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Form 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS

For the period ended September 30, 2014

The following management discussion and analysis ("**MD&A**") of the consolidated financial position of Antioquia Gold Inc. (the "Company" or "Antioquia") should be read in conjunction with the Company's interim unaudited condensed consolidated financial statements for the period ended September 30, 2014.

This MD&A is effective as of November 17, 2014.

All dollar figures in this MD&A, unless otherwise stated, are expressed in Canadian dollars.

Forward-looking Information

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from actual future results and achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made. Readers are also advised to consider such forward-looking statements while considering the risks set forth below.

Caution Regarding Forward Looking Statements

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information in this MD&A includes, but is not limited to, statements with respect to the potential of the Company's properties; the future price of gold; success of exploration activities; cost and timing of future exploration and development; the expectation of gold recoveries; the planned focus of activities at the Company's Cisneros Project (as hereinafter defined); the Company's plans with respect to its

Strategic Properties (hereinafter defined); requirements for additional capital; and other statements relating to the financial and business prospects of the Company.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, “believes”, or variations of such words and phrases. Forward-looking information may also be identified in statements where certain actions, events or results “may”, “could", "would”, “might” or “will be taken”, “occur” or “be achieved”.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made.

Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to:

- The Company’s goal is to create shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic gold and other precious metals;
- The Company’s anticipated plans regarding exploration for the Cisneros Project in particular, the timing, and the amount of the expected exploration and evaluation budget;
- Management’s assessment of future plans for the Company’s projects in Colombia;
- Management’s economic outlook regarding future trends;
- The Company’s ability to meet its working capital needs at the current level in the short term;
- Expectations with respect to raising capital;
- Sensitivity analysis on financial instruments may vary from amounts disclosed; and
- Governmental regulation and environmental liability.

In addition, the Company has also made certain assumptions that the Company believes are reasonable. These assumptions include, but are not limited to, the actual results of exploration projects being equivalent to or better than estimated results than prior exploration and results, future costs and expenses being equivalent to historical costs and expenses (adjusted for inflation), and the ability of the Company to obtain additional financing.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, other factors could also cause materially different results. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Antioquia Business

Antioquia Gold Inc. (the "Company" or "Antioquia") is a mineral exploration and evaluation stage Company engaged in acquisition, exploration and evaluation and development of primarily gold resource properties in Colombia. The Company has its corporate headquarters in Calgary, Canada with operations and office and field facilities located in Colombia. The Company trades on the TSX-V under the symbol "AGD" and on the OTC pink sheets.

The Company has plans to explore and develop two properties in Colombia totaling 7,341 hectares of mineral leases. The properties are Concordia-Betulia (1,687 hectares) and the flagship Cisneros Project (5,654 hectares).

Additional information on Antioquia's business and activities can be found on SEDAR at www.sedar.com and on the Company's website at www.antioquiagoldinc.com.

Corporate History, Background and General Development

Antioquia Gold Inc. was formerly known as High American Gold Inc. which was originally formed pursuant to an amalgamation agreement dated April 25, 1997 involving Stromatalite Resource Corp. and Intex Mining Company Limited.

On July 30, 2008, Antioquia Gold Inc. completed a transaction (the "Am-Ves Transaction") with Am-Ves Resources Inc. ("Am-Ves"), a company incorporated under the laws of Alberta on January 19, 2006. On July 30, 2008 the Company acquired 100% of the outstanding shares of Am-Ves. This transaction was accounted for as a reverse takeover where the shareholders of Am-Ves acquired control of Antioquia Gold Inc. On March 31, 2009 Antioquia Gold Inc. and Am-Ves were amalgamated under the laws of Alberta and now operate under the name Antioquia Gold Inc.

As part of the Am-Ves Transaction, 6,129,100 common shares issued to certain shareholders of Am-Ves were placed into escrow pursuant to an escrow agreement entered into among the Company, certain shareholders, and the Company's transfer agent and became subject to a staggered release from escrow over a period of three years. The final 15% held in escrow were released on August 5, 2011.

The Company owns 100% of Antioquia Gold Ltd., a Barbados company, which in turn has a branch registered to conduct business in Colombia, South America. On December 2, 2009, the Company completed the 100% acquisition of Ingenieria Y Gestion Del Territorio S.A. ("IGTER"), a company incorporated under the laws of Colombia. All the mineral exploration activities of the Company are in Colombia.

