crone Geophysics
October 2012	Phase 1 drilling completed (~24,000 m)	CuOro / Logan Drilling
November 2012	Geological mapping and geochemical sampling of property	CuOro
November 2012	Heli-borne VTEM	Geotech

Drilling has identified two massive sulphide lenses (TEM-1 and TEM-2) and wider, scattered area of stringer-type mineralization in the area that separates TEM-1 and TEM-2. The drilling to date has tested approximately 5% of the project area.

Compositionally, the Santa Elena sulfides are copper-rich, and have typical zinc, gold and silver contents for VMS deposits that formed in deep-water, and at high temperatures. They more closely resemble the deposits in the Cretaceous Tambo Grande region of northern Peru than those in the Eocene strata of Ecuador. VMS deposits of the Santa Elena type typically occur in clusters or camps that consist of one or two super-giants (>35 mt), two or three giants (15-25 mt) and several smaller (1-4 mt) deposits. While exploration in the Santa Elena district is at a very early stage, it has the potential to be a significant camp.

Mapping and Surface Sampling

Prior to the commencement of drilling, the Company 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 surface work included 46 stream sediment samples, 268 soil samples, 101 rock chip samples, and 30 channel samples. Follow up work over several anomalous areas was completed between November 2012 and February 2013.

Channel Sampling

The initial channel sampling program carried out in February 2011 at the TEM-1 (Azufral) 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% Cu, 0.15 g Au/t, 5.1 g Ag/t, and 0.39% Zn.

Channel sampling of the TEM-2 (Arroyo) outcrops in March 2012 consisted of 17 individual saw-cut vertical channel samples totaling 12.49 linear meters over the exposed strike length. The length weighted average grades returned values of 1.63% Cu, 0.18 g Au/t, 13.8 g Ag/t, and 0.33% Zn.

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

IP and Resistivity Surveys

On October 11, 2011 KTTM Geophysics Ltd., based out of Medellin, Colombia, completed 15 line-km of IP and resistivity surveys over the area of mineralized outcroppings at the Santa Elena Project. 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.

TEM Surveys

During the phase 1 drill program, most drill holes were surveyed by Crone Geophysics using a borehole TEM system. The borehole TEM method is a time-domain, down-hole electromagnetic technique capable of detecting conductive mineralization intersected by the drill hole or lying off-hole (within~100 m).

Versatile Time-Domain Electromagnetic ("VTEM") Survey

In November 2012, the Company completed a 416 line-kilometre, helicopter-borne VTEM survey of the Santa Elena Project. The survey was completed by Geotech Ltd of Aurora, Canada. The final data was delivered to CuOro in January 2013 and a detailed interpretation is currently being completed by Condor Consulting of Lakewood, Colorado.

The objective of the survey was to identify additional, copper-rich massive sulphide zones within the Santa Elena Project. Although the interpretation is not yet complete, three of the preliminary VTEM anomalies coincide with newly identified geochemical target areas.

Diamond Drilling

Between June 2011 and October 2012, 122 holes totalling 23,887.3 m were drilled by the Company. Drill-hole depths varied between 36 and 434 m, with the average depth being 198 m. 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 m (north-south) by 500 m (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 was 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

Significant drill results from this Phase 1 drill program are summarized in the table below. Drill holes were spotted at various azimuths and inclinations, and the listed down-hole intervals do not necessarily correspond to true widths of mineralization:

Hole ID	Total Depth (m)	From (m)	To (m)	Interval (m)	Cu (%)
SE-DDH-7	228	35.6	43	7.4	1.18
SE-DDH-9	259.9	76.3	119.3	43	0.31
SE-DDH-18	288.5	12	17	5	2.13
SE-DDH-20	230	51	71	20	1.47
SE-DDH-24	205.85	12.5	21.5	9	2.69
SE-DDH-25	164.5	71	77	6	4.84
SE-DDH-26	212.8	13.8	17.9	6.9	1.94
SE-DDH-29	182.3	103	117	14	0.37
SE-DDH-37	202.5	125	146	21	1.61
SE-DDH-39	150	30.6	133.5	102.9	1.44
SE-DDH-47	250	156	160	4	1.78
SE-DDH-53	250	100.65	111.5	10.85	0.45
SE-DDH-62	250	37	47	10	0.86
SE-DDH-69	218	112	130.5	18.5	0.58
SE-DDH-79	155.8	42	52	10	3.21
SE-DDH-81	99.5	72.5	81.5	9	1.51
SE-DDH-83	82.5	28	40	12	4.28
SE-DDH-84	106.6	56	62	6	4.93
SE-DDH-88	314.5	145.5	213	67.5	0.22
SE-DDH-99	177.5	4.0	19.1	15.1	0.92
SE-DDH-102	107	77.5	89.5	12.0	0.49
SE-DDH-112	220	81	99.5	18.5	0.50
SE-DDH-115	62	20.5	25.0	4.5	3.36

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.

