CORDOBA
MINERALS CORP.

(the "Company")

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the six months ended October 31, 2013

General

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the unaudited condensed interim financial statements of the Company for the six months ended October 31, 2013. The following information, prepared as of December 20, 2013, should be read in conjunction with the Company's unaudited condensed interim financial statements for the six months ended October 31, 2013 and the related notes contained therein. In addition, the following information should be read in conjunction with the April 30, 2013 audited annual financial statements and the related MD&A. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Forward Looking Statements

This MD&A may contain "forward-looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "will", "may", "should", "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance.

Forward-looking statements are statements that are not historical facts, and include but are not limited to:

a) Estimates and their underlying assumptions;
b) Statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business model, future operations, the impact of regulatory initiatives on the Company's operations, and market opportunities;
c) General industry and macroeconomic growth rates;
d) Expectations related to possible joint or strategic ventures; and
e) Statements regarding future performance.

Forward-looking statements used in this MD&A are subject to various risks, uncertainties and other factors, most of which are difficult to predict and generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to unavailability of financing, failure to identify commercially viable mineral reserves, fluctuations in the market valuation for commodities, difficulties in obtaining required approvals for the development of a mineral project, and other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks, uncertainties and other factors, including the risks, uncertainties and other factors identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities law.

Description of Business

The Company is a Vancouver-based mineral exploration company focused on the acquisition and exploration of gold and copper projects in Colombia.

Exploration Review

<u>Cordoba and San Matias Properties, Colombia</u>

By an agreement signed in 2011, the Company acquired from Minatura International LLC ("Minatura") an 11% interest in Cordoba Holdings Corp. ("CHC"), a private company which holds indirect title to a Colombian mineral property known as the Cordoba Property, in consideration of the payment to Minatura of $2,030,000 cash and forgiveness of a $2,000,000 loan (for a total cash cost of $4,030,000), plus warrants to purchase up to 5,000,000 shares of the Company exercisable at $0.40 per share with a fair value of $400,000.

Pursuant to a further agreement with Minatura signed in March 2012, the Company has the option (the "Option") to increase its ownership to a 51% interest by making certain exploration expenditures by specified deadlines. However, in accordance with the terms of the proposed Transaction described in *Proposed Transaction* below, such deadlines have been extended by such numbers of days comprising the period of time from July 31, 2013 and ending, if the Transaction will not close, the date the Transaction is cancelled (the "Extension Period").

During such Extension Period, the right to exercise the Option and the deadlines for incurring exploration expenditures will be suspended. However, the Company and Minatura have agreed to prepare a program and budget for the exploration work to be undertaken by the Company on the Cordoba Property during the Extension Period. Such program and budget will include at a minimum the maintenance of existing infrastructure and limited exploration activity. All exploration expenditures incurred by the Company during the Extension Period will be credited towards any expenditure commitments under the Option if the Transaction does not close.

Proposed Transaction

Pursuant to a binding agreement dated July 31, 2013 and amended September 17, 2013 (the "Acquisition Agreement"), the Company has the right to acquire a 100% interest in the Cordoba Property from Minatura, Minatura Gold and certain minority shareholders of CHC (collectively the "Minatura Group") and the adjacent San Matias Property from Sabre Metals Inc. ("Sabre").

Pursuant to the Agreement, the Company will acquire (the "Transaction") from the Minatura Group the remaining 89% interest in CHC, and will also acquire all of the outstanding shares of Sabre Metals Inc. ("Sabre"), a private company which has the right to acquire a 100% interest in the San Matias Property. In consideration thereof, the Company has agreed to:

a) issue common shares in its capital stock to the Minatura Group and Sabre's shareholders, so that the Minatura Group will own 29,499,437 shares or 36% of the Company and the Sabre shareholders will own 26,221,722 shares or 32% of the Company (such percentages based on the issued capital of the Company as at the date of the Acquisition Agreement);

b) issue 2,117,647 warrants to the Minatura Group and 1,882,353 warrants to the Sabre shareholders, each warrant exercisable at $0.30 for two years from closing of the Transaction;

c) make cash payments to the Minatura Group totaling US$5.0 million (US$1.0 million paid on signing of the Agreement, and US$4.0 million due on closing of the Transaction); and

d) raise at least $3.0 million by way of an equity financing, the proceeds of which will be held in escrow, to be released concurrently with the Transaction closing.

