RED EAGLE MINING CORPORATION

Management's Discussion and Analysis

For the three and nine months ended September 30, 2016

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Red Eagle Mining Corporation and its subsidiaries ("Red Eagle" or the "Company") during the three and nine months ended September 30, 2016 and to the date of this report. The MD&A supplements, but does not form part of, the unaudited condensed interim consolidated financial statements of the Company and the notes thereto for the three and nine months ended September 30, 2016. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2016 and the audited consolidated financial statements for the year ended December 31, 2015 and the notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts presented in this MD&A are in Canadian dollars unless otherwise indicated.

Additional information related to Red Eagle is available on SEDAR at www.sedar.com and on the Company's website at www.redeaglemining.com.

This MD&A contains information up to and including November 23, 2016.

FORWARD-LOOKING INFORMATION

Certain statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. For more information on forward-looking information, please refer to page 23 of this MD&A.

CORPORATE OVERVIEW

The Company was incorporated under the *Business Corporations Act (British Columbia)* on January 4, 2010. The Company completed its initial public offering ("IPO") on June 24, 2011 and commenced trading its common shares in Canada under the symbol "RD" on the TSX Venture Exchange ("TSX-V") on June 28, 2011. On September 20, 2016, the Company started trading on the Lima Stock Exchange under the symbol "R", and on November 4, 2016, the Company received final approval to graduate to the Toronto Stock Exchange ("TSX") and began trading on the TSX under the new symbol "R". The Company is also publicly listed on the OTCQX in the USA under the symbol "RDEMF".

The Company is a gold and silver company that is focused on building shareholder value through acquiring and developing gold and silver projects with low costs and low technical risks in Colombia, a jurisdiction with prolific historic production but until recently limited modern exploration. The Company is primarily engaged in the development and construction of the San Ramon Gold Mine and Mill, where construction was completed within budget and first gold pour was achieved in November 2016. Commercial production is expected in the first quarter of 2017 as production ramps up.

A positive feasibility study was completed in October 2014. Highlights include:

- Assuming US $1,300 per ounce gold: Net present value of US $104 million using a 5% discount rate, Internal rate of return of 53%, and payback period of 1.3 years;
- Proven and probable reserve estimate of 405,000 gold ounces at 5.20 grams per tonne;
- Estimated capital costs of approximately US $74 million;
- Sustaining capital for ongoing underground development budgeted at US $33 million throughout the eight year mine life;
- Mill throughput of 1,000 tonnes per day (built-in capacity to double throughput);
- Estimated metallurgical gold recovery of 96% with a total estimated 388,000 ounces of recoverable gold to be produced (Year 1 production – 68,000 oz and life of mine average – 48,500 oz per year); and
- Operating cash costs estimated at US $596/oz with sustaining capital of US $74/oz, and all in sustaining cash costs of US $670/oz.

CORPORATE OVERVIEW (CONTINUED)

The Technical Report titled "Amended NI 43-101 Technical Report Feasibility Study of the Santa Rosa Gold Project" dated October 27, 2014" is available on www.sedar.com and the Company's website and was prepared by Lycopodium Minerals Canada Ltd. in accordance with the definitions in Canadian National Instrument 43-101.

QUALIFIED PERSONS

The scientific and technical information contained in this MD&A has been reviewed and approved by Jeff Toohey, P.Eng., Vice President Exploration, who is a "Qualified Person" as defined under National Instrument 43-101.

COMPANY DEVELOPMENTS AND OUTLOOK

Development and Construction of the San Ramon Gold Mine and Mill

In March 2015, the Company was formally granted the environmental licence in full, which was the final permit required for the construction and mining of the San Ramon Gold Mine and Mill, located in the Department of Antioquia, Colombia.

Following the successful conclusion of project financing in August 2015, the Company commenced construction. Lycopodium Minerals Canada Ltd., a leading international project engineering, procurement and construction management ("EPCM") firm, was awarded the contract for the design and construction management of the project. At the close of the third quarter of 2016, the overall construction of the project was substantially complete, and based on the EPCM contract was classified as having reached practical completion.

By mid-November 2016, the commissioning process had been completed by the EPCM contractor with minor modifications remaining to be completed by the Company. The processing facility has reached a steady operating throughput capability and has poured a nominal quantity of gold. Commercial production is expected in the first quarter of 2017 as production ramps up. Underground mining is progressing at an increasingly rapid rate as a result of the opening up of numerous ore development headings.

The construction of the San Ramon Gold Mine and Mill remained within budget and on schedule within the 14-month construction period to first gold in November 2016.

Mine Highlights:

- Mine operations have continued to adopt best practices in safety with many awareness programs in place and monitoring occurring on a continuous basis. The results have been demonstrated in the exceptional safety statistics to date;
- The main access and production declines have progressed to over 750 metres in length. Ore development is now focussed on stoping blocks on the 50 metre and 75 metre levels;
- Initially, low grade ore was used to commission the process plant. The current ore feed to the process plant is directly from resource ore from the ore development headings and stopes; and
- Mine staffing has reached planned levels of approximately 160 employees.

Development and Construction of the San Ramon Gold Mine and Mill (continued)

Mill Highlights:

- All concrete pours, platework, steelwork, mechanical equipment installation, piping, electrical and instrumentation works are complete, and the construction contractor has achieved practical completion;
- Commissioning commenced during September and is expected to be completed in December. The processing facility has reached a steady operating throughput capability, with interruptions for stoppages for minor modifications, performance reconciliations and maintenance, which is typical with all similar start-ups;
- Phase 2 earthworks on the dry waste management facility (DWMF) is continuing. Downstream sediment pond embankment and seepage collection pond dyke construction have been completed. This on-going construction is not impeding the deposition of tailings into the facility; and
- The Company achieved its first gold pour in November 2016.

Social and Environmental Highlights:

- The Company continues to maintain positive relationships with and be involved with the local communities. Continuous information flow has been maintained with all stakeholders regarding the status of the mine construction and advances of the operations. The Company is proud to have employed almost 50% of its workforce from the local municipality of Santa Rosa de Osos. The Company is committed to maximizing local employment and this achievement so early in the operation is exceptional; and
- The Company continues to strictly adhere to the terms of its Environmental License and the associated Environmental Management Plan. The Environmental Agency, along with local committees, has maintained a strict monitoring program as the project has progressed with visits at least monthly. Apart from minor issues, which have been quickly corrected, the Company has received positive inspection reports from all inspections.

