

CALDAS GOLD CORP.
(Formerly Bluenose Gold Corp.)

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED SEPTEMBER 30, 2020
NOVEMBER 11, 2020**

*The following discussion and analysis of the results of operations and financial condition ("MD&A") for Caldas Gold Corp. (the "Company" or "CGC") should be read in conjunction with the unaudited condensed consolidated financial statements and related notes thereto for the three and nine months ended September 30, 2020 (the "Interim Financial Statements") and the annual audited financial statements of Caldas Finance Corp. ("CFC") for the year ended December 31, 2019, which are available on the Company's web site at www.caldasgold.ca and on www.sedar.com. Readers are encouraged to read the Cautionary Note Regarding Forward Looking Information included on page 29 of this MD&A and the Company's Filing Statement dated as of February 19, 2020, also available on the Company's website and SEDAR. The financial information in this MD&A is derived from the Interim Financial Statements prepared in accordance with International Financial Reporting Standards ("IFRS") for interim financial statements in International Accounting Standard – Interim Financial Reporting ("IAS34"). The historical figures presented in the Interim Financial Statements represent those of CFC and its predecessors on a common control basis. Reference should also be made to pages 24-27 for information about non-IFRS measures referred to in this MD&A. **All figures contained herein are expressed in United States dollars ("USD"), except for production, share data or as otherwise stated.***

Third Quarter and Year to Date 2020 Highlights

- The Company is continuing to progress in its plan to **build Colombia's next major gold mine**. In July 2020, the Company announced the results of a Preliminary Feasibility Study (the "2020 PFS") for its Marmato Project. Since then, the Company has completed three financings, raising total gross proceeds of \$230.5 million to fund the expansion of mining operations into the Marmato Deep Zone ("MDZ"). On July 29, 2020, the Company completed a CA\$50 million bought deal of Special Warrants which were exercised on September 28, 2020. On August 26, 2020 the Company completed a private placement offering of subscription receipts for gross proceeds of \$83.1 million. The Company announced on November 5, 2020 that it had entered into a \$110 million stream financing agreement with Wheaton Precious Metals International Ltd. ("WPMI").
- The Company continued to support the local communities surrounding the Marmato Project during the third quarter of 2020, providing groceries to families who have been economically affected by the **COVID-19** crisis and masks to the community.
- **Production** in the third quarter of 2020 totaled 6,899 ounces of gold, up 11% from the third quarter last year and up 79% from the second quarter of 2020 which was affected by challenges associated with COVID-19 national quarantine in Colombia. For the first nine months of 2020, the Company produced a total of 16,651 ounces of gold and 23,404 ounces of silver compared with 18,693 ounces of gold and 29,136 ounces of silver in the first nine months last year. In October, the Company produced 2,487 ounces of gold. The Company is on track to meet its revised annual production guidance for 2020 of between 23,000 to 26,000 ounces of gold.
- **Revenue** of \$13.3 million in the third quarter of 2020, about 33% higher than the third quarter last year, benefitted from a 28% increase in its realized gold price as well as a 4% increase in gold sales. The Company's realized gold price in the third quarter of 2020 was \$1,881 per ounce. For the first nine months of 2020, revenue amounted to \$30.2 million compared with \$25.8 million in the first nine months of 2019.