Cisneros Project

The Company owns 9 mining concessions totaling 5,654 hectares which are located just west of Cisneros Colombia (the “Cisneros Project”) as follows:

Mining concession number	Hectares	Project name
5671	179	Guayabito Property
4556	6	Guayabito Property
7342	4,985	Bullet Property
7342B	279	Bullet Property
ILD-14271	104	Pacho Luis Property
7175	36	Pacho Luis Property
7175B	2	Pacho Luis Property
1498	20	Pacho Luis Property
5419	43	Pacho Luis Property
	5,654	

(a) Guayabito Property
On October 18, 2007, the Company entered into a purchase option agreement ("Purchase Agreement") to acquire 100% interest of the Guayabito Property, concession 5671, located in the Antioquia Department of Colombia. The payment terms of the Purchase Agreement totalled $1,600,000 USD plus 500,000 Am-Ves common shares and the retention of a 1% royalty. The $1,600,000 was paid in a series of payments beginning on October 18, 2007 with the final payment made in August 2010 when 100% ownership of the property was registered with the Colombian National Mining Registry in the name of the Company. The 500,000 Am-Ves common shares were issued on October 17, 2007. The Purchase Agreement also required the Company to incur $2,000,000 USD on a comprehensive exploration and development program. This commitment was met.

On May 31, 2010, the Company entered into a purchase agreement to acquire a 100% interest in the Guayabito Property, concession 4556, located in the Antioquia Department of Colombia, from a private individual. The payment terms totaled Col Pesos 10,000,000.

(b) Bullet Property
On April 9, 2009 the Company signed a contract (the “Contract”) with Bullet Holding Corp. (“BHC”) for the purchase of a 90% interest in mining concessions 7342 and 7342B. The terms of the Contract required the Company to issue 1,062,500 common shares and 531,250 warrants (each warrant entitled the holder to purchase 1 additional common share for $0.40 per share prior to expiry on November 12, 2011). All common shares and warrants were issued on November 12, 2009. The Contract also required the Company to incur $2,000,000 USD in exploration expenditures by October 9, 2010 on any of the Company’s Cisneros Project mining concessions. This commitment was met. The Contract provided BHC with a 10% free carried interest until December 30, 2011 (extended from December 31,

2010). BHC was given an extension to January 31, 2012 to evaluate the geology report and data collected during 2011. BHC converted the 10% interest into a 1% net smelter return (NSR) on January 31, 2012.

(c) Pacho Luis Property
On May 19, 2010 the Company entered into a purchase contract for a mining title known as the Pacho Luis lands mining concession ILD-14271. The acquisition cost was comprised of a cash deposit of $50,000 USD and 150,000 common shares to be issued upon title registration. The common shares were issued on June 22, 2011 upon registration of 100% of the mining title at the Colombia National Mining Registry. The value of the shares was determined to be $34,500, based on the trading price of the Company's shares three days before and three days after the shares were issued.

On November 19, 2007 the Company agreed to acquire 50% of mining concession 7175. The remaining 50% of concession 7175 was acquired by the Company on June 10, 2008. The payment terms totaled Col Pesos 203,706,386.

On November 19, 2007 the Company agreed to acquire 50% of mining concession 7175B from a private individual. The remaining 50% of concession 7175B was acquired by the Company from the same individual on June 10, 2008. The payment terms totaled Col Pesos 11,533,416.

On November 19, 2007 the Company agreed to acquire 50% of mining concession 1498 from a private individual. The remaining 50% of concession 1498 was acquired by the Company from the same individual on June 10, 2008. The payment terms totaled Col Pesos 231,309,322.

On November 19, 2007 the Company agreed to purchase mining concession 5419 from a private individual. The payment terms totaled Col Pesos 483,379,478.

Strategic Properties

The properties described below are collectively referred to as the Strategic Properties.

Under a pre-existing agreement between a wholly-owned subsidiary of Barrick Gold Corporation ("Barrick"), and IGTER, IGTER had the option to acquire certain properties.

During 2010 and 2011, the Company exercised its option on nine of those properties, which Barrick has a back-in right exercisable once 2 million ounces of proven and probable ounces of gold equivalent are quantified on a given project. If Barrick chooses to exercise its option, it may retain a 75% interest in the selected property via a cash payment to Antioquia equal to a multiple of three times the amount of expenditures incurred by Antioquia up to, and including, the date the option is exercised, plus a modest fee for each ounce of gold equivalent quantified. If Barrick does not exercise its option, it would be entitled to a 2% net smelter return (NSR) under certain conditions. There are no minimum earn-ins or exploration expenditures required from the Company to maintain 100% ownership of the concessions.