Project Financing:

Based on the Company's projections and estimated construction progress made to date, the construction of the Company's San Ramon Gold Mine and Mill is expected to be funded through to full commercial production. The Company has a cash balance of approximately US $11 million and estimates approximately US $4 million of costs left to incur, as of October 31, 2016. However, it should be noted that, at this time, the Company does not generate any cash flows from operations and earns minimal investment income on surplus funds.

Equity Financing

In April 2016, the Company completed a private placement in two tranches for gross proceeds of $11,281,476, consisting of 29,688,095 common shares at a price of $0.38 per share. As part of this private placement, Liberty Metals and Mining Holdings LLC ("LMM") elected to exercise its participation right and purchased 9,500,000 shares resulting in LMM's ownership interest in the Company increasing from 18.0% to 19.9%. Proceeds are being used for exploration drilling of the Santa Rosa Gold Project and to fund CB Gold Inc.'s ("CB Gold") 2016 work program at the Vetas Gold Project.

In July 2016, the Company completed a private placement for gross proceeds of $9,223,638, consisting of 13,176,626 common shares at a price of $0.70 per share. Proceeds are being used for exploration drilling of the Santa Rosa Gold Project. The shares are subject to a four month hold period from the date of issuance.

COMPANY DEVELOPMENTS AND OUTLOOK (CONTINUED)

Development and Construction of the San Ramon Gold Mine and Mill (continued)

Ore production stope delineation drilling

In the second and third quarter of 2016, the Company commenced detailed ore production stope delineation drilling at the San Ramon Gold Mine, Santa Rosa Gold Project and will continue for the life of the mine. The initial results from the in-fill drill programme have exceeded expectations with intercepts significantly longer than the planned average mining width of 3m and grades significantly higher than the reserve grade of 5.2 g/t Au. Highlights of the drill programme are detailed under mineral properties.

CB Gold Update

During the nine month period ended September 30, 2016, the Company acquired an additional 140,505,405 shares of CB Gold in a combination of private placements, open market purchases, and share issuances for settlement of CB Gold property obligations, holding an aggregate of 248,033,377 common shares of CB Gold (equivalent to a 69% interest) as of September 30, 2016. In addition, as part of one of the private placements, the Company acquired 16,933,333 warrants exercisable into one share at $0.10 per share for a period of five years, expiring on May 11, 2021.

On August 10, 2016, CB Gold purchased 100% of the Santa Ana Silver Project from Condor Precious Metals Inc. for cash settlement of $250,000, 8,095,238 CB Gold common shares ($850,000 at $0.105 per share) and a 2% NSR royalty. CB Gold has a right of first refusal on any sale of the royalty and may purchase 1% at any time for $500,000.

On November 2, 2016, the Company acquired 83,020,237 common shares of CB Gold in exchange for 7,428,126 shares of the Company. The Company currently holds an aggregate of 331,053,614 shares of CB Gold, representing 92% of the issued and outstanding CB Gold shares. The Company acquired the shares for investment purposes only and may acquire additional securities of CB Gold in the future.

Other Highlights

- On September 20, 2016, the Company started trading on the Lima Stock Exchange under the symbol "R"; and
- On November 4, 2016, the Company received final approval to graduate to the Toronto Stock Exchange ("TSX") and began trading on the TSX under the new symbol "R".

MINERAL PROPERTIES

The Company owns the Santa Rosa Gold Project, located in Antioquia, Colombia. All direct costs relating to the acquisition of mineral property interests are capitalized. Effective April 1, 2015, mineral property development expenditures have been capitalized as the Company has moved from the exploration to development phase. A breakdown of expenditures is provided below. During 2015, the Company also acquired a controlling interest in the public company, CB Gold, which owns the Vetas Gold Project. Further information on the mineral properties can be found in the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2016.

Santa Rosa Gold Project

On April 15, 2011, the Company acquired 100% of the Santa Rosa Gold Project in Antioquia, Colombia, for US $9,600,000 ($9,988,676), which has been paid in full. The Company also agreed to acquire certain adjacent concession contracts for US $780,000, of which US $40,000 ($40,600) has been paid and US $740,000 ($970,658) is due upon title transfer, which is expected after 2016.

MINERAL PROPERTIES (CONTINUED)

On October 22, 2012, concurrent with a private placement financing, the Company completed the sale of a 2% NSR royalty over the Santa Rosa property to Liberty Metals and Mining Holdings, LLC, ("LMM") a shareholder of the Company, for gross proceeds of $8,333,333. The Company had the option to sell an additional 1% royalty for $4,166,667 at any time until December 31, 2013 and on December 20, 2013, the Company exercised this option. The Company has the option to repurchase a 1% royalty for $8,333,333 at any time during the first two years of commercial gold production.

On October 24, 2012, the Company executed a purchase agreement with Bullet Holdings Corp. to acquire mineral concession contracts totaling 35,910 hectares adjacent to the Company's Santa Rosa Gold Project. The consideration for the transaction was the issuance of 905,000 common shares, reimbursement of current year concession fees and the granting of a 1.5% NSR royalty over the properties acquired. LMM's royalty does not cover these new properties.

On May 28, 2014, the Company executed a purchase agreement with AngloGold Ashanti Colombia S.A. ("AGAC") to acquire 100% of contiguous mineral concession contracts totaling 1,673 hectares within the Company's Santa Rosa Gold Project. In consideration for the property, the Company has agreed to pay US $375,000 to AGAC and grant AGAC a 2% NSR royalty over the properties acquired. The cash payments completed and to be made are as follows:

Condition	**US $**
Within 10 days of execution of contract (paid)	25,000
Upon title transfer (paid)	100,000
March 18, 2016 (paid)	125,000
March 18, 2017	125,000
	375,000

As at September 30, 2016, the mineral property obligation relating to this acquisition was $163,145, which represents the discounted value of the US $125,000 remaining to be paid.