- **Total cash costs** ⁽¹⁾ per ounce were \$1,359 per ounce in the third quarter of 2020, up from \$1,163 per ounce in the third quarter last year. Higher spot gold prices increased production taxes by approximately \$52 per ounce in the third quarter of 2020 compared with the same period last year. Other factors increasing total cash costs in the third quarter of 2020 included an increased level of operating development costs in the Upper Zone mine associated with the preparation of Levels 21 and 22 (the Transition Zone) for expansion of mining activities and additional costs being incurred to maintain the COVID-19 protocols required to protect the health and safety of workers. For the first nine months of 2020, total cash costs averaged \$1,309 per ounce compared with \$1,131 per ounce in the first nine months last year.
- **All-in sustaining costs ("AISC")** ⁽¹⁾ of \$1,827 per ounce in the third quarter of 2020, up from \$1,254 per ounce in the third quarter last year, reflected the increase in total cash costs, general and administrative ("G&A") expenses associated with the new public company status post the RTO Transaction, social contributions for COVID-19 community support and an increased level of sustaining capital expenditures to implement the 2020 PFS optimization in the Marmato mine. For the first nine months of 2020, AISC averaged \$1,675 per ounce compared with \$1,210 per ounce in the first nine months last year.
- The Company reported a **net loss** for the third quarter and first nine months of 2020 of \$24.9 million (\$0.32 per share) and \$49.4 million (\$0.90 per share), respectively, compared with net income of \$1.0 million (\$0.03 per share) and \$2.1 million (\$0.07 per share), respectively, in the same periods last year. The largest items affecting the net loss in the third quarter of 2020 were the \$17.0 million fair value loss on the Company's financial instruments and \$9.0 million of financing costs incurred in connection with the Special Warrant and Subscription Receipt financings. For the first nine months of 2020, in addition to these factors, the largest item contributing to the net loss was the \$16.7 million charge related to the RTO Transaction.
- On July 2, 2020, the Company completed the acquisition of South American Resources Corp. ("SARC"), the holder of a 100% interest in the **Juby Project** and a 25% interest in certain claims adjoining the Juby Project, for total consideration of approximately \$50.3 million. The Juby Project is an advanced exploration-stage gold project located in Northeastern Ontario within the Shining Tree area in the southern part of the Abitibi greenstone belt. The mineralization of the deposits in the Juby Project is amenable for open pit extraction. On October 5, 2020, the Company announced it had completed a within-pit Mineral Resource estimate for the Juby Project, effective as of July 14, 2020, comprising Indicated Resources of 21.3 million tonnes at a grade of 1.13 g/t totalling 773,000 ounces of gold and Inferred Resources of 47.1 million tonnes at a grade of 0.98 g/t totalling 1,488,000 ounces of gold. The Company intends to carry out exploration activities at the Juby Project in 2021.

Selected Financial Information

	Third Quarter		Nine Months	
	2020	2019	2020	2019
Operating data				
Gold produced (ounces)	6,899	6,221	16,651	18,693
Gold sold (ounces)	6,963	6,681	17,241	18,654
Average realized gold price (\$/oz sold)	\$ 1,881	\$ 1,467	\$ 1,728	\$ 1,357
Total cash costs (\$/oz sold) ⁽¹⁾	1,359	1,163	1,309	1,131
AISC (\$/oz sold) ⁽¹⁾	1,827	1,254	1,675	1,210
Revenue	\$ 13,306	\$ 9,970	\$ 30,240	\$ 25,752
Adjusted EBITDA ⁽¹⁾	2,360	1,866	4,470	4,057
Net (loss) income	(24,872)	988	(49,370)	2,054
Per share – basic and diluted	(0.32)	0.03	(0.90)	0.07
Adjusted net income (loss) ⁽¹⁾	437	971	(2,148)	2,096
Per share – basic and diluted	0.01	0.03	(0.04)	0.07
Net cash provided by operating activities	4,026	1,881	4,717	3,228
Additions to mining interest, plant and equipment	5,334	1,806	12,020	4,402

(1) Refer to "Non-IFRS Measures" on pages 24-27.

	September 30, 2020	December 31, 2019
Balance sheet (\$000's):		
Cash and cash equivalents	\$ 42,990	\$ 2,672
Total assets	215,857	45,881

Description of Business

The Company, incorporated under the laws of the Province of British Columbia, Canada, is a Canadian-listed public company engaged in the acquisition, exploration, development and operation of gold properties in Colombia and Canada, with its principal operations located in the Zona Baja mining license area in the Department of Caldas (the "Marmato Project"). The Company also owns the advanced exploration-stage Jubu Project in Ontario, Canada. The Company's head office is located in Toronto, Canada and it has a management office in Medellin, Colombia. Gran Colombia currently owns 53.5% of the Company's issued and outstanding common shares.

The RTO Transaction

On February 24, 2020, the Company completed the RTO Transaction, acquiring all of the issued and outstanding shares of Caldas Finance Corp. ("CFC"), a subsidiary of Gran Colombia, by way of a three-cornered amalgamation in exchange for the issuance of 39,542,600 common shares of the Company, the issuance of 10,792,500 share purchase warrants and the issuance of 125,550 broker warrants. Immediately prior to the RTO Transaction, Bluenose Gold Corp. ("Bluenose") changed its name to Caldas Gold Corp. and consolidated its issued and outstanding common shares and stock options on a one-for-10 basis. References in this MD&A to "Bluenose" refer to the Company prior to the RTO Transaction and references to "the Company" refer to the Company after the RTO Transaction. The resulting issuer commenced trading on the TSX Venture Exchange ("TSX-V") on February 28, 2020 under the symbol "CGC".