Upon completion of the Transaction, the Company will have seven directors, two of whom to be nominated by the Minatura Group, two by Sabre, two by the Company, and the seventh by mutual agreement of the parties. Mario Stifano, the CEO of Sabre, will be appointed President and CEO of the Company. As well, the Option whereby the Company has the right to increase its ownership of the Cordoba Property from 11% to 100% will no longer be in effect.

Each of the Minatura Group and Sabre is at arm's length to the Company, and none of the directors or officers of the Company are directors, officers or shareholders of the Minatura Group or Sabre, other than Tod Turley who is Chief Operating Officer of Minatura and a director of the Company.

Completion of the Transaction is subject to customary conditions including receipt of all required approvals from the shareholders of the Company and the TSX Venture Exchange.

The Company's option agreement with Minatura dated March 30, 2012 and the Acquisition Agreement are available for viewing on SEDAR.

The Properties

The Cordoba and San Matias Properties are located in the Municipality of Puerto Libertador, in the Department of Cordoba, Colombia, and combined are now referred to as the "San Matias Project". The San Matias Project consists of various mining concessions and concession applications covering approximately 27,000 ha, underlain by volcano-sedimentary rocks that are intruded by multiple dioritic intrusives with excellent potential to host porphyry copper-gold deposits.

The Company's exploration work on the Cordoba Property has been proceeding on a restricted basis until such time as individual concession applications are formally approved. The Company is not aware of any issues which would prevent final government approval of the concessions and ultimately expects such approvals. Once a concession has been approved, exploration work can be ramped up on that ground. To date, approximately one half of the total land package has been granted, including all the ground covering the existing drill targets described below.

Exploration conducted on the San Matias Project by the Company and Sabre has to date included, airborne magnetic and radiometric surveys, a ground based magnetic survey, regional prospecting, stream sediment and soil sampling, local geological mapping, trenching and rock sampling. This work has confirmed several promising drill targets, including the Montiel West and Costa Azul areas and the active artisanal mine on the San Matias Property, now referred to as Montiel East.

Copper-gold mineralization occurs in both intrusive and volcanic rocks at these locations, associated with sheeted quartz-magnetite veining and alteration styles indicative of a highly prospective porphyry copper-gold environment. The Montiel East and West exposures are separated by approximately 800m and magnetic surveys suggest that the two mineralized bodies may be connected at depth. These targets are just three of at least half a dozen recently defined soil geochemistry and/or magnetic survey anomalies on the San Matias Project, which have yet to be fully explored.

Significant trench results obtained by the Company to date include 30m of 0.7 g/t gold and 0.8% copper at Montiel West, and 30m of 0.47 g/t gold and 0.47% copper at Costa Azul, from saprolitic rocks near surface. Sabre's sampling at Montiel East returned a combined 154m of 2.6 g/t gold and 1.6% copper from semicontinuous channels (in and around irregular workings) from bedrock exposures within the artisanal open-pit. The small scale mining operation is currently focusing on a mineralized area of roughly 30x30m , which remains open in all directions.

In September 2013, Sabre conducted a preliminary 4-hole diamond drilling program on the Montiel East target. The program was designed to test mineralization below the current artisanal workings, and all holes intersected high-grade copper-gold porphyry mineralization including:

- 48.61 metres of 1.0 % copper and 1.21 g/t gold (2.93 g/t AuEq) in DDH-001
- 73.32 metres of 0.84 % copper and 0.74 g/t gold (2.19 g/t AuEq) in DDH-002
- 46.60 metres of 1.31 % copper and 0.86 g/t gold (3.11 g/t AuEq) in DDH-003
- 101.10 metres of 1.0 % copper and 0.65 g/t gold (2.37 g/t AuEq) in DDH-004

For more details on this drill program, please see the Company’s news release dated November 20, 2013.

Montiel East is just the first of several porphyry prospects to be drill tested at the San Matias Project. Trenching at Costa Azul is ongoing and additional drilling of the Montiel (East and West) and Costa Azul targets, as well as an aggressive surface sampling campaign, are planned to locate further targets within the San Matias Project in 2014.

