CORDOBA
MINERALS CORP.

(the "Company")

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended April 30, 2013

General

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the audited annual financial statements of the Company for the year ended April 30, 2013. The following information, prepared as of August 13, 2013, should be read in conjunction with the April 30, 2013 audited annual financial statements. 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. Effective April 30, 2012, the Company changed its name from Wesgold Minerals Inc. to Cordoba Minerals Corp.

Exploration Review

Cordoba and San Matias Properties, Colombia

Pursuant to an agreement signed in June 2011 and re-stated in July 2011, the Company acquired from Minatura International LLC ("Minatura") an initial 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 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

On July 31, 2013, the Company entered into a binding agreement (the "Agreement") 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 therefor, the Company has agreed to:

a) issue common shares in its capital stock to the Minatura Group and Sabre's shareholders, so that the Company's resulting issued capital will be 81,942,881 shares, of which 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;

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; and

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).

In addition, the Company intends to raise at least $3.0 million by way of an equity financing (the "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.

The Company's option agreement with Minatura dated March 30, 2012 and the Agreement dated July 31, 2013 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. The Properties consist of various mining concessions and concession applications covering approximately 24,790 ha and 1,465 ha, respectively, underlain by volcano-sedimentary rocks that are intruded by multiple dioritic intrusives with the 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.

In October 2012, a key concession over the Montiel copper-gold porphyry target was granted, and water use permits were issued in early 2013. Additional water permits have been issued in regard to the newer Costa Azul target.

Exploration conducted on the Properties 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 identified several promising drill targets, including the Montiel and Costa Azul areas on the Cordoba Property, and the artisanal open pit mine on the San Matias Property.

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 prospect is located just 700m west of the San Matias open pit operation and magnetic surveys suggest that the two intrusive 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 combined properties, 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, and 30m of 0.47 g/t gold and 0.47% copper at Costa Azul, from saprolitic rocks near surface. Sabre's channel sampling at San Matias returned 154m of 2.6 g/t gold and 1.6% copper from a continuous but circular path (in and around the artisanal workings) in deeper bedrock exposures that are currently being mined from an open-pit. The San Matias mine workings currently cover an area of 90m x 50m and the high-grade porphyry mineralization remains open in all directions.

A preliminary diamond drilling program has been designed by Sabre to test the San Matias target and is expected to start later this month. Additional drilling of the Montiel and Costa Azul targets will follow accompanied by an aggressive surface sampling campaign to locate further targets within the extensive consolidated land package.

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 is responsible for the accuracy of the technical information in this MD&A.

Selected Annual Information

The following table provides information for the fiscal years ended April 30, 2013, 2012 and 2011:

	2013 ($)	2012 ($)	2011 ($)
Exploration expenditures	1,276,024	1,108,919	376,959
General and administrative expenses	931,315	940,857	295,862
Net loss	2,180,113	2,255,120	622,821
Loss per share - basic and diluted	0.11	0.27	0.14
Total assets	7,904,341	6,222,873	359,816
Total liabilities	66,128	163,501	30,952
Shareholders' equity	7,838,213	6,059,372	328,864

Selected Quarterly Information

The following table provides information for the eight fiscal quarters ended April 30, 2013:

	Apr. 30, 2013 ($)	Jan. 31, 2013 ($)	Oct. 31, 2012 ($)	Jul. 31, 2012 ($)	Apr. 30, 2012 ($)	Jan. 31, 2012 ($)	Oct. 31, 2011 ($)	Jul. 31, 2011 ($)
Exploration expenditures	314,604	301,258	301,224	358,938	1,055,280	9,204	20,348	24,087
General and administrative expenses	178,004	172,767	482,265	98,279	416,501	118,310	344,488	61,558
Net loss	469,287	477,100	786,833	446,893	1,489,858	123,376	365,170	276,716
Loss per share - basic and diluted	0.02	0.02	0.04	0.03	0.15	0.01	0.06	0.05
Total assets	7,904,341	8,362,609	5,282,516	5,738,826	6,222,873	2,899,830	3,021,298	2,302,084
Total liabilities	66,128	55,109	88,835	126,347	163,501	1,109,247	3,039,102	2,238,936
Shareholders' equity (deficiency)	7,838,213	8,307,500	5,193,681	5,612,479	6,059,372	1,790,583	(17,804)	63,148

The Company had minimal exploration activity during the first three quarters shown. Exploration costs significantly increased in the most recent five quarters due to exploration activity on the Cordoba Property in Colombia. General and administrative expenses, excluding share-based compensation charges and financing costs, has trended higher over the past eight quarters as the Company became more active with property investigation, exploration and corporate activities. The general and administrative expenses amount for the quarters ended October 31, 2012 and April 30, 2011 include a share-based compensation charge of $325,679 and $164,408 respectively while the amounts for the quarters ended April 30, 2012 and October 31, 2011 include $300,000 and $200,000 respectively in finance costs which represents the value of shares issued as part of loan agreements.