In the RTO Transaction, although legally the Company is the parent of CFC, CFC is deemed to be the accounting acquirer and Bluenose was deemed to be the acquiree for accounting purposes. Upon completion of the RTO Transaction, the former shareholders of CFC have become the controlling shareholders of the Company. As CFC is deemed to be the acquirer in the RTO Transaction, the assets and liabilities of CFC have been accounted for at cost, and the assets and liabilities of Bluenose have been accounted for at fair value on acquisition. Since Bluenose's operations do not constitute a business, the transaction has been accounted for as an asset acquisition that is not a business combination. Therefore, Bluenose's share capital, equity reserve and deficit at the time of the RTO Transaction have been eliminated and the RTO Transaction costs have been expensed. The legal capital structure recognized in the interim condensed consolidated statement of financial position is a continuation of that of Bluenose, but the dollar amount of the issued share capital prior to the RTO Transaction will be that of CFC, including the value of shares issued prior to or as part of the RTO Transaction.

In the accounting for the reverse takeover, the RTO Transaction consideration for Bluenose was determined by reference to the fair value of the number of shares the legal subsidiary, being CFC, would have issued to the legal parent entity, being Bluenose, to obtain the same percentage ownership interest of 21.5% in the combined entity. As a result, the RTO Transaction consideration of \$16.3 million was measured at the value of the 10,852,841 shares that would have been issued by CFC if it were the legal parent and acquirer. On February 24, 2020, the fair value of the net liabilities of the Company acquired by CFC amounted to \$0.1 million. The excess of the RTO Transaction consideration over the net liability assumed of approximately \$16.4 million together with the RTO Transaction costs of approximately \$0.3 million (comprising a financial

advisory fee and the fair value of stock options honoured), were expensed in the statement of operations during the first nine months of 2020.

Outlook

On March 11, 2020, the World Health Organization declared COVID-19 to be a global pandemic. Since then, actions taken globally in response to COVID-19 have interrupted business activities and supply chains; disrupted travel; contributed to significant volatility in the financial markets, impacted social conditions and adversely impacted local, regional, national and international economic conditions, as well as the labor market. In response, on March 25, 2020, the Colombian government implemented a national quarantine, which continued through to the end of August. Since the beginning of September, Colombia has been in a selective isolation stage. The operating protocols implemented by the Company at the Marmato Project remain in effect to protect the health and safety of its workers. Employees in the Company's Toronto and Medellin offices continue to work remotely. The Company is also continuing to respond to the needs of the local communities surrounding its operations by providing food, medical and sanitation supplies and masks.

Despite the challenges associated with the COVID-19 situation in Colombia, the Company has continued to operate its mines, albeit at a reduced production rate compared to normal during the second quarter of 2020. Since July, access to labor has improved and operations have been restored to more normal levels. Through the end of October 2020, the Company has produced a total of 19,138 ounces of gold. Considering its performance to date, and assuming operations continue at the present pace, the Company is on track to meet its 2020 annual production guidance of a range of 23,000 to 26,000 ounces of gold at Marmato.

In July 2020, the Company completed the 2020 PFS for the expansion of operations at its Marmato Project which includes the optimization of operations in the existing Upper Zone mine, expansion of the Upper Zone processing plant from 1,200 tpd to 1,500 tpd and expansion of mining operations into the MDZ. Activities to optimize the Upper Zone mining operations have commenced and will continue during the balance of 2020, focused on the development and mining of the Transition Zone, development and mining of Echandia over level 16 of the mine, changes in mining method to reduce dilution and ongoing health and safety initiatives. The expansion of the Upper Zone processing plant, which includes the installation of a new ball mill, Knelson gravity concentrator, thickener, new power substation and new fresh water supply system, is underway and will be completed in the first half of 2021. With the three financings for the MDZ project now complete, focus is shifting to the activities related to the expansion of mining operations in the MDZ, including implementation of the project execution plan and schedule, awarding of the EPCM contract, hiring of construction staff and preparation of the modifications of the environmental management plan to incorporate the new processing plant and tailings storage facility. The Company is continuing to interact with the national mining agency in Colombia in connection with the extension of its mining title and expects the renewal to be completed by the end of the year.