Ore production stope delineation drilling

In June 2016, the Company commenced detailed ore production stope delineation drilling at the San Ramon Gold Mine. Highlights from the first 50 holes (SRD-0001 to SRD-0050) include intercepts:

- SRD-0003 - 4.00m at 10.68 g/t Au from 60.70m down hole (incl. 1.10m at 27.38 g/t Au);
- SRD-0004 - 7.80m at 12.79 g/t Au from 71.40m down hole (incl. 2.80m at 30.44 g/t Au);
- SRD-0005 - 8.15m at 5.71 g/t Au from 96.20m down hole (incl. 1.60m at 15.65 g/t Au);
- SRD-0010 - 11.48m at 7.25 g/t Au from 100.50m down hole (incl. 1.89m at 19.05 g/t Au);
- SRD-0017 - 5.10m at 12.27 g/t Au from 93.90m down hole (incl. 1.46m at 29.94 g/t Au);
- SRD-0018 - 1.35m at 50.11 g/t Au from 71.85m down hole;
- SRD-0020 - 10.60m at 4.22 g/t Au from 36.70m down hole (incl. 3.40m at 6.36 g/t Au);
- SRD-0021 - 0.80m at 168.91 g/t Au from 92.60m down hole;
- SRD-0027 - 10.73m at 8.91 g/t Au from 60.66m down hole (incl. 1.2m at 21.39 g/t Au and 1.1m at 35.37 g/t Au);
- SRD-0029 - 6.70m at 12.69 g/t Au from 69.80m down hole (incl. 1.40m at 45.06 g/t Au);
- SRD-0038 - 8.25m at 5.89 g/t Au from 37.25m down hole (incl. 0.65m at 36.17 g/t Au);
- SRD-0038 - 5.45m at 11.53 g/t Au from 54.55m down hole (incl. 0.92m at 30.81 g/t Au);
- SRD-0043 - 2.70m at 20.56 g/t Au from 81.20m down hole (incl. 0.93m at 49.26 g/t Au);
- SRD-0044 - 4.25m at 20.60 g/t Au from 89.75m down hole (incl. 0.74m at 78.35 g/t Au and 0.45m at 40.21 g/t Au);
- SRD-0046 - 12.56m at 7.66 g/t Au from 67.64m down hole (incl. 1.05m at 48.70 g/t Au);
- SRD-0046 - 9.68m at 7.89 g/t Au from 94.70m down hole (incl. 0.70m at 48.88 g/t Au);
- SRD-0046 - 2.07m at 42.52 g/t Au from 130.70m down hole;
- SRD-0047 - 5.21m at 7.47 g/t Au from 93.15m down hole (incl. 1.41m at 19.18 g/t Au); and
- SRD-0049 - 7.16m at 29.03 g/t Au from 131.82m down hole (incl. 2.31m at 73.96 g/t Au).

MINERAL PROPERTIES (CONTINUED)

Results from the delineation drilling continue to exceed expectations with intercepts significantly longer than the planned average mining width of 3m and grades significantly higher than the reserve grade of 5.2 g/t Au. For complete drill results, please refer to press releases dated June 1, 2016, August 16, 2016, September 7, 2016 and September 14, 2016.

True widths are estimated to be 70-90% of the intersections and vertical depths are estimated to be 70-90% of the drilled depths reported above. Drill assays were composited by length-weighted averaging into intersections using a 2 g/t Au cut-off grade. Due to the mining method and mining selectivity contemplated for the deposit, internal dilution was included in some intersections where considered appropriate for mining continuity.

Quality Assurance and Quality Control

All technical information for the Company's Santa Rosa Project in Antioquia, Colombia is obtained and reported under formal quality assurance and quality control ("QA/QC") procedures and guidelines. The Company's procedures are designed to meet or exceed C.I.M. "Best Practices Guidelines" and National Instrument 43-101 standards of disclosure. QA/QC protocols for drill core sampling and assaying include the insertion and monitoring of appropriate reference materials (certified standards, blanks and duplicates) to validate the accuracy and precision of the assay results.

All drill samples were collected with a diamond core drill rig using approximately one metre sample intervals following standard industry practice. Activation Laboratories Ltd. prepared and assayed the samples at their laboratory in Medellin, Colombia. Fire assay for Au (using a 50 gram sample) with an AAS finish was carried out routinely on all samples submitted. For all samples which returned initial Au fire assays of greater than 5 g/t Au, a second fire assay for Au was performed (also using a 50 gram sample) with a gravimetric finish. QA/QC included the monitoring of standards and a coarse blank inserted into the sample stream.

Vetas Gold Project

On October 8, 2015, the Company acquired a controlling interest in CB Gold, which owns the Vetas Gold Project. During the nine months ended September 30, 2016, CB Gold settled the following property obligations:

i) Real Minera - The Real Minera property was subject to a one-time royalty payment of US $5 per ounce of measured and indicated mineral resources as disclosed and published in one or more technical reports to be prepared in accordance with NI 43-101. The terms of the royalty payment with Real Minera were renegotiated by CB Gold in December 2015 and a final settlement was paid on January 15, 2016, which included cash of US $50,000 and 2,843,206 Red Eagle common shares. CB Gold issued 17,550,654 common shares to Red Eagle as compensation on January 15, 2016.

ii) San Alfonso - On January 15, 2016, CB Gold paid US $150,000 to acquire the San Alfonso property.

iii) La Triada - CB Gold renegotiated the acquisition price for the La Triada property. The final consideration was paid on February 29, 2016 and included cash of US $300,000 and 2,219,816 Red Eagle common shares. CB Gold issued 13,702,562 common shares to Red Eagle as compensation on March 4, 2016.

Santa Ana Silver Project

On August 10, 2016, CB Gold purchased 100% of the Santa Ana Silver Project from Condor Precious Metals Inc. for cash settlement of $250,000, 8,095,238 CB Gold common shares ($850,000 at $0.105 per share) and a 2% NSR royalty. CB Gold has a right of first refusal on any sale of the royalty and may purchase 1% at any time for $500,000.

MINERAL PROPERTIES (CONTINUED)

The following is a summary of the Santa Rosa and Vetas exploration costs:

For the nine months ended September 30, 2016

(in Canadian dollars)	Santa Rosa	Vetas	Total
Salaries and consulting	$ 202,016	$ 346,322	$ 548,338
Geological and geochemical	-	244,725	244,725
Drilling	228,985	-	228,985
Legal and office administration	7,690	175,826	183,516
License and permits	-	111,143	111,143
Field and camp	-	64,280	64,280
Travel and transportation	10,320	52,093	62,413
Depreciation	-	19,687	19,687
Environmental	4,952	3,204	8,156
Assays and sampling	6,698	-	6,698
Concession fees	5,278	-	5,278
Total exploration costs	**$ 465,939**	**$ 1,017,280**	**$ 1,483,219**

For the nine months ended September 30, 2015

(in Canadian dollars)	Santa Rosa	Vetas	Total
Salaries and consulting	$ 627,740	$ -	$ 627,740
Geological and geochemical	298,791	-	298,791
Legal and office administration	87,283	-	87,283
Field and camp	638,641	-	638,641
Travel and transportation	69,596	-	69,596
Depreciation	67,990	-	67,990
Assays and sampling	7,866	-	7,866
Concession fees	8,490	-	8,490
Technical studies	81,438	-	81,438
Metallurgical	38,940	-	38,940
Training	33,880	-	33,880
Total exploration costs	**$ 1,960,655**	**$ -**	**$ 1,960,655**

RESULTS OF OPERATIONS

THREE MONTHS ENDED SEPTEMBER 30, 2016 COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 2015

The Company recorded a loss of $741,388 for the three months ended September 30, 2016 compared to a loss of $646,079 for the three months ended September 30, 2015. As at October 8, 2015, the Company acquired a controlling interest in CB Gold. Accordingly, the consolidated results of operations for the three months ended September 30, 2016 include a loss of $565,138 related to CB Gold.