Barranco de Loba Gold Project

Historical

The Company has completed its initial assessment of the Barranco de Lobo Project ("Barranco 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 Project was held pursuant to an option agreement that called for near-term cash payments of US $600,000. Negotiations with the underlying owner seeking an amendment of the quantum and timing of the option payments were not successful. The option agreement was cancelled in October 2012 and the Company recorded an impairment charge of $748,672 for exploration and evaluation costs which had been capitalized.

Selected Financial Data

The following selected financial information is derived from the audited annual consolidated financial statements of the Company. All comparative figures have been revised for the adoption of IFRS.

	Years Ended November 30,		
	2012 $	2011 $	2010 $
Operations:			
Revenues	Nil	Nil	Nil
Expenses	(2,895,351)	(4,440,647)	(674,858)
Net loss	(3,609,073)	(4,357,459)	(674,858)
Loss per share - basic and diluted	(0.12)	(0.20)	(0.12)
Dividends per share	Nil	Nil	Nil
Balance Sheet:			
Working capital	7,773,263	17,973,996	564,228
Total assets	19,021,623	22,406,931	834,711
Total long-term liabilities	Nil	Nil	Nil

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company.

	Fiscal 2012				Fiscal 2011			
Three Months Ended	**Nov. 30, 2012 $**	**Aug. 31, 2012 $**	**May 31, 2012 $**	**Feb. 29, 2012 $**	**Nov. 30, 2011 $**	**Aug. 31, 2011 $**	**May 31, 2011 $**	**Feb. 28, 2011 $**
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(918,166)	(649,047)	(762,213)	(565,925)	(563,420)	(1,725,912)	(1,878,298)	(273,017)
Net loss	(1,645,307)	(702,100)	(673,732)	(587,934)	(528,358)	(1,676,453)	(1,876,717)	(275,931)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet								
Working capital	7,773,263	9,769,648	12,257,639	15,812,521	17,973,996	20,636,100	22,490,565	230,782
Total assets	19,021,623	20,567,404	21,406,491	21,806,157	22,406,931	22,779,610	23,635,132	440,620
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended November 30, 2012 Compared to Three Months Ended November 30, 2011

During the three months ended November 30, 2012 (the "2012 Quarter") the Company reported a net loss of $1,645,307 compared to a net loss of $528,358 for the three months ended November 30, 2011 (the "2011 Quarter"), an increase of $1,116,949. The fluctuation was primarily attributed to the following:

(i) during the 2012 Quarter the Company recorded an impairment expense of $748,672 (2011 Quarter - $nil) relating to exploration and evaluation costs capitalized on the Barranco Project. See "Exploration Projects";

(ii) an increase of $248,797 for salaries and other compensation. During the 2012 Quarter the Company incurred $305,192 (2011 Quarter - $56,395) for salaries and other compensation, including $271,789 (2011 Quarter - $56,344) paid to Robert Sedgemore, the former President and CEO of the Company.

(iii) the Company incurred general exploration expenses of $61,514 (2011 Quarter - $nil) relating to general exploration.

Year Ended November 30, 2012 Compared to the Year Ended November 30, 2011

During the year ended November 30, 2012 ("fiscal 2012") the Company reported a net loss of $3,609,073 compared to a net loss of $4,357,459 for the year ended November 30, 2011 ("fiscal 2011"), a decrease of $748,386. The decrease in loss was mainly due to a decrease of $2,032,298 in share-based compensation expense, from $2,092,771 for fiscal 2011 to $60,473 for fiscal 2012. During fiscal 2012 the Company recorded $25,968 (2011 - $2,092,771) share-based compensation expense on 36,000 (2011 - 1,885,000) share options granted and $34,505 (2011 - $nil) on the vesting of share options previously granted.

Excluding the stock-based compensation expenses general and administrative expenses increased $487,002 during fiscal 2012, from $2,347,876 for fiscal 2011 to $2,834,878 for fiscal 2012.