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 once again in the quarter ended January 31, 2013 due to approximately $3.64 million in gross proceeds raised from private placements. Total liabilities were significantly higher during the three quarters ended January 31, 2012 due to a convertible debenture issuance and a short term loan. Both liabilities were either converted to shares or fully settled by April 30, 2012.

Results of Operations

Year Ended April 30, 2013

For the year ended April 30, 2013, the Company recorded a net loss of $2,180,113 compared to $2,255,120 for the comparative year, a decrease of $75,007. During the current year, exploration costs totalled $1,276,024 compared to $1,108,919 in the comparative year, an increase of $167,105. The net loss for the comparative year included a write-off of $191,000 regarding the formerly held Snowcap property. There were no write-offs or write-downs of mineral property carrying costs during the current year.

General and administrative costs during the current year totalled $931,315 compared to $940,857 in the comparative year, a decrease of $9,542. Despite this slight decrease in the current year general and administrative costs, the Company was more active from a corporate standpoint. The comparative year incurred finance and interest costs of $500,000 and $56,860 respectively whereas the current year incurred no such costs. However, current year costs included a share-based payments expense of $325,679 compared to only $26,436 in the comparative year. Notable cost increases for the current year were $96,383 in office and administration, $72,000 in management fees, $41,628 in shareholder communications, $31,667 in property investigation, and $21,029 in salaries and benefits. Management fees were higher due to the fees paid to the President of the Company who started providing services in April 2012. His monthly compensation is allocated between management fees and geological fees. Shareholder communications, office and administration, and salaries and benefits were higher due to business and promotional activities and administrative requirements being greater during the current year. As well, office and administration costs included a premium for directors' and officers' insurance whereas the comparative year did not. Property investigation costs were higher as the Company increased efforts to explore new opportunities.

Quarter Ended April 30, 2013

For the quarter ended April 30, 2013, the Company recorded a net loss of $469,287 compared to $1,489,858 for the quarter ended April 30, 2012, a decrease of $1,020,571. A significant portion of this decrease is due to exploration expenditures which were $314,604 for the current quarter compared to $1,055,280 for the comparative quarter. Exploration expenditures recorded in the comparative quarter were much higher due to the Company beginning to incur exploration costs on the Cordoba property during that period and some prior period expenditures as well.

General and administrative expenses during the current quarter totalled $178,004 compared to $416,501 in the comparative quarter, a decrease of $238,497. However, similar to the yearly comparison, the comparative quarter incurred finance costs of $300,000 whereas the current quarter did not incur any such cost. Excluding this expense, the current quarter general and administrative expenses were $61,503 higher. The most notable increases in costs for the current quarter were $36,547 in office and administration, $19,260 in property investigation, and $18,000 in management fees, the reasons for which are the same as in the yearly comparison.

Financial Condition, Liquidity and Capital Resources

As at April 30, 2013, the Company had current assets totaling $3,234,538 (including cash and cash equivalents of $2,550,244) and current liabilities totaling $66,128, resulting in working capital of $3,168,410. The Company is in the exploration stage and therefore has no cash flow from operations. Its source of funds during the current fiscal year was a private placement which closed in two tranches, one for 7,208,890 units at $0.45 per unit for gross proceeds of $3,244,000 and the other for 888,889 units at $0.45 per unit for gross proceeds of $400,000. Sources of funds for the previous fiscal year were from the issuance of convertible debentures for proceeds of $2.0 million, two short term bridge loans of $1.0 million and

US$1.5 million, and two private placements totalling $5.15 million in gross proceeds. Prior to the April 30, 2012 year end, all outstanding debentures were converted to common shares and the two bridge loans were settled in full. Approximately $1.1 million of the funds received during the current year have been used towards exploration of the Company's Cordoba Property and for general working capital purposes. Subsequent to the year end, US$1.0 million was paid to Minatura as part of the proposed Transaction among the Company, the Minatura Group, and Sabre.

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 $2,360,825 has been incurred as of April 30, 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 proposed 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 proposed Transaction is completed or cancelled, the Company does not expect its current capital resources to be sufficient to cover potential commitments, cover its operating costs, and 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.

<u>General Objectives, Policies and Processes</u>

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.

		April 30, 2013		April 30, 2012
Cash held in bank accounts	$	239,696	$	1,337,889
Term deposits		2,310,548		-
	$	2,550,244	$	1,337,889

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 April 30, 2013, the Company had cash and cash equivalents of $2,550,244 (2012: $1,337,889) available to apply against short-term business requirements and current liabilities of $66,128 (2012: $163,501). 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 April 30, 2013, the Company had the Canadian equivalent of cash totalling $68,128 (2012: $587,800) held in US dollars and liabilities totalling $9,071 (2012: $240) owed in US dollars.

Based on the above net exposure as at April 30, 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 $5,900 (2012: $58,800) 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.