RESULTS OF OPERATIONS (CONTINUED)

Following is an analysis of the significant movements in balances between the three month periods ended September 30, 2016 and September 30, 2015:

For the three months ended (in Canadian dollars)	**September 30, 2016**	**September 30, 2015**	
Office and administration	**711,971**	390,880	Increase due to an increase in service fees and insurance costs as the Company increases its profile into development and construction of the San Ramon Gold Mine
Mineral property exploration costs	**682,580**	-	Effective April 1, 2015, the Company commenced capitalization of direct development costs associated with the San Ramon Gold Mine and Mill. Mineral property exploration costs primarily include $347,733 of costs related to CB Gold as well as $329,695 of exploration drilling costs for targets within the Santa Rosa Gold Project
Salaries and benefits	**346,736**	255,407	Increase due to an increase in non-cash stock option expense and personnel
Investor relations and business development	**197,490**	88,061	Increase due to increased profile and investor interest
Share of loss of associate	**-**	145,811	Amount relates to the Company's pro-rata share of loss in its investment in CB Gold, which was previously accounted for using the equity method of accounting until control was acquired on October 8, 2016
Foreign exchange gain	**(1,348,039)**	(277,168)	Non-cash foreign exchange gains and losses relate to fluctuations of foreign exchange rates between USD, COP, and CAD. Foreign exchange gain primarily relates to the strengthening of the COP against the USD during Q3 2016 on USD denominated long-term debt

NINE MONTHS ENDED SEPTEMBER 30, 2016 COMPARED TO NINE MONTHS ENDED SEPTEMEBER 30, 2015

The Company recorded a loss of $1,572,828 for the nine months ended September 30, 2016 compared to a loss of $4,032,487 for the nine months ended September 30, 2015. As at October 8, 2015, the Company acquired a controlling interest in CB Gold. Accordingly, the consolidated results of operations for the nine months ended September 30, 2016, include a loss of $2,081,506 related to CB Gold.

RESULTS OF OPERATIONS (CONTINUED)

Following is an analysis of the significant movements in balances between the nine month periods ended September 30, 2016 and September 30, 2015:

For the nine months ended (in Canadian dollars)	**September 30, 2016**	**September 30, 2015**	
Office and administration	**2,102,987**	1,188,047	Increase primarily due to $738,419 of costs related to CB Gold
Mineral property exploration costs	**1,483,219**	1,960,655	Effective April 1, 2015 the Company commenced capitalization of direct development costs associated with the San Ramon Gold Mine and Mill. Mineral property exploration costs primarily include $1,017,280 of costs related to CB Gold as well as $329,695 of exploration drilling costs for targets within the Santa Rosa Gold Project
Salaries and benefits	**1,355,489**	840,110	Increase due to an increase in non-cash stock option expense and personnel
Investor relations and business development	**569,537**	330,970	Increase due to increased profile and investor interest
VAT recovery	**-**	(740,175)	On commencement of capitalization of direct development costs, the Company also recognized a value added tax ("VAT") credits receivable. The amount for the period ended September 30, 2015, represents the cumulative amount of previously expensed VAT paid to the Colombian Government. These VAT credits are recoverable against corporate taxes payable in Colombia
Share of loss of associate	**-**	145,811	Amount relates to the Company's pro-rata share of loss in its investment in CB Gold, which was previously accounted for using the equity method of accounting until control was acquired on October 8, 2016
Foreign exchange (gain) loss	**(4,365,921)**	10,101	Non-cash foreign exchange gains and losses relate to fluctuations of foreign exchange rates between USD, COP, and CAD. Foreign exchange gain primarily relates to the strengthening of the CAD and COP against the USD during the nine month period ended 2016 on USD denominated long-term debt

SUMMARY OF QUARTERLY RESULTS

Following is a summary of quarterly results for the eight most recently completed quarters. These results are taken from the interim and annual consolidated financial statements of Red Eagle, which are prepared in accordance with IFRS as issued by IAS. The results are presented in Canadian dollars.

	For the three months ended September 30, 2016	For the three months ended June 30, 2016	For the three months ended March 31, 2016	For the three months ended December 31, 2015
Interest and other expenses (income)	$ 89,366	$ (26,113)	$ (3,674)	$ (13,385)
Net loss (income) attributable to equity holders of the parent	569,757	385,268	(91,350)	2,431,296
Basic and diluted loss per share	0.00	0.00	0.00	0.01

	For the three months ended September 30, 2015	For the three months ended June 30, 2015	For the three months ended March 31, 2015	For the three months ended December 31, 2014
Interest and other expense (income)	$ (21,644)	$ 6,250	$ 916	$ (35,353)
Net loss attributable to equity holders of the parent	646,079	580,654	2,805,754	2,423,387
Basic and diluted loss per share	0.00	0.01	0.04	0.04

The analysis provided in the "Results of Operations" section above provides information regarding the significant movements during the three and nine months ended September 30, 2016 and September 30, 2015. Due to the nature of operations, there is no significant seasonality in the business. The Company was incorporated on January 4, 2010 and has grown in its level of operations since that date.

The loss per quarter has historically been most impacted by the nature of the drilling programme underway at the time and whether or not there is a significant non-cash share-based payment expense due to the granting of share purchase options. For the three months ended June 30, 2015 and September 30, 2015, the net loss was reduced as the Company commenced capitalization of direct costs associated with the development of the San Ramon Gold Mine and Mill as well as recognized a VAT receivable that will be recoverable against future taxes payable in Colombia.

As at October 8, 2015, the Company acquired a controlling interest in CB Gold. Accordingly, the consolidated results of operations for the three months ended December 31, 2015 include a loss of $495,556 related to CB Gold for the period from October 8, 2015 to December 31, 2015. Capitalization of direct costs associated with the development of the San Ramon Gold Mine and Mill and recognition of VAT taxes receivable were offset by a higher foreign exchange loss during the three months ended December 31, 2015.