Qualified Person: *The Company’s President, Peter Thiersch, M.Sc. P.Geo. (APEGBC), is a Qualified Person as defined by National Instrument 43-101, and has approved the disclosure of the technical information in this MD&A.*

Selected Quarterly Information

The following table provides information for the eight fiscal quarters ended October 31, 2013:

	Oct. 31, 2013 ($)	**Jul. 31, 2013 ($)**	**Apr. 30, 2013 ($)**	**Jan. 31, 2013 ($)**	**Oct. 31, 2012 ($)**	**Jul. 31, 2012 ($)**	**Apr. 30, 2012 ($)**	**Jan. 31, 2012 ($)**
Exploration expenditures	310,361	472,053	314,604	301,258	301,224	358,938	1,055,280	9,204
General and administrative expenses	129,215	136,794	178,004	172,767	482,265	98,279	416,501	118,310
Net loss	430,621	600,180	469,287	477,100	786,833	446,893	1,489,858	123,376
Loss per share - basic and diluted	0.02	0.02	0.02	0.02	0.04	0.03	0.15	0.01
Total assets	9,787,101	7,374,112	7,904,341	8,362,609	5,282,516	5,738,826	6,222,873	2,899,830
Total liabilities	176,420	136,079	66,128	55,109	88,835	126,347	163,501	1,109,247
Shareholders’ equity	9,610,681	7,238,033	7,838,213	8,307,500	5,193,681	5,612,479	6,059,372	1,790,583

The Company had minimal exploration activity during the quarter ended January 31, 2012. Exploration costs increased in the following quarters due to exploration activity on the Cordoba Property in Colombia. The general and administrative expenses amount for the quarter ended October 31, 2012 includes a share-based compensation charge of $325,679 while the amount for the quarter ended April 30, 2012 includes $300,000 in finance costs which represents the value of shares issued as part of a loan agreement.

Total assets increased significantly in the quarter ended April 30, 2012 due to $4.63 million in capitalized acquisition costs for the Cordoba Property recorded during that period and then increased again in the quarters ended January 31, 2013 and October 31, 2013 due to approximately $3.64 million in gross proceeds raised from private placements and $2.8 million from the exercise of share purchase warrants, respectively. Total liabilities were significantly higher during the quarter ended January 31, 2012 due to a short-term loan. The short-term loan was fully settled by April 30, 2012.

Results of Operations

Quarter Ended October 31, 2013

For the quarter ended October 31, 2013, the Company recorded a net loss of $430,621 compared to $786,833 for the quarter ended October 31, 2012, a decrease of $356,212. Exploration expenditures on the Cordoba property during the current quarter totaled $310,361 compared to $301,224 in the comparative quarter, an increase of $9,137.

General and administrative costs during the current quarter totalled $129,215 compared to $482,265 in the comparative quarter, a decrease of $353,050. This decrease is primarily due to the comparative quarter including a share-based payment expense of $325,679 regarding the granting of stock options during that period whereas there was no such expense in the current quarter. Other notable general and administrative cost decreases were $16,857 in professional fees, $7,500 in management fees, and $7,382 in shareholder communications. The difference in professional fees was due to the timing of annual audit fees. Management fees were reduced as a result of the President of the Company changing to part-time status at the beginning of the current quarter. The decrease in shareholder communication costs was due to less promotional activities and lower website maintenance costs during the current quarter. The only notable increase for the current quarter was $6,809 in property investigation costs.

Six Month Period Ended October 31, 2013

For the six month period ended October 31, 2013, the Company recorded a net loss of $1,030,801 compared to $1,233,726 for the comparative period, a decrease of $202,925. During the current period, exploration costs totalled $782,414 compared to $660,162 in the comparative period, an increase of $122,252.

General and administrative costs during the current period totalled $266,009 compared to $580,544 in the comparative period, a decrease of $314,535. As was the case with the quarterly comparison, this difference is primarily due to the comparative period including a share-based payment expense of $325,679 whereas the current period recorded no such expense. Also similar to the quarterly comparison and for the same reasons, there were cost decreases regarding shareholder communications of $17,415 and $7,500 in management fees. Notable cost increases were $16,264 in property investigation, $9,344 in salaries and benefits, and $8,106 in office and administration. Property investigation costs were higher as the Company continued to investigate new opportunities. Increased corporate activities relating to the proposed Transaction is the main reason salaries and benefit costs are higher. Office and administration costs were higher mostly because of directors' and officers' insurance coverage that became effective half way through the comparative period.

Mineral Property Expenditures

During the period ended October 31, 2013, the Company incurred exploration costs totalling $782,414 on the Cordoba Property in Colombia. The most significant exploration costs for the period were $232,157 for field expenses, $183,285 for salaries and wages, $144,215 for geological fees, $67,273 for geophysics, and $63,541 for travel and accommodation.