Determination of Fair Value

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 April 30, 2013 and 2012, 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 year ended April 30, 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
Voyager Gold Corp. ("Voyager")	Shared personnel costs
Focus Ventures Ltd. ("Focus")	Shared administrative costs
Mill Street Services Ltd. ("Mill Street")	Management services

For the three month periods and years ended April 30, 2013 and 2012, the Company paid or made provision for the future payment of the following amounts to related parties:

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

	Three months ended April 30, 2013	Three months ended April 30, 2012	Year ended April 30, 2013	Year ended April 30, 2012
Office and administration	$ 13,742	$ 7,111	$ 21,422	$ 35,273
Regulatory fees	-	1,805	3,095	7,322
Salaries and benefits	-	23,693	13,879	92,494
Shareholder communications	115	12,398	5,864	21,834
Travel	-	10,963	4,059	21,408
	$ 13,857	**$ 55,970**	**$ 48,319**	**$ 178,331**

Salaries and benefits include those for the Chief Financial Officer and Corporate Secretary. Radius was reimbursed by the Company for these shared costs and other business related expenses paid by Radius on behalf of the Company. The Company also reimbursed Radius for leasehold improvement costs of $3,778 (2012: $15,282). Although Radius may continue to share some administrative expenses with the Company, effective July 1, 2012 the Company entered into an arrangement with Gold Group, a company controlled by the Chief Executive Officer of the Company, to coordinate the majority of shared administrative costs and other business related expenses paid by Gold Group on behalf of the Company.

b) The Company reimbursed Gold Group for shared general and administrative costs consisting of the following:

	Three months ended April 30, 2013	Three months ended April 30, 2012	Year ended April 30, 2013	Year ended April 30, 2012
Office and administration	$ 21,058	$ -	$ 65,883	$ -
Regulatory fees	270	-	2,571	-
Salaries and benefits	28,339	-	99,073	-
Shareholder communications	17,610	-	36,144	-
Travel	7,438	-	30,224	-
	$ 74,715	**$ -**	**$ 233,895**	**$ -**

Salaries and benefits include those for the Chief Financial Officer and Corporate Secretary.

Prepaid expenses and deposits as of April 30, 2013 include a prepaid expense amount of $4,404 (2012: $Nil) paid to Gold Group for shared expenses, and deposits totalling $61,000 (2012: $Nil) paid to Gold Group for the new administrative cost sharing arrangement.

The amount due from related parties as of April 30, 2013 consists of $1,875 (2012: $Nil) due from Radius and $Nil (2012: $1,579) due from Voyager (a company with common directors and/or officers). The balances were the the result of shared administrative costs and are unsecured, due on demand and non-interest bearing.

Amounts due to related parties as of April 30, 2013 consist of $18,889 (2012: $Nil) due to Gold Group for shared administrative costs, $17,500 (2012: $17,500) due to a director and former president of the Company for management fees, $Nil (2012: $33,600) due to Mill Street for management fees, and $Nil (2012: $37,842) due to Radius for shared administrative costs. The amount owing to Gold Group is secured by a deposit and interest bearing if not paid within a certain period. Other amounts owing are unsecured, non-interest bearing and payable on demand.

These transactions are in the normal course of operations and are measured at the fair value of the services rendered.

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 month periods and years ended April 30, 2013 and 2012, key management compensation comprises:

	Three months ended April 30,		Year ended April 30,	
	2013	**2012**	**2013**	**2012**
Management fees	$ 25,500	$ 7,500	$ 102,000	$ 30,000
Salaries and benefits	2,750	12,099	15,859	24,431
Geological fees	35,000	-	140,833	-
Share-based payments	-	-	202,220	-
	$ 63,250	**$ 19,599**	**$ 460,912**	**$ 54,431**

Total share-based payments to directors not specified as key management personnel during the year ended April 30, 2013 was $31,929 (2012: $Nil).

Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the years ended April 30, 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 August 13, 2013 is 26,221,722 common shares and the following share purchase warrants and incentive stock options are also outstanding:

WARRANTS

Expiry date	Number of warrants	Exercise price
(1)March 15, 2014	1,200,000	$0.50
March 15, 2014	131,250	$1.00
(1)April 10, 2014	1,056,597	$0.50
April 10, 2014	1,389,634	$1.00
December 19, 2014	4,040,441	$0.50
January 20, 2015	466,666	$0.50
(2)September 30, 2015	5,000,000	$0.40
	13,284,588	

(1) The exercise price of these warrants was amended on February 14, 2013 from $1.00 per share to $0.50 per share.

(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 April 30, 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 3, 2021	25,000	$0.60
July 31, 2022	765,000	$0.50
	1,195,000	

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 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

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 property and equipment and mineral properties.

   In respect of costs incurred for its investment in exploration and evaluation assets, management has determined that exploratory drilling, evaluation, development and related costs incurred which 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.

The key estimates applied in the preparation of the 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

Accounting Standards, Amendments and Interpretations Not Yet Effective

The following new standards and interpretations have been issued by the International Accounting Standards Board (“IASB”), but are 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.

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 will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have 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*. The standard is effective for the Company beginning on May 1, 2013.

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. The standard is effective for the Company beginning on May 1, 2013.

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 existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. The standard is effective for the Company beginning on May 1, 2013.

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 an 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.