For the three month period ended March 31, 2016, net income attributable to equity holders of the parent was a result of a higher foreign exchange gain and the result of capitalization of direct costs associated with the development of the San Ramon Gold Mine and Mill.

For the three month periods ended June 30, 2016 and September 30, 2016, net loss attributable to equity holders of the parent was a result of a higher general expenses as a result of increased activities and profile for the Company, as described above, and expenses associated with CB Gold, which were partially offset by a higher foreign exchange gain.

LIQUIDITY AND CAPITAL RESOURCES

As at	September 30, 2016	December 31, 2015	December 31, 2014
Working capital	$ 2,855,721	$ (1,536,765)	$ (303,768)
Total assets	153,945,925	62,582,686	1,484,794
Total liabilities	(102,848,493)	(33,573,430)	(2,253,096)
Share capital	88,199,579	65,684,900	37,163,964
Deficit	(44,414,941)	(45,159,151)	(38,826,730)

As at September 30, 2016, the Company had working capital of $2,855,721 (December 31, 2015: ($1,536,765)) with cash and cash equivalents of $22,307,723 (December 31, 2015: $10,347,916). As at September 30, 2016, current liabilities due within one year are $20,478,588, which primarily relates to the construction of the San Ramon Gold Mine and Mill and also includes $1,298,196 of mineral property obligations related to the Vetas Gold Project.

In March 2015, the Company secured a US $60,000,000 credit facility with Orion and LMM of which the full balance has been drawn down as at September 30, 2016 to fund capital construction expenditures on the San Ramon Gold Mine and Mill.

In April 2016, the Company completed a private placement in two tranches for gross proceeds of $11,281,476, consisting of 29,688,095 common shares at a price of $0.38 per share.

In July 2016, the Company completed a private placement for gross proceeds of $9,223,638, consisting of 13,176,626 common shares at a price of $0.70 per share.

The Company relies on equity financings and the exercise of options and warrants to fund its exploration and development activities and its corporate and overhead expenses and a credit facility to fund construction of the San Ramon Gold Mine and Mill. Many factors influence the Company's ability to raise funds including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management and personnel. Actual funding requirements may vary from those planned due to a number of factors, including the progress and results of exploration and development activities.

The Company's operations to date have been financed by issuing equity, the sale of a royalty over a portion of the Santa Rosa property, and the use of proceeds from the credit facility. The continuing operations of the Company are dependent upon its ability to execute the construction and commissioning of the San Ramon Gold Mine and Mill on time and on budget and ramp up to commercial production by the first quarter of 2017. To complete these activities, the Company currently has adequate available funding from cash on hand. However, there is no guarantee that the Company will be able to continue to secure additional financings in the future at terms that are favourable should the Company require additional funding.

With the cash position on hand, completed private placements and secured credit facility, the Company believes that it has sufficient amount of cash and cash equivalents available to meet business requirements for the next twelve months.

OUTSTANDING SHARE DATA

Common shares

The authorized capital of the Company is an unlimited number of common and preferred shares (nil outstanding) without par value.

As at September 30, 2016, the Company had 233,441,995 common shares issued and outstanding (December 31, 2015: 181,429,252). As at the date of this MD&A, the Company had 240,920,121 common shares issued and outstanding.

On January 15, 2016, the Company issued 2,843,206 common shares to the shareholders of Real Minera Ltda ("Real Minera") pursuant to the agreement dated April 19, 2010 and amended on December 15, 2015 between CB Gold and Real Minera in order to meet CB Gold's property obligations with respect to the Vetas Gold Project.

On February 29, 2016, the Company issued 2,219,816 common shares to the titleholders of the La Triada concession pursuant to the agreement dated March 28, 2012 and amended between CB Gold and La Triada in order to meet CB Gold's property obligations with respect to the Vetas Gold Project.

In April 2016, the Company completed a private placement in two tranches for gross proceeds of $11,281,476, consisting of 29,688,095 common shares at a price of $0.38 per share.

In July 2016, the Company completed a private placement for gross proceeds of $9,223,638, consisting of 13,176,626 common shares at a price of $0.70 per share.

During the second quarter of 2016, 3,375,000 warrants were exercised into 3,375,000 common shares for total consideration received of $843,750.

On October 17, 2016, the Company granted 1,125,000 share purchase options exercisable at a price of $0.80 per share until October 17, 2021 to employees.

During the nine months ended September 30, 2016, 710,000 share purchase options were exercised into 710,000 common shares for total consideration received of $325,550.

On November 2, 2016, the Company acquired 83,020,237 common shares of CB Gold in exchange for 7,428,126 shares of the Company.

Subsequent to September 30, 2016, a total of 50,000 share purchase options were exercised into 50,000 common shares for total consideration received of $16,500.

As at the date of this MD&A, the Company had 5,000,000 warrants and 15,905,000 share purchase options outstanding.

TRANSACTIONS WITH RELATED PARTIES

The Company's executive management received the following salaries and benefits:

For the nine months ended		September 30, 2016		September 30, 2015
Short-term employee salaries and benefits	$	1,059,134	$	657,470
Share-based payments		141,128		98,544
	$	**1,200,262**	$	**756,014**

TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

The following table provides the total amount of transactions and outstanding balances by the Company with related parties during the nine month periods ended September 30, 2016 and 2015:

Purchases during the three months	**September 30, 2016**	**September 30, 2015**
Rent, salary and related costs recharged from a company controlled by certain directors in common	$ 1,150,000	$ 575,000
Legal fees to Farris, Vaughan, Wills & Murphy LLP (previously Anfield Sujir Kennedy & Durno LLP) in which a director of the Company is a partner	$ 178,904	$ 807,287
Mine development costs by Stracon GyM in which a director of the Company is the CEO and a shareholder	$ 13,192,153	$ 220,230

As at	**September 30, 2016**	**December 31, 2015**
Amounts owed to		
Farris, Vaughan, Wills & Murphy LLP (previously Anfield Sujir Kennedy & Durno LLP) in which a director of the Company is a partner	$ 11,029	$ 332,738
Stracon GyM in which a director of the Company is the CEO and a shareholder	$ 3,596,714	$ 1,071,949
Amounts due from		
A company controlled by certain directors in common for reimbursement of expenses	$ -	$ 106,109

Related party transactions are in the normal course of business and measured at the amounts agreed upon by the parties.

FINANCIAL INSTRUMENTS

Refer to note 12 of the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2016 for disclosure regarding the Company's financial instruments. There has been no change in designation of financial instruments or nature of risks in the three and nine months ended September 30, 2016. The Company's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable, mineral property obligations, and long-term debt. The cash is held to fund ongoing exploration and development work and head office costs, and the cash equivalents are held to earn interest until they are needed to fund exploration work and head office costs.