Financial Condition, Liquidity and Capital Resources

As at October 31, 2013, the Company had current assets totaling $3.9 million (including cash and cash equivalents of $3.7 million) and current liabilities totaling $176,420, resulting in working capital of $3.7 million. The Company is in the exploration stage and therefore, has been no cash flow from operations. Funds raised during the current period ended October 31, 2013 consisted of $2.8 million from the exercise of 5,606,539 share purchase warrants. An additional amount of $27,500 was raised subsequent to the period end through the exercise of 50,000 share purchase options. Prior to the current period, the Company's most recent source of funds was by way of a private placement that took place during the prior fiscal year and raised gross proceeds of $3.64 million. To October 31, 2013, approximately $2.8 million of the funds received from that private placement has been used towards exploration of the Company's Cordoba Property and for general working capital purposes. During the current period, US$1.0 million was paid to Minatura as part of the proposed Transaction.

As a result of the Company receiving certain drill permits for the Cordoba Property in January 2013, the Company had a firm commitment to incur $5 million in exploration expenditures by January 10, 2014, of which $3.14 million has been incurred as of October 31, 2013. However, due to the proposed Transaction, this commitment has been suspended while the Company works to complete the proposed Transaction. If the proposed Transaction is cancelled, the commitment will again be in force but with a deadline extended by the amount of the suspended period. If the Transaction is completed, this commitment will be cancelled but the Company will then be required to make an additional payment of US$4.0 million to Minatura at the time of closing. Regardless if the Transaction is completed or cancelled, the Company does not expect its current capital resources to be sufficient to cover potential transaction commitments and its operating costs, and to carry out its exploration activities through the next twelve months. As such, the Company will seek to raise additional capital and believes it will be able to do so, but recognizes the uncertainty attached thereto. Actual funding requirements may vary from those planned due to a number of factors, including the progress of the Company's business activities and current economic and financial market conditions.

Financial Instruments and Risk Management

The Company is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Market risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

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

a) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents. The Company limits exposure to credit risk by maintaining its cash and cash equivalents with large financial institutions.

	October 31, 2013	**April 30, 2013**
Cash held in bank accounts	$ 2,847,582	$ 239,696
Term deposits	808,508	2,310,548
	$ 3,656,090	**$ 2,550,244**

b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At October 31, 2013, the Company had cash and cash equivalents of $3,656,090 available to apply against short-term business requirements and current liabilities of $176,420. All of the Company's financial liabilities have contractual maturities of less than 45 days and are subject to normal trade terms.

c) Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates and other market prices. Management closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

i) Currency Risk

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and Colombia. A portion of the Company's expenses are incurred in US dollars and Colombian pesos. A significant change in the exchange rate between the Canadian dollar relative to the US dollar or Colombian peso could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. As at October 31, 2013, the Company had the Canadian equivalent of cash totalling $509,641 held in US dollars and liabilities totalling $Nil owed in US dollars.

Based on the above net exposure as at October 31, 2013, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an increase/decrease of approximately $51,000 in the Company's net loss and comprehensive loss for the period.

ii) Interest Rate Risk

Interest rate risk consists of two components:

A. To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

B. To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company considers interest rate risk to be immaterial.

iii) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to any other price risk.

<u>Determination of Fair Value</u>

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for accounts payable and accrued liabilities and due to related parties approximate fair values due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at October 31, 2013, the Company's financial instruments are comprised of cash and cash equivalents, due from related parties, accounts payable and accrued liabilities, and due to related parties. With the exception of cash and cash equivalents, all financial instruments held by the Company are measured at amortized cost.

Related Party Transactions

The Company had transactions during the period ended October 31, 2013 with related parties who consisted of directors, officers and the following companies with common directors or officers:

Related party	**Nature of transactions**
Radius Gold Inc. ("Radius")	Shared office, administration and personnel costs
Gold Group Management Inc. ("Gold Group")	Shared office, administration and personnel costs
Mill Street Services Ltd. ("Mill Street")	Management services
Vertical Air Ltd. ("Vertical")	Exploration services

During the three and six month periods ended October 31, 2013 and 2012, the Company paid or made provision for the future payment of the following amounts to related parties:

a) The Company reimbursed Gold Group, a company controlled by the Chief Executive Officer of the Company, for shared general and administrative expenses consisting of the following:

	Three months ended October 31,		**Six months ended October 31,**	
	2013	**2012**	**2013**	**2012**
Office and administration	$ 20,711	$ 18,444	$ 43,355	$ 25,109
Regulatory fees	2,495	-	2,495	-
Salaries and benefits	30,147	28,210	63,962	37,145
Shareholder communications	528	7,470	1,388	7,576
Travel	5,601	7,507	8,770	7,515
	$ 59,482	**$ 61,631**	**$ 119,970**	**$ 77,345**