During the year ended December 31, 2013, the Company initiated an analysis of the Strategic Properties. As a result of the review the Company decided to only retain three of the Strategic Properties which are named Concordia-Betulia, Manizales Norte, and Caicedo. All of the other properties have been written off in the company's books resulting in a charge of $198,880 during the year ended December 31, 2013.

During the period ended September 30, 2014:

i. The Company relinquished its Concordia-Betulia Property to a third party. The Company has written off exploration and evaluation assets of $155,525 to reflect this change. The Company has retained a 0.5% NSR royalty on any production resulting from the relinquished property which can be purchased for US$ 1,500,000, by the third party.
ii. The decision was made to write off Manizales Norte, and Caicedo resulting in a write off of exploration and evaluation assets of $211,362.

Outlook

Key milestones and timelines:

The company plans to develop its flagship Cisneros Project to production stage in 2014.

2014 Activities

1. Financing:
   On May 20, 2014, the Company announced that it had secured a US$5,000,000 loan from Desafio Minero S.A.C., Antioquia's largest shareholder, the proceeds of which will be used to fund further development of its Cisneros Project to take it to a production stage.
2. Mining:
   With the US$5 million financing in place the following activities at Cisneros are ongoing -
   - Completing the detailed mine planning.
   - Finalizing the Guaico tunnel design and development.
   - Completing an environmental study for Guayabito and a process plant.
   - Completing rock mechanics and hydrological studies.
   - Finalizing surface land rights and land purchases.

As stated in previous reports, the Company feels that it has identified sufficient resources to aggressively pursue project financing for a nominal 500 tpd underground mining operation at Cisneros in the shortest time frame possible. Consequently the Company is focussed on developing its Cisneros assets.

The Company's Board of Directors and its senior management team remain focused on executing its longer term business plan of assembling information to make a production decision for its flagship Cisneros property by the end of the 2014 calendar year.

Overall Performance

The Company is a mineral exploration company with no producing properties and therefore no source of income. The Company's objective is to explore for and discover economically viable reserves in Colombia. The Company`s main source of capital is derived from the issuance of equity.

Antioquia has established a strong presence in Colombia through the following:

- has 7,341 hectares of mineral leases with excellent exploration potential;
- recruitment of highly competent professionals and staff;
- establishment of an office in Medellin; and
- the commitment of resources to an exploration program at the Company's flagship Cisneros Project.

Selected Annual Information

Selected audited annual information for the three most recently completed years, all reported under IFRS, are as follows:

Year ended	December 31, 2013 $	December 31, 2012 $	December 31, 2011 $
Interest and other income	985	11,617	32,749
Net loss after provision for income taxes	1,081,251	3,051,789	2,283,391
Basic & diluted loss per share	.01	0.03	0.02
Total assets	16,008,857	15,735,662	14,527,816

Selected Quarterly Information

The summary below highlights selected quarterly information:

Quarter ended	Sep 30, 2014	Jun 30, 2014	Mar 31, 2014	Dec 31, 2013
Gross revenues	185	5,906	201	516
Net loss and comprehensive loss for the period	592,365	502,137	209,699	209,091
Loss per share	–	–	–	–
Working capital (deficiency)	(121,364)	239,609	722,291	(441,510)
Total assets	16,347,362	16,371,009	17,049,291	16,008,857

Quarter ended	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012
Gross revenues	140	(1,850)	2,179	4,211
Net loss and comprehensive loss	185,037	444,921	242,202	1,661,977
Per share	–	0.01	–	0.01
Working capital (deficiency)	(629,174)	(326,052)	(450,346)	(284,118)
Total assets	15,831,128	15,739,224	15,753,855	15,735,662

Results of Operations

Discussion of significant items affecting results by quarter:

Q3 2014 - The Company incurred a net loss of $592,365 for the quarter ended September 30, 2014 (2013 - $185,037). The higher loss in Q3 2014 as compared to the same period in the prior year is due to office and administration expense in Q3 2014 of $332,258 (Q3 2013 - $103,022) which reflects activities being ramped up to prove out the resource and ready the company for a decision to go into production.