Financial Risk Management

Credit risk

The Company is exposed to credit risk with respect to its cash and cash equivalents and other receivables. Cash equivalents are investments that have been placed on deposit with major Canadian or Colombian financial institutions. The cash in trust related to the Empresas Publicas de Medellin, E.S.P., electrical installation contract in the Company and deposits in CB Gold, recorded in non-current other receivables is on deposit with a major Colombian institution.

The risk arises from the non-performance of counterparties of contractual financial obligations. The Company manages credit risk, in respect of cash and cash equivalents, by purchasing highly liquid, short-term investment-grade securities held at major Canadian and Colombian financial institutions.

FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

The Company has cash balances, investment-grade short-term deposit certificates issued by its banking institution and long-term debt under the credit facility. Interest income is not material to the Company. Advances under the credit facility will bear interest at the higher of LIBOR or 1%, +7.5%. The Company manages this risk by monitoring fluctuations in LIBOR, which are not expected to be significant.

Foreign currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars or Colombian pesos. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company also has transactional currency exposures. Such exposures arise from purchases in currencies other than the respective functional currencies, typically the US dollar. The Company manages this risk by matching receipts and payments in the same currency and monitoring the movements in foreign currency.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Management has carried out a cash flow assessment and expects to have sufficient cash and cash equivalents to continue operating for the ensuing twelve months.

The Company's capital management objectives include working to ensure that it has sufficient liquidity to fund Company activities that are directly and indirectly related to the advancement of the Santa Rosa Gold Project. The Company endeavours to ensure that it will have sufficient liquidity in order to meet short to medium-term business requirements and all financial obligations as those obligations become due. Historically, sufficient liquidity has been provided predominantly through external financing initiatives. In the event of material cost overruns or operational delays, the Company may continue to rely upon sources of external financing in future periods until such time as commercial production is achieved. There is no assurance that financing of sufficient amounts or on terms acceptable to the Company will be available.

CAPITAL COMMITMENTS AND OFF BALANCE SHEET ARRANGEMENTS

The Company has commitments related to capital expenditures for the development and construction of the San Ramon Gold Mine and Mill and certain operational commitments as at September 30, 2016. See table below and note 11 to the unaudited condensed interim consolidated financial statements for commitments as at September 30, 2016.

	Less than 1 year	1 - 5 years	More than 5 years	Total
Capital	$ 2,135,019	$ -	$ -	$ 2,135,019
Operational	4,262,973	6,303,568	2,450,819	13,017,360
	$ 6,397,992	**$ 6,303,568**	**$ 2,450,819**	**$ 15,152,379**

The Company has certain cash payments to meet the terms of the mineral property acquisition agreements as described in note 4 in the unaudited condensed interim consolidated financial statements for mineral properties as at September 30, 2016.

The Company may be involved in various claims or legal proceedings arising in the ordinary course of business. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter will have a material impact on the financial condition or future results of operations of the Company.

There are no other capital commitments nor are there any off balance sheet arrangements.

RISKS AND UNCERTAINTIES

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may exist. The Company is in the business of acquiring, exploring and developing mineral properties. It is exposed to a number of risks and uncertainties that are common to other mining companies. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, inflation and other risks.

Mining

The Company is engaged in exploration, mine development and the mining and production of gold, and is exposed to a number of risks and uncertainties that are common to other companies in the same business. Unusual or unexpected geologic formations, formation pressures, seismic activity, fires, power outages, flooding, cave-ins, landslides and the inability to obtain suitable adequate machinery, equipment or labour are risks involved in the operation of mines and the conduct of exploration programs. These risks and hazards could result in damage to, or destruction of, mineral properties or producing facilities; personal injury or death; environmental damage; delays in mining; and monetary losses and possible legal liability. As a result, production may fall below estimated levels and the Company may incur significant costs or experience significant delays that could have a material adverse effect on the Company's financial performance, liquidity and results of operation. Although the Company maintains liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, might not be insurable, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Exploration for minerals is highly speculative in nature, involves many risks and frequently is unsuccessful. There is no assurance that any exploration activities of the Company will result in the development of an economically viable mine project. The economics of developing mineral properties are affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of mining and processing equipment, government regulations, location of the orebody and its proximity to infrastructure such as roads and power, required metallurgical processes, regulatory permit requirements, prevailing metal prices, economic and financing conditions at the relevant time. Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Assuming discovery of an economic ore body, depending on the type of mining operation involved, several years may elapse from the initial phases of drilling until commercial operations are commenced and during such time the economic feasibility of production may change.

The development of the San Ramon Gold Mine and Mill will include the construction and operation of mines, processing plants and related infrastructure. As a result, the Company is and will continue to be subject to all of the risks associated with establishing new mining operations, including risks relating to the availability and cost of skilled labour, mining equipment, fuel, power, materials and other supplies; the ability to obtain all necessary governmental approvals and permits; potential opposition from non-governmental organizations, environmental groups or local residents; and the availability of funds to finance construction and development activities. Cost estimates may increase as more detailed engineering work is completed on a project. It is common for new mining operations to experience unexpected costs, problems and delays during construction, development, and mine start-up. Accordingly, the Company cannot provide assurance that its activities will result in profitable mining operations at the San Ramon Gold Mine. If there are significant delays in when the Santa Rosa Gold Project is completed and is producing on a commercial and consistent scale, or its capital costs were to be significantly higher than estimates, these events could have a significant adverse effect on the Company's results of operation, cash flow from operations and financial condition.

RISKS AND UNCERTAINTIES (CONTINUED)

Country

The Company conducts exploration, mine development and other mining activities in Colombia, which is a developing country. This exposes the Company to certain jurisdictional risks including, without limitation, possible political instability, changes to applicable laws including those relating to government imposed taxes or royalties, impairment or loss of mining title or other mineral rights as well as risks associated with economic instability such as currency fluctuations and inflation.

Colombia has for decades sustained persistent violence stemming from activities of left-wing guerilla and paramilitary groups associated with drug cartels. While the situation has improved significantly in recent years, including the recent peace accord, there can be no guarantee that the situation will not deteriorate once again. Any increase in kidnapping, gang warfare, homicide and/or terrorist activity in Colombia generally may disrupt supply chains and discourage qualified individuals from being involved with the Company's operations. Colombia's status as a developing country may also make it more difficult for the Company to attract additional investors or otherwise obtain additional financing for its mining projects.