The primary factors for the increase were:

(i) $102,384 (2011 - $55,665) for corporate development. During fiscal 2012 the Company engaged in several marketing campaigns in North America and Europe. During fiscal 2011 the Company participated in one marketing campaign;
(ii) $86,299 (2011 - $48,000) for investor relations. During fiscal 2012 the Company had two firms providing marketing and investor relations services for the Company. See "Investor Relations Activities" for detailed descriptions of investor relations activities;
(iii) $274,593 (2011 - $259,856) for legal costs. The legal costs incurred during fiscal 2011 were primarily for review and evaluations with respect to the Company's proposed acquisitions. Legal costs incurred during fiscal 2012 were incurred for general corporate matters and the agreement with Pacific Road;
(iv) $594,962 (2011 - $304,728) for salary and other compensation, including $504,780 (2011 - $283,306) for salaries, severance and other compensation paid to Robert Sedgemore, the former President and CEO of the Company and $90,182 (2011 - $21,422) for salaries paid to staff in the Colombia office;
(v) $142,007 (2011 - $126,932) for office, warehouse and apartment rents in Colombia;
(vi) $391,958 (2011 - $186,757) for professional fees. During fiscal 2012 the Company incurred $206,498 (2011 - $76,000) for professional fees for services provided by private companies owned by directors and an officer of the Company and $185,460 (2011 - $110,757) for professional fees billed by third parties;
(vii) $295,928 (2011 - $203,402) for general and administrative expenses; and
(viii) $65,768 for telephone, website and internet costs, an increase of $12,262 from $53,506 in fiscal 2011.

The increase in expenses was partially offset by decreases in the following items:

(i) $95,687 (2011 - $123,507) was incurred for participation and costs for attendance at investment conferences, a decrease of $27,820 due to a decrease in investment conferences and trade shows attended in fiscal 2012 attendant to the general investment climate;
(ii) reduction of $62,850 during fiscal 2012 to $39,971 compared to $102,821 in fiscal 2011. The decrease was due to reduced communications activities during fiscal 2012;
(iii) during fiscal 2011 the Company incurred $136,766 due diligence costs for identification and evaluation of the Qualifying Transaction that was completed in April 2011. No such costs were incurred in fiscal 2012.

During fiscal 2012 the Company received $118,449 from the exercise of warrants. During fiscal 2011 the Company completed a number of equity financings whereby it raised a total of $11,620,000 from the issuances of common shares, a further $13,380,000 from a special warrant financing and a further $52,716 from the exercise of share options and warrants. During fiscal 2012 the Company did not conduct any financings.

During fiscal 2012 the Company recorded $136,129 interest income from demand deposits held compared to $108,943 during fiscal 2011. The increase in interest income was due to higher levels of cash held during fiscal 2012 compared to fiscal 2011.

During fiscal 2012 the Company incurred $636,365 (2011 - $720,293) for acquisition costs and $6,590,321 (2011 - $2,413,845) for exploration activities on the Santa Elena Project and incurred $nil (2011 - $370,803) for acquisition costs and $376,875 (2011 - $994) for exploration activities on the Barranco de Loba Project. During fiscal 2012 the Company, having failed to reach an agreement to amend the option terms, determined to terminate the Barranco Option and, accordingly, recorded an impairment expense of $748,672 for exploration and evaluation costs which had been capitalized. See also "Exploration Projects".

Financial Condition / Capital Resources

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

As at November 30, 2012, the Company had working capital of approximately $7,773,263. 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 November 30, 2012 consolidated financial statements.

Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following four categories: FVTPL; held-to-maturity investments; loans and receivables; and available-for-sale. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	November 30, 2012 $	November 30, 2011 $
Cash	FVTPL	8,008,803	18,191,552
Amounts receivable	Loans and receivables	97,606	172,423
Accounts payable and accrued liabilities	Other liabilities	(415,741)	(447,398)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for amounts receivable, and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company's fair value of cash under the fair value hierarchy are measured using Level 1 inputs.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash and amounts receivable is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Contractual Maturity Analysis at November 30, 2012				
	Less than 3 Months $	**3 - 12 Months $**	**1 - 5 Years $**	**Over 5 Years $**	**Total $**
Cash	8,008,803	-	-	-	8,008,803
Amounts receivable	97,606	-	-	-	97,606
Accounts payable and accrued liabilities	(415,741)	-	-	-	(415,741)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents bear floating rates of interest. The interest rate risk on cash and short-term investments and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk

The Company has operations in Canada and Colombia subject to foreign currency fluctuations. The Company's operating expenses are incurred in Canadian Dollars and Colombian Pesos and the fluctuation of the Canadian dollar in relation to other currencies will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks. At November 30, 2012, 1 Canadian Dollar was equal to 1,828,15 Colombian Pesos.