The exploration program is in full operation at the Marmato Project with the current drill program designed to in-fill higher-grade gold mineralization in the recently discovered New Zone and expand and in-fill the strike extension of the Main Zone to the southeast to be included in an update of the mineral resource and reserve estimate for 2021, with the aim of significantly increasing the life of the mine. The current drilling program started in late May 2020 with three contractor diamond drill rigs operating from three purpose-built underground drill stations on Levels 20 and 21 of the mine. Drilling results will be released as they become available.

Issued and Outstanding Securities

At November 11, 2020, the Company had the following securities issued and outstanding:

Securities	TSX-V Symbol	Number	Shares Issuable	Exercise price per share	Expiry or maturity date
<i>Common shares</i>	CGC	99,800,162			
<i>Stock options</i>		255,000	255,000	CA\$2.10	February 25, 2021
		4,550,000	4,550,000	CA\$2.00	March 1, 2025
		160,000	160,000	CA\$2.50	June 26, 2025
		200,000	200,000	CA\$2.73	September 17, 2022
		5,165,000	5,165,000		
<i>Warrants</i>	Unlisted	10,800,000	10,800,000	CA\$3.00	December 19, 2024
<i>Warrants</i>	CGC.WT	22,222,222	22,222,222	CA\$2.75	July 29, 2025 ⁽¹⁾
<i>Broker Warrants</i>	Unlisted	118,050	118,050	CA\$2.00	December 19, 2022
			118,050	CA\$3.00	December 19, 2024
<i>Subscription Receipts</i>	Unlisted	83,066	16,613,200	CA\$2.75	July 29, 2025 ⁽¹⁾

- (1) The Company may accelerate the expiry date of the Warrants after July 29, 2023 in the event that the closing price of the common shares on the TSX-V (or such other exchange on which the common shares may principally trade at such time) is greater than CA\$2.75 per share for a period of 20 consecutive trading days, by giving notice to the holders of Warrants of the acceleration of the expiry date and issuing a concurrent press release announcing same and, in such case, the Warrants will expire on the 30th day following the date on which such notice is given and press release issued.

Acquisition of SARC

On July 2, 2020, the Company completed the acquisition of all of the issued and outstanding shares of SARC by way of an amalgamation agreement (the "Amalgamation Agreement") effecting a three-cornered amalgamation between the Company, SARC and 1241868 B.C. Ltd., a wholly-owned subsidiary of the Company. On June 30, 2020, SARC acquired certain advanced exploration-stage mining assets in Northeastern Ontario, including a 100% interest in the Juby Project and a 25% interest in certain claims adjoining the Juby Project.

In connection with the acquisition in 2020 of the Juby Project in Northeastern Ontario, the Company issued a total of 27,000,000 common shares through 7,000,000 common share issued on June 30, 2020 in the Gran Colombia Private Placement and 20,000,000 shares issued on closing of the acquisition of SARC, each of which is described below.

On June 30, 2020, Gran Colombia purchased 7,000,000 common shares from the Company on a non-brokered private placement basis at a price of CA\$2.00 per share for gross cash proceeds of CA\$14.0 million (approximately \$10.3 million). The Company then advanced \$10.0 million of these proceeds on June 30, 2020 to SARC secured by a promissory note receivable from SARC. The \$10.0 million was advanced to SARC as partial consideration for the purchase of all the outstanding shares of SARC.

The total acquisition cost was approximately \$50.3 million. Pursuant to the terms of the Amalgamation Agreement, the Company issued 20,000,000 common shares (the "Consideration Shares") to the shareholders of SARC and, through the \$10.0 million promissory note, funded SARC's acquisition of the

Juby Project and adjoining claims. Certain shareholders of SARC have entered into voluntary lock-up agreements with the Company pursuant to which such security holders, holding approximately 17.4 million or 87% of the Consideration Shares, have agreed not to sell their Consideration Shares for a period of two years from the closing date of the transaction. No insiders of the Company or its parent, Gran Colombia, received any of the Consideration Shares. With the issuance of the Consideration Shares, Gran Colombia's equity interest in the issued and outstanding shares of the Company decreased to 57.5% as of July 2, 2020.