In addition, the enforcement by the Company of its legal rights to exploit its properties or to utilize its permits and licenses may not be recognized by the court systems in Colombia. The occurrence of one or more of these risks could have a material and adverse effect on the viability and financial performance of its foreign operations, which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition. Any of these events could also result in conditions that delay or prevent the Company from exploring or developing its properties.

Profitability; Costs

The Company has a history of losses and there can be no assurance that it will ever be profitable. The Company expects to continue to incur losses unless and until such time as it commences profitable mining operations on its properties. The development of the properties will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, some of which are beyond the Company's control, including the progress of ongoing exploration, studies and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred and the execution of any joint venture agreements with any strategic partners, if any. There can be no assurance that the Company will ever generate revenues from operations or that the Santa Rosa Gold Project or any properties the Company may hereafter acquire or obtain an interest in will generate earnings, operate profitably or provide a return on investment in the future. There can be no assurance that the Company's cost assumptions will prove to be accurate, as costs will ultimately be determined by several factors that are beyond the Company's control.

Metal Price Volatility

The Company's business is strongly affected by the world market price of gold. Global metal prices fluctuate widely and are affected by numerous factors beyond the Company's control, including global demand and production levels; political and economic conditions; producer hedging activities; speculative activities; inflation; interest rates; central bank lending, sales and purchases of gold; the strength of, and confidence in, the U.S. dollar, the currency in which the price of gold is generally quoted; and currency exchange rates. If the world market price of gold were to drop and the prices realized by the Company on gold sales were to decrease significantly and remain at such a level for any substantial period, the Company's future profitability and cash flow would be negatively affected. Gold prices can be subject to volatile price movements, which can be material and can occur over short periods of time and are affected by numerous factors, all of which are beyond the Company's control. Depending on the market price of gold, the Company may determine that it is not economically feasible to continue some or all of its operations or the development of some or all of its projects, as applicable, which could have an adverse impact on the Company's financial performance and results of operations. In such a circumstance, the Company may also curtail or suspend some or all of its exploration activities.

RISKS AND UNCERTAINTIES (CONTINUED)

Mineral Reserve and Resource Estimates

Mineral resource and mineral reserve figures are estimates only and no assurance can be given that the indicated tonnages and grade will be achieved or that the indicated level of recovery will be realized over the mine life. There is significant uncertainty in any mineral resource and mineral reserve estimate, and the actual deposits encountered and the economic viability of, and returns from, mining a deposit may differ materially from estimates disclosed by the Company. The estimating of mineral resources and mineral reserves is a subjective process and the accuracy of mineral resource and mineral reserve estimates is a function of the quantity and quality of available data, the accuracy of statistical computations, and the assumptions used and judgments made in interpreting engineering and geological information. The Company's mineral reserves and mineral resource estimates have been determined based upon assumed commodity prices, operating costs and exchange rates. Changes in assumptions may render certain mineral reserve and mineral resources uneconomic to mine and result in a significant reduction in the reported mineral reserves or mineral resources and thereby have a material adverse effect on the Company's results of operations and financial condition.

Estimated mineral resources and mineral reserves may require downward revisions based on changes in metal prices, further exploration or development activity, increased production costs or actual production experience. This could materially and adversely affect estimates of the tonnage or grade of mineralization, estimated recovery rates or other important factors that influence mineral resource and mineral reserve of estimates.

Any reduction in estimated mineral reserves or estimated mineral resources as a result could require material write downs in investment in the affected mining property and increased amortization, reclamation and closure charges, which could have a material and adverse effect on the Company's results of operations and financial condition.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to indicated and measured mineral resources as a result of continued exploration. If mineral resources are not upgraded to proven and probable mineral reserves, it could materially and adversely affect and/or restrict the Company's ability to successfully implement its strategies for long-term growth.

Regulatory

Mining activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labor standards, occupational health and safety, water disposal, toxic substances, explosives, management of natural resources, environmental management and protection, mine safety, dealings with native groups, historic and cultural preservation and other matters. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, construction, operating and closing mines and other facilities. Compliance with environmental regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. Any breaches of environmental laws could materially and adversely affect the Company.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations, requiring corrective measures or other remedial actions, any of which could result in the Company incurring significant expenditures. The Company may be subject to potential legal claims which, if determined adversely to the Company, could have a material effect on the Company and/or its financial condition. The Company may be required to compensate persons suffering loss or damage as a result of any infringement of applicable laws or regulations.

RISKS AND UNCERTAINTIES (CONTINUED)

Regulatory (continued)

The Company may also be required to obtain certain other property rights to access, or use, certain of its properties in order to proceed with mining activities. There can be no assurance that all licenses, permits or property rights which the Company may require for any exploration or development of mining operations will be obtainable on reasonable terms or in a timely manner, or at all, that such terms will not be adversely changed, that required extensions will be granted, or that the issuance of such licenses, permits or property rights will not be challenged by third parties. Delays in obtaining or a failure to obtain such licenses, permits or property rights or extension thereto, challenges to the issuance of such licenses, permits or property rights, whether successful or unsuccessful, changes to the terms of such licenses, permits or property rights, or a failure to comply with the terms of any such licenses, permits or property rights that the Company has obtained, could have a material adverse effect on the Company by delaying or preventing or making more expensive exploration, development and/or production.

The process for establishing and preserving mining title and other mineral rights in Colombia is complex, and may be the subject of dispute with regulators. Changes to current laws, regulations and permits governing operations and activities of mining companies, including environmental laws and regulations which are evolving in Colombia, or more stringent enforcement thereof, could have a material adverse impact on the Company and increase costs, affect the Company's ability to expand or transfer existing operations or require the Company to abandon or delay the development of new properties.

There is risk that the decisions of the Colombian judicial system relating to preservation of the Paramos, Colombian's high-altitude ecosystem, as well as changes to or interpretations of other existing or future applicable laws and regulations relating thereto, may have a material adverse effect on or otherwise impact the Company's mineral tenure, mining rights and development plans for its mining properties.

Risks with Title to Mineral Properties

Title on mineral properties and mining rights involves certain risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyance history of many mining properties. Although the Company has, with the assistance of its Colombian legal advisors, diligently investigated and validated title to its mineral claims, there is no guarantee that the Company will not encounter challenges or loss of title to its assets. The Company does not carry title insurance. The Company is actively engaged in the process of seeking to strengthen the certainty of its title to its mineral concessions, which are held either directly or through its equity interest in its subsidiaries. The Company cannot give any assurance that title to properties it acquired individually or through historical share acquisitions will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mining properties.