Q2 2014 - The Company incurred a net loss of $502,137 for the quarter ended September 30, 2014 (2013 - $444,921). Overall there was a higher loss in 2014 reflecting a foreign exchange loss of $27,803 (2013 – a gain of $42,079). Capital expenditures (exploration assets, evaluation assets and equipment), during the quarter ended September 30, 2014 were $326,484 (2013 - $387,584).

Q1 2014 - The Company incurred a net loss of $209,699 for the quarter ended September 30, 2014 (2013 - $242,202). Overall there was a lower loss in 2014 reflecting a concerted effort to reduce costs and conserve cash. Capital expenditures (exploration assets, evaluation assets and equipment), during the quarter ended September 30, 2014 were $131,060 (2013 - $218,913).

Q4 2013 - The Company incurred a net loss of $209,091 for the quarter ended December 31, 2013 (2012 - $1,661,977). The 2012 results reflect $1,048,000 write off of goodwill, and the 2013 results reflect significantly reduced operating costs due to cost reductions arising on a management restructuring offset by a write off mineral properties of $198,880.

Q3 2013 - The Company incurred a net loss of $185,037 for the quarter ended September 30, 2013 (2012 - $306,965). The Q3 2013 results reflect significantly reduced operating costs ($185,177) as compared to the same period in the prior year ($306,965) due to cost reductions arising on a management restructuring.

Q2 2013 - The Company incurred a net loss of $444,921 for the quarter ended June 30, 2013 (2012 - $517,696). The Q2 2013 results include a mineral property write off of $238,097 (2012 – Nil) and reflect significantly reduced other operating costs ($204,973) as compared to the same period in the prior year ($518,075) due to cost reductions arising on a management restructuring.

Q1 2013 - The Company incurred a net loss of $242,202 for the quarter ended March 31, 2013 (2012 - $568,587). The Q1 2013 results reflect significantly reduced operating costs ($246,382) as compared to the same period in the prior year ($568,587) due to cost reductions arising on a management restructuring.

Q4 2012 - The Company incurred a net loss of $1,661,977 for the quarter ended December, 31 2012 (2011 - $878,464). The results for the quarter ended December, 31 2012 include a write off of goodwill in the amount of $1,048,507 (2011 – Nil).

Exploration and Evaluation Activities

During the nine months ended September 30, 2014 the company spent a total of $479,102 (2013 - $511,031) on exploration and evaluation assets. Outlays by expenditure category, materially all of which were on the Cisneros project, were as follows for the nine months ended September 30:

	2014 $	2013 $
Lodging and related camp expenses	29,312	43,103
Security	47,259	90,799
Environmental and community relations	215,125	47,880
Drilling	88,738	113,420
Geological	36,095	35,393
Rent/acquisition	62,248	108,587
Other	324	71,849
	479,102	511,031

Cisneros Project

The Company's principal asset is its Cisneros Project which covers 5,654 hectares and is located 55 kilometers northeast of Medellin in the Department of Antioquia, Colombia.

The property is located on a large tonalite – granodiorite intrusive called the Antioquia Batholith. Gold mineralization occurs in several now defined deposits associated with pyrite and chalcopyrite in structurally controlled quartz veins arranged in an en-echelon format within well developed alteration zones. The Company classifies these deposits as Porphyry Related Gold Vein Deposits. The Cisneros Project includes over 60 historic artisanal mines, many of which have been used by the Company for exploration.

The Company has been conducting exploration activities on the Cisneros Project since the third quarter of 2007. Previous work undertaken by the Company on the Cisneros Project includes:

- Regional geological mapping of the property, with detailed mapping (scale of 1:5000) of the core area and specific prospects, structures and artisanal tunnels;
- Geochemistry programs consisting of rock samples (surface and artisanal tunnels), soil and stream sediment sampling, and trenching (ongoing);
- Ground magnetometer and IP Geophysics (ongoing);
- Airborne magnetometer and radiometric survey;
- Property wide LIDAR topographic survey;
- Diamond core drilling (ongoing); and
- Preliminary metallurgical testing and analysis (ongoing).