Balances are as follows:

	Colombian Pesos	CDN $ Equivalent
Cash	347,728,415	190,207
Amounts receivable	19,800,616	10,831
Accounts payable and accrued liabilities	(261,890,238)	(143,254)
	(105,638,793)	57,784

Based on the net exposures as of November 30, 2012 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the Colombian Peso would result in an increase or decrease of approximately $5,778.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Changes in Accounting Policies

IFRS Implementation - Changes in Accounting Policies Including Initial Adoption

The Canadian Accounting Standards Board established 2011 as the year that Canadian companies' financial reporting requirements should comply with IFRS. Accordingly, the Company has commenced reporting on an IFRS basis in the current consolidated financial statements. The transition date, December 1, 2010, has required the restatement for comparative purposes of amounts reported by the Company for the year ended November 30, 2011.

The Company has completed its internal review of the impact of the adoption of IFRS. This review considered potential differences between applicable IFRS policies and those currently used by the Company. Accounting policy changes were made due to IFRS in the areas of exploration and evaluation assets, impairment testing, property, plant and equipment, provision for site restorations, and share-based compensation. Available elections under IFRS minimized the impact of these changes such that the financial reporting impact of the transition to IFRS is not material to the Company's financial results. The impact of the changes to IFRS is detailed in Note 14 to the annual consolidated financial statements and none of these are considered material.

Accounting Standards and Interpretations Issued but Not Yet Adopted

The following accounting standards, amendments and interpretations have been issued but are not effective until annual periods beginning after January 1, 2012. Unless otherwise indicated, earlier application is permitted. As at the date of these consolidated financial statements, the following standards, amendments and interpretations have not been applied in these consolidated financial statements.

(i) IFRS 9 *Financial Instruments* (New; to replace IAS 39); effective for annual periods beginning on or after January 1, 2015.

(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. Early application is permitted. IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. IFRS 11 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. Early 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. Early 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).

Management is currently assessing the impact of these new standards on the Company's accounting policies and financial statement presentation.

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 fiscal, 2012 and 2011 the following amounts were incurred with or provided to Robert Sedgemore, the Company's former President and CEO and his spouse:

	2012 **$**	**2011** **$**
Salary and other compensation	504,780	283,306
Secretarial fees	29,152	18,527
Rent for apartment	52,111	31,678
Relocation expenses	-	27,600
Share-based compensation	-	251,781
	586,043	612,892

(ii) During fiscal, 2012 and 2011 the following amounts were incurred with respect to the Company's Chief Financial Officer ("CFO"):

	2012 **$**	**2011** **$**
Professional fees	30,000	17,500
Share-based compensation	-	253,658
	30,000	271,158

In addition, during fiscal 2012, the Company incurred a total of $46,250 (2011 - $53,700) with Chase Management Ltd. ("Chase"), a private corporation owned by the CFO of the Company, for accounting and administration services provided by Chase personnel, excluding the CFO.

As at November 30 2012, $9,600 (2011 - $10,100) remained unpaid and has been included in accounts payable and accrued liabilities.

(b) *Transactions with Other Related Parties*

During fiscal, 2012 and 2011 the following amounts were incurred with respect to other officers and directors of the Company:

	2012 $	2011 $
Professional fees	176,498	58,500
Share-based compensation	-	879,009
	176,498	937,509

The professional fees have been either expensed to operations or capitalized to exploration and evaluation assets, based on the nature of the expenditures.

As at November 30, 2012, $2,381 (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 and, effective September 1, 2012, the arrangement was amended to $2,500 per month. During fiscal 2012, the Company paid $61,500 (2011 - $48,000) 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 fiscal 2012 the Company was billed $24,799 (EUR 18,000) by Accent for investor relations services.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As at March 28, 2013 there were 30,527,855 issued and outstanding common shares, 1,920,786 stock options outstanding to purchase common shares at exercise prices ranging from $0.52 to $2.10 per share, 8,726,589 warrants outstanding to purchase common shares at exercise prices ranging from $1.00 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".