Effective July 1, 2012, Gold Group is reimbursed by the Company for these shared costs and other business related expenses paid by Gold Group on behalf of the Company. Salaries and benefits include those for the Chief Financial Officer and Corporate Secretary.

b) The Company reimbursed Radius, a company with common directors and officers, for shared general and administrative expenses consisting of the following:

	Three months ended October 31, 2013	2012	Six months ended October 31, 2013	2012
Office and administration	$ -	$ -	$ -	$ 5,992
Regulatory fees	-	2,143	-	2,743
Salaries and benefits	-	-	-	13,668
Shareholder communications	-	70	-	5,623
Travel	-	-	-	1,922
	$ -	**$ 2,213**	**$ -**	**$ 29,948**

The cost-sharing arrangement with Radius for most administrative requirements terminated effective June 30, 2012. Salaries and benefits include those for the Chief Financial Officer and Corporate Secretary.

Prepaid expenses and deposits as of October 31, 2013 include a prepaid expense amount of $1,500 paid to Gold Group for shared expenses, and deposits totalling $61,000 paid to Gold Group for the new administrative cost sharing arrangement.

The amount due from related parties as of October 31, 2013 consists of $1,875 due from Radius. The balance is unsecured, due on demand and non-interest-bearing.

Amounts due to related parties as of October 31, 2013 consist of $17,726 due to Gold Group for shared administrative costs, $17,500 due to a director and former president of the Company for management fees, and $10,465 due to Vertical Air, a company controlled by a director and former president of the Company. The amount owing to Gold Group is secured by a deposit and is interest bearing if not paid within a certain period. Other amounts owing are unsecured, non-interest bearing and payable on demand.

Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. For the three and six month periods ended October 31, 2013 and 2012, key management compensation comprises:

	Three months ended October 31, 2013	2012	Six months ended October 31, 2013	2012
Management fees	$ 18,000	$ 25,500	$ 43,500	$ 51,000
Salaries and benefits	9,167	4,583	16,959	8,250
Geological fees	22,018	35,000	55,833	70,833
Share-based payments	-	202,220	-	202,220
	$ 49,185	**$ 267,303**	**$ 116,292**	**$ 332,303**

There were no share-based payments to directors not specified as key management personnel during the three and six month periods ended October 31, 2013.

Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the three and six month periods ended October 31, 2013 and 2012.

Other Data

Additional information related to the Company is available for viewing at www.sedar.com.

Share Position and Outstanding Warrants and Options

The Company's outstanding share position as at December 20, 2013 is 31,878,261 common shares and the following share purchase warrants and incentive stock options are also outstanding:

WARRANTS

Original expiry date	Adjusted expiry date	Number of warrants	Exercise price
March 15, 2014	March 15, 2014	131,250	$1.00
April 10, 2014	April 10, 2014	212,896	$1.00
April 10, 2014	(1)April 10, 2015	1,176,738	$1.00
(2)September 30, 2015	September 30, 2015	5,000,000	$0.40
		6,520,884	

(1) In October 2013, the Company extended the expiry date of these warrants by one year to April 10, 2015.

(2) The expiry date for these warrants issued pursuant to the Cordoba Property Option Agreement was fixed at September 30, 2015, based on the issuance of the drilling permits on January 11, 2013. These warrants become exercisable when certain conditions of the Cordoba Property Option Agreement are met, and as of October 31, 2013, these warrants were not exercisable. If the proposed Transaction closes, these warrants will be cancelled.

STOCK OPTIONS

Expiry date	Number of options	Exercise price
February 28, 2021	405,000	$0.37
July 31, 2022	730,000	$0.50
	1,135,000	

Critical Accounting Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The key areas of judgment applied in the preparation of the condensed interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

a) The determination of the Company's functional currency

   The functional currency of the Company is the currency of the primary economic environment and the Company reconsiders the functional currency if there is a change in events and conditions which determined the primary economic environment.

b) The recoverability of prepaid expenses and deposits

   The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment.

c) The carrying value of the investment in exploration and evaluation costs and the recoverability of the carrying value

   Assets or cash generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

In respect of costs incurred for its investment in exploration and evaluation assets, management has determined the acquisition costs that have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, economics assessment/studies, accessible facilities and existing permits.

d) The recoverability of deferred acquisition costs

The Company considers both internal and external sources of information when making the assessment of whether there are indicators of impairment.