On April 16, 2012 the 2012 field exploration program was started at the Cisneros Project. Phase 1 drilling of the 2012 drilling program commenced on April 27, 2012 with one drill at the Guayabito deposit, a second drill was added on June 26, 2012 to initiate Phase 2 of the 2012 drilling program at the Guaico deposit and the Papi/Ivana (both part of Cisneros) prospects. On September 15, 2012 follow-up Phase 3 drilling of the 2012 drilling program commenced at the Guayabito deposit and was concluded on September 28, 2012. During the year ended September 30, 2012, the Company drilled 13,111 meters in 46 drill holes at the Cisneros Project. As of the end of the 2012 drill program, total drilling at the Cisneros Project amount to 45,426 meters in 209 holes.

Regional exploration that commenced on April 16, 2012 continued through to the end of September 30, 2012. A geology team conducted detailed geological mapping and geochemical sampling on seven regional exploration targets identified through airborne geophysics and reconnaissance geochemical programs. The aim of the regional exploration program is to identify drill targets for 2013 outside of the Company's current area of focus (the Guayabito and Guaico deposits). Utilizing the knowledge gained by drilling at Guayabito and Guaico the Company can better define and evaluate similar mineralized systems occurring within the Cisneros Project area.

Drill results from the Company's 2012 drilling program were disclosed on August 8, 2012, September 11, 2012, September 27, 2012 and November 29, 2012. Highlights of the previous drilling programs can be found under the Company's profile on SEDAR (www.sedar.com) in the Company's press releases. Additional information on the Cisneros Project can also be found in the National Instrument 43-101 compliant Technical Report filed on SEDAR on December 14, 2010.

The Company entered into a purchase agreement on February 16, 2012 to buy used major plant equipment for future operations in Colombia. This equipment has been dismantled and placed in storage awaiting demobilization to Colombia when required.

Cisneros gold project National Instrument 43-101 resource report

On Aug 29, 2013 the Company announced that it has received a National Instrument 43-101 (“NI 43-101”) compliant resource report (the “Report”) for its flagship Cisneros gold project in Antioquia Department, Colombia. The Report was prepared by Mr. Fernando Linares, MAusIMM of Lima, Peru, who by reason of his education, affiliation with a professional association and past relevant work experience, fulfills the requirements of a “qualified person” as defined in NI 43-101.

The Report has an effective date of August 29, 2013 and the complete report is filed on SEDAR. It should also be noted that Antioquia Gold has identified an additional six targets that merit further exploration via diamond drilling.

The main objective of the Company's drilling campaign during the past year was to increase resource confidence levels at the Cisneros gold project in Antioquia (see the Company's press release dated November 29, 2012). This was done in order to begin work on a new Cisneros reserve estimate and mine plan. Antioquia Gold’s drilling has been successful in upgrading a large portion of the previous internally classified Inferred Resource. Independent consultants LINAMEC S.A.C. have reviewed and validated the mineral resource on behalf of the Company and categorised all resources using the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") classification. A constraining Au 1.0 g/t cut-off shell was applied to the 3D block model to ensure reasonable prospects of economic extraction for the reported resources.

The present resource evaluation of the Cisneros Project includes the individual resources of four structures identified in the Guayabito and Pacho Luis Project areas. The data base used comes from 141 drill holes and 35,400 metres of drilling.

Cisneros Resources Highlights:

Measured and Indicated resources were estimated at 97,000 ounces of gold. Inferred Resources were estimated at 173,000 ounces of gold (See Table 1).

Table 1. Cisneros Resource Estimate Summary

Classification	Tonnage (Kt)	Grade Au (g/t)	Au (oz)
Measured	**78,321**	**5.78**	**14,544**
Indicated	**520,735**	**4.93**	**82,548**
Measured + Indicated	**599,056**	**5.04**	**97,092**
Inferred	**1,097,025**	**4.90**	**172,861**

1. Mineral Resources are estimated at a cut-off grade of 1.0 g/t Au.
2. Minimum mining width was not used.
3. Bulk density used was 2.83 t/m3 for Guayabito and Guaico and 2.91 t/m3 for Nus and Papi.
4. Mineral Resources are inclusive in the Mineral Reserves.