Failure by the Company to retain title to properties which comprise its projects could have a material adverse effect on the Company and the value of its Common Shares.

Environmental Risk

Both exploration programs and mining operations have inherent risks and liabilities associated with pollution of the environment and the disposal of waste products. Laws and regulations involving the protection and remediation of the environment, including those addressing emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations and the governmental policies for implementation of such laws and regulations are constantly changing and are generally becoming more restrictive, with the trend towards stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Corporation and may cause material changes or delays in the Company's intended activities.

Environmental Risk (continued)

There can be no assurance that future changes in environmental regulations will not adversely affect the Company's business, and it is possible that future changes in these laws or regulations could have a significant adverse impact on some portion of the Company's business and the properties operated, which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition. The Company cannot give any assurance that breaches of environmental laws (whether inadvertent or not) or environmental pollution will not result in additional costs or curtailment of planned activities and investments, which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Risks Associated with Potential Acquisitions

The Company may evaluate opportunities to acquire additional mining assets and businesses. These acquisitions may be material in size, may change the scale of the Company's business and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition targets, acquire them on acceptable terms and integrate their operations successfully with those of the Company.

The Company may need additional capital to finance any such acquisitions. Debt financing related to acquisition would expose the Company to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition in the areas where the Company contemplates conducting exploration activities. The Company may be at a disadvantage in its efforts to acquire quality mining properties as it must compete with individuals and companies which in many cases have greater financial resources and larger technical staffs than the Company. Accordingly, there can be no assurance that the Company will be able to compete successfully for new mining properties.

Personnel; Equipment

The ability to identify, negotiate and consummate transactions that will benefit the Company is dependent upon the efforts of the Company's management team. The loss of the services of any member of management could have a material adverse effect on the Company. The Company's future drilling activities may require significant investment in additional personnel and capital equipment. Given the current level of demand for equipment and experienced personnel within the mining industry, there can be no assurance that the Company will be able to acquire the necessary resources to successfully implement its business plan.

The Company is heavily dependent on its key personnel and on its ability to motivate, retain and attract highly skilled persons. If, for any reason, any one or more of such key personnel do not continue to be active in the Company's management, the Company could be adversely affected. There can be no assurance that the Company will successfully attract and retain additional qualified personnel to manage its current needs and anticipated growth. The failure to attract such qualified personnel to manage growth effectively could have a material adverse effect on the Company's business, financial condition or results of operations.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which effect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Financing

Additional funding may be required to complete the proposed or future exploration and other programs on the Company's properties. There is no assurance that any such funds will be available. Failure to obtain additional financing, if required, on a timely basis, could cause the Company to reduce or delay its proposed operations. The majority of sources of funds currently available to the Company for its acquisition and development projects are in large portion derived from the issuance of equity. While the Company has been successful in the past in obtaining equity financing to undertake its currently planned exploration and development programs, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company, which may directly impact the Company's ability to carry out its operations.

Credit Facility

The Credit Facility entered into by the Company and Orion to fund its development of Santa Rosa includes several covenants that impose significant operating and financial restrictions on the Company and limit the Company's ability to undertake certain actions without consent of Orion. As a result of these restrictions, the Company may be limited in how it conducts its business, be unable to raise additional debt or equity financing to operate during general economic or business downturns, or be unable to compete effectively or to take advantage of new business opportunities. These restrictions may affect the Company's ability to grow in accordance with its business strategies.

In addition, the Company's financial results and indebtedness could adversely affect the availability and terms of any future financings. In addition, the restrictive covenants in the Credit Facility require the Company to maintain specified financial ratios and satisfy other financial condition tests. The Company's ability to maintain such ratios and pass such tests may be impacted by factors beyond the control of the Company. A breach of the covenants or restrictions under the Credit Facility could result in an event of default thereunder. Such a default may allow the lenders to accelerate the debt, and may permits the lenders to terminate all commitments to extend further credit under the Credit Facility. In addition, if the Company were unable to repay the amounts due and payable under the Credit Facility, those lenders could realize against the collateral granted to them to secure such indebtedness. The

Company may not have sufficient assets to repay any indebtedness and the Company could be forced into bankruptcy, liquidation or restricting proceedings.

Currency Risk

The Company maintains its accounts in Canadian dollars and the market for gold is principally denominated in U.S. dollars. The Company's operations in Colombia make it subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. Colombia has a free and unrestricted supply and demand market. The Company is exposed to foreign exchange risk from the exchange rate of Colombian pesos relative to the Canadian and U.S. dollars. Foreign exchange risk is mainly derived from assets and liabilities stated in Colombian pesos. The Company limits its foreign exchange risk by the acquisition of short-term financial instruments and, when possible, minimizes its Colombian peso monetary asset positions.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. The market for the Common Shares will be subject to market trends generally, notwithstanding any potential business of the Company. The value of the Shares will be affected by such volatility.

RISKS AND UNCERTAINTIES (CONTINUED)

Stress in the Global Economy

Reduction in credit, combined with reduced economic activity and the fluctuations in the United States dollar, may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices. The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results, and financial condition.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

As permitted, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basis Certificate with respect to the financial information contained in the financial statements and respective accompanying Management's Discussion and Analysis. In contrast to the certificates under National Instruments ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in NI 52-109.

APPROVAL

The Board of Directors of the Company, as recommended by the Audit Committee, has approved the disclosure contained in this MD&A on November 23, 2016. A copy of this MD&A is filed on SEDAR will be provided to anyone who requests it.

FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" (also referred to as "forward-looking statements") within the meaning of applicable Canadian securities legislation. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. All statements, other than statements of historical fact, are forward-looking statements.

In this MD&A, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: regulatory and permitting considerations, financing of the Company's acquisitions and other activities, exploration, development and operation of mining properties and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors including those set out below, that may never materialize, prove incorrect or materialize other than as currently contemplated which could cause the Company's results to differ materially from those expressed or implied by such forward-looking statements.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact and may be forward-looking statements.

Numerous factors could cause actual results to differ materially from those in the forward-looking statements, including without limitation:

- regulatory risks relating to mineral tenure, permitting, environmental protection, taxation, and royalties;
- volatility of currency exchange rates, metal prices and metal production;
- financing, capitalization and liquidity risks;
- mineral exploitation and exploration program cost estimates; and
- other risks normally incident to the acquisition, exploration, development and operation of mining properties.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Company's affairs since the date of this report that would warrant any modification of any forward-looking statement made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Company's website. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to the Company's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Company's filings with Canadian securities regulatory agencies, which can be viewed online at www.sedar.com.