The key estimates applied in the preparation of the condensed interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

a) The provision for income taxes and recognition of deferred income tax assets and liabilities

b) The inputs used in accounting for the fair value of share-based payment transactions

c) The inputs in determining the bifurcation of unit offerings into the different equity components

Adoption of New and Amended IFRS Pronouncements

The mandatory adoption of the following new and revised accounting standards and interpretations on May 1, 2013 had no significant impact on the Company's condensed interim financial statements for the current or prior periods presented:

IAS 1 Presentation of Financial Statements (Amendment)

The amendments to IAS 1 require the grouping of items within other comprehensive income that may be reclassified to profit or loss and those that will not be reclassified. The statement of comprehensive loss in these condensed interim financial statements did not need to be amended to reflect the presentation requirements under the amended IAS 1.

IFRS 11 Joint Arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures are accounted for using the equity method of accounting whereas for a joint operation the venturer recognizes its share of the assets, liabilities, revenue and expenses of the joint operation. Under previous IFRS, entities had the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-monetary Contributions by Venturers*.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off-balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under previous IFRS, guidance on measuring and disclosing fair value was dispersed among the specific standards requiring fair value measurements and in many cases did not reflect a clear measurement basis or consistent disclosures.

Accounting Standards, Amendments and Interpretations Not Yet Effective

The following new standard has been issued by the IASB, but is not yet effective:

IFRS 9 Financial Instruments

IFRS 9 is part of the IASB's wider project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 retains, but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for the Company beginning on May 1, 2015. The Company is in the process of evaluating the impact of the new standard.

Risks and Uncertainties

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company's property does not have a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

Title to Mineral Property Risks

Certain of the Company's rights to the Cordoba Property have been subject to the terms of the option Agreement which requires the Company to make certain payments in order to obtain and secure a further interest in the property. While the Company's financial requirements under the Option agreement are currently suspended, they will be reinstated if the proposed Transaction does not close. If so, the Company may fail to, or may choose not to, make such payments, in which case it will forfeit its interest in the property. Any failure by the Company to obtain or secure title to the property could have a material adverse effect on the Company and the value of the Company's common shares.

The Company does not maintain insurance against title. Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Company has submitted concession applications to the Colombian authorities and the timing of granting such concessions is at the discretion of the Ministry of Mines and Energy. There is ongoing risk that such governmental processes will not be completed on a timely basis. The Company has diligently investigated and continues to diligently investigate and validate title to its mineral claims; however, this should not be construed as a guarantee of title. The Company cannot give any assurance that title to properties it acquired will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mineral properties.

Commodity Price Risk

The Company is exposed to commodity price risk. Declines in the market price of gold, base metals and other minerals may adversely affect the Company's ability to raise capital in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of its mineral property to a third party.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of the Company's project may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its project which could result in the loss of its property.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

Political, Economic and Currency Risks

Although Colombia has a long-standing tradition respecting the rule of law, which has been bolstered in recent years by the present and former government's policies and programs, no assurances can be given that the Company's plans and operations will not be adversely affected by future developments in Colombia. The Company's property interests and proposed exploration activities in Colombia are subject to political, economic and other uncertainties, including the risk of expropriation, nationalization, renegotiation or nullification of existing contracts, mining licenses and permits or other agreements, changes in laws or taxation policies, currency exchange restrictions, and changing political conditions and international monetary fluctuations. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important facilities such as mines, could have a significant effect on the Company.

The Company's equity financings are sourced in Canadian dollars but for the most part it incurs its expenditures in Colombian pesos and US dollars. At this time there are no currency hedges in place. Therefore a weakening of the Canadian dollar against the Colombian peso or US dollar could have an adverse impact on the amount of exploration conducted.

Regulatory Risks

The mining industry in Colombia is subject to extensive controls and regulations imposed by various levels of government. All current legislation is a matter of public record and the Company will be unable to predict what additional legislation or amendments may be enacted. Amendments 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 implementation thereof, could cause increases in expenditures and costs, affect the Company's ability to expand or transfer existing operations or require the Company to abandon or delay the development of its properties.

Insured and Uninsured Risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

Environmental and Social Risks

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present. Social risks are fairly significant in Colombia. Colombia is home to South America's largest and longest running insurgency. While the situation has improved dramatically in recent years, there can be no guarantee that it will not deteriorate in the future. 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.

Competition

The Company competes with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.