Cisneros Resource Estimates Parameters are as follows:

- Cisneros is comprised of four mineral deposits in the Guayabito and Pacho Luis Project areas.
- The resource estimation was based on data from 141 holes comprising a total of 35,400 meters (See Table 2)
- A total of 3,412 samples were assayed by SGS and ACME laboratories for gold, silver and 34 other elements. Gold was assayed by fire assay with atomic absorption finish and ICP determination; over-limit (Au > 10 ppm) intervals were analyzed by fire assay with gravimetric finish.
- The 2012 samples were assayed by ACME Group by metallic screen method for gold with ICP-MS finish; over-limit (Au >10 ppm) intervals were analyzed by fire assay with gravimetric finish.
- Nearest Neighbor, Inverse Distance and Ordinary Kriging were used to calculate the resource estimates.
- All Mineral Resources were estimated by Jorge Tejada, senior geologist with Consorcio Minero Horizonte S.A. using the CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions. The Resource Estimation was reviewed and validated by LINAMEC S.A.C. an independent consulting company.
- Mineral resources, which are not mineral reserves, do not have demonstrated economic viability.
- The quantity and grade of reported Inferred resources are uncertain in nature and there has been insufficient exploration to classify these Inferred resources as Indicated or Measured; it is uncertain if further exploration will result in upgrading them to a Measured or Indicated category.

Table 2
Cisneros Data Base Used in the Resource Estimation by Areas

Area	Drill Holes	Meters Drilling	Assays	Composites
Pacho Luis - Guaico	46	11,417	895	251
Guayabito Project	59	16,810	1,687	392
Pacho Luis - Nus and Papi	36	7,173	830	124
Total	**141**	**35,400**	**3,412**	**767**

*PCF=Project Control File MS=MineSight

Qualified Persons

Mr. Edgar Vilela (MAusIMM - CP), a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators and Mr. Fernando Linares (MAusIMM) reviewed and approved the scientific or technical disclosure in this release and have verified the data disclosed.

Strategic Properties

The company controls the Concordia-Betulia project covering 1,287 hectares along the Cauca Porphyry Belt. The Company believes the property has good exploration potential; however, at this time the Company is focused on bringing its Cisneros property into production and is limiting its expenses on the property to those necessary to keep it in good standing.

During the period ended September 30, 2014:

i. The Company relinquished its Concordia-Betulia Property to a third party. The Company has written off exploration and evaluation assets of $155,525 to reflect this change. The Company has retained a 0.5% NSR royalty on any production resulting from the relinquished property which can be purchased for US$ 1,500,000, by the third party.

ii. The decision was made to write off Manizales Norte, and Caicedo resulting in a write off of exploration and evaluation assets of $211,362.

Liquidity and Capital Resources

The Company's current assets total $137,093 at September 30, 2014 (December 31, 2013 - $52,344) and working capital deficit of $121,364 as at September 30, 2014 (December 31, 2013 – deficit of $441,510).

The Company manages capital based on its cash and cash equivalents and ongoing working capital while maximizing funds invested in exploration and development activities, exploring for and developing gold resources, and considering additional financings which minimize shareholder dilution. There have been no changes in the Company's approach to capital management.

The Company's capital structure reflects a focus on mineral exploration and financing and includes both internal and external growth opportunities. The exploration for and development of mineral deposits involves significant risk. Even a combination of careful evaluation, experience and knowledge may not adequately mitigate the inherent risk involved in mineral exploration.

The Company manages capital in proportion to risk and manages the mineral properties and capital structure based on economic conditions and prevailing gold commodity pricing and trends. The Company relies on equity financings to maintain adequate liquidity to support its ongoing exploration and development activities and ongoing working capital commitments. Additional financing will be required in order to meet longer term obligations and for any significant contracts which may be entered into in the future.

The Company has not earned significant revenues to date and is considered to be in the exploration and evaluation stage. As a result, the most meaningful information concerning the Company's financial position relates to its liquidity and solvency position. The Company raises funds for its operations primarily through the issuance of common shares but when deemed appropriate will entertain alternate financing that does not warrant issuance of common shares.

Financing Activities

On February 24, 2014 the Company completed a non-brokered private placement for aggregate proceeds of $795,000 via the issuance of 15,900,000 units at a price of $0.05 per unit. Each unit consists of one common share in the share capital of the Company and one common share purchase warrant of the Company. Each warrant entitles the holder thereof to purchase one additional common share at a price of $0.05 per share for a period of eighteen months. The proceeds were allocated as to common shares $318,000, and as to warrants $477,000. The fair value of the warrants was estimated using the Black Scholes pricing model under the following assumptions: dividend yield – nil; expected volatility – 158%; risk free rate of return 1.05%; life – 1.5 years.

On March 28, 2014 the Company completed a non-brokered private placement for aggregate proceeds of $700,000 via the issuance of 14,000,000 units at a price of $0.05 per unit. Each unit consists of one common share in the share capital of the Company and one common share purchase warrant of the Company. Each warrant entitles the holder thereof to purchase one additional common share at a price of $0.05 per share for a period of eighteen months. The proceeds were allocated as to common shares $420,000, and as to warrants $280,000. The fair value of the warrants was estimated using the Black Scholes pricing model under the following assumptions: dividend yield – nil; expected volatility – 158%; risk free rate of return 1.05%; life – 1.5 years.

On May 20, 2014, the Company announced that it had secured a US$5,000,000 loan from Desafio Minero S.A.C., Antioquia's largest shareholder, the proceeds of which will be used to fund further development of its Cisneros Project to take it to a production stage. See further details under Transactions with Related Parties that follows.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at September 30, 2014, nor have any such arrangements been entered into by the Company as of the date of this MD&A.

Transactions with Related Parties

During the nine months ended September 30, 2014, the Company had the following related party transactions:

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (executive and non-executive) of the Company and/or their holding companies. As at September 30, 2014 compensation in the amount of $192,664 (2013 - $222,747) was paid or payable to key management. Included in accounts payable and accrued liabilities at September 30, 2014 was $25,848 (2013 - $128,267) owing to key management.

During the nine months ended September 30, 2014 related parties provided working capital loans to the company totalling $61,521 (2013 – 161,531). The loans were provided by three directors and have been re-paid.

Desafio Minero, a company owning in excess of 50% of the outstanding common shares of the Company, acquired a total of 26,000,000 units issued under the February 24, 2014 and March 28, 2014 private placements.

Two directors each acquired 1,000,000 units issued under the February 24, 2014 private placement.

On May 20, 2014, the Company announced that it had secured a US$5,000,000 loan from Desafio Minero S.A.C., Antioquia's largest shareholder, the proceeds of which will be used to fund further development of its Cisneros Project to take it to a production stage. The loan is unsecured, denominated in US dollars, bears interest at 7.13%, must be drawn down by September 23, 2015, principal re-payment commences two years after the last draw-down of the loan ("the grace period"), is repayable in equal monthly installments over the remaining term of the loan commencing one month after the date on which the grace period ends. At September 30, 2014 the balance outstanding on the loan amounted to $383,103.

Critical Accounting Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgements 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 comprehensive income 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.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

Rehabilitation provisions
Rehabilitation provisions are based on internal estimates. Assumptions, based on the current economic environment, are made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the recognized rehabilitation provisions may be higher or lower than currently provided for.

Exploration and evaluation expenditure
The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Title to mineral property interests
Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.
Income taxes
Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Share-based payment transactions
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Risks and Uncertainties

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environment risks, changes in metal prices, and political and economic uncertainties.

The Company has no significant source of operating cash flow and no revenue from operations. The Company has not determined whether its mineral properties contain mineral reserves that are economically recoverable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.

The property interests that the Company has or has an option to earn an interest in are in the exploration stages only. Currently there are no confirmed bodies of commercial mineralization and there are no ongoing mining operations. Mineral exploration involves a high degree of risk. There are few properties that are explored, and ultimately developed into producing mines. Exploration of the Company's mineral properties may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company must look for other exploration projects or cease operations.

The Company may be subject to risks which could not reasonably be predicted in advance. Events such as labour disputes, environmental issues, natural disasters or estimation errors are prime examples of industry related risks. Since the Company operates in Colombia, it is subject to political and other risks associated with operating in a foreign jurisdiction.

The Company is in the business of metals exploration and as such, its prospects are largely dependent on movements in the price of various metals. Prices fluctuate on a daily basis and are affected by a number of factors well beyond the control of the Company. The mineral exploration industry in general is a competitive market and there is no assurance that, even if commercial quantities of proven and probable reserves are discovered, a profitable market may exist. Due to the current grassroots nature of its operations, the Company does not enter into price hedging programs.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

Evaluation of Disclosure Controls

The Company has basic internal controls in place. Management continues to develop a more comprehensive system of internal controls and disclosure controls to achieve its business plans as the Company grows and evolves.

Share Data

The authorized capital of the Company consists of an unlimited number of common shares. As at September 30, 2014 and the date hereof there were 198,820,422 common shares issued and outstanding.

As at September 30, 2014 and the date hereof there were 36,900,000 warrants outstanding.

As at September 30, 2014 and the date hereof there were 1,242,500 stock options outstanding.