CA\$50 Million Bought Deal Financing of Special Warrants

On July 29, 2020, the Company completed a bought deal financing for aggregate gross proceeds of CA\$50,000,000 (equivalent to \$37.4 million) (the "Offering"). A total of 22,222,222 special warrants of the Company ("Special Warrants") were sold pursuant to the Offering at a price of CA\$2.25 per Special Warrant. The net proceeds of the Offering will be used for the expansion of the underground mining operations at the Company's Marmato Project. Gran Colombia purchased CA\$20 million (equivalent to \$14.9 million) of the Special Warrants.

Each Special Warrant entitled the holder thereof to receive one unit of the Company ("Unit") on the exercise or deemed exercise of the Special Warrant, with each Unit comprising one common share of the Company (a "Common Share") and one common share purchase warrant ("Listed Warrant"), subject to adjustment in certain events to be set out in the indenture governing the Special Warrants.

On September 28, 2020, the Special Warrants were deemed to be exercised and the Company issued 22,222,222 common shares and 22,222,222 Listed Warrants. The Listed Warrants are listed on the TSXV under the symbol CGC.WT and commenced trading on September 30, 2020. Each Listed Warrant entitles the holder to acquire one common share of the Company until July 29, 2025 at a price of CA\$2.75 per common share. The Company may accelerate the expiry date of the Listed Warrants after July 29, 2023 in the event that the closing price of the Company's common shares on the TSXV (or such other exchange on which the common shares may principally trade at such time) is greater than CA\$2.75 per share for a period of 20 consecutive trading days. In such case, unless exercised by the holders, the Listed Warrants will expire on the 30th day following the date on which such notice is given and a press release is issued.

\$83 Million Private Placement of Subscription Receipts

On August 26, 2020, the Company completed a private placement offering of subscription receipts for aggregate gross proceeds of \$83,066,000. A total of 83,066 subscription receipts of the Company ("GLN Subscription Receipts") were sold pursuant to the offering at a price of \$1,000 per GLN Subscription Receipt. After deducting the agents' commission and certain expenses of the offering totalling \$5.7 million, the net proceeds of \$77.4 million have been placed in escrow (the "Escrowed Funds") pending certain escrow release conditions as described further below. Gran Colombia purchased \$10 million of the subscription receipts.

On satisfaction of certain conditions contained in the GLN Subscription Receipt agreement, each GLN Subscription Receipt shall convert ("Conversion Event") and entitle the holder thereof to receive one unit of the Company, with each unit comprising senior secured gold-linked notes ("Gold Notes"; refer to description of key terms on pages 19-20) in an aggregate principal amount of \$1,000 and 200 Listed Warrants of the Company.

Mineral Resources and Reserves

Marmato Project Mineral Resources

On August 17, 2020, the Company filed the 2020 PFS technical report on its Marmato Project (the “Marmato Technical Report”) pursuant to National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”). The Marmato Technical Report included an updated MRE for its Marmato Project prepared by SRK in accordance with the Canadian Institute of Mining Metallurgy and Petroleum (“CIM”) Definition Standards incorporated by reference in (“NI 43-101”) with an effective date of March 17, 2020 (the “2020 MRE”).

The table below summarizes the 2020 MRE for Zona Baja and changes by category in tonnes, grade and ounces of gold compared with the previous MRE as of July 31, 2019 (the “2019 MRE”):

	Measured			Indicated			Measured & Indicated			Inferred		
	Tonnes (Mt)	Grade (g/t)	Oz Au (000s)	Tonnes (Mt)	Grade (g/t)	Oz Au (000s)	Tonnes (Mt)	Grade (g/t)	Oz Au (000s)	Tonnes (Mt)	Grade (g/t)	Oz Au (000s)
2020 MRE	2.1	5.6	387	37.3	3.1	3,699	39.4	3.2	4,086	26.4	2.6	2,172
2019 MRE	2.1	4.9	325	15.2	3.5	1,714	17.3	3.7	2,039	44.9	2.3	3,312
Change	-	0.7	62 +19%	22.1	(0.4)	1,985 +116%	22.1	(0.5)	2,047 +100%	(18.5)	0.3	(1,140) (34%)

(1) Mineral resources are inclusive of mineral reserves and do not have demonstrated economic viability.

The 2020 MRE reflects the impact of infill drilling within the MDZ areas which has increased the confidence in the estimates and resulted in significant movement from the Inferred to Indicated category.

SRK also highlighted that the current MDZ mineralization represents a notable change in the style of mineralization and considerations for mining methods compared to the Veins and Upper Mine (current operating mine) at the Marmato Project and has maintained the use of a high-grade core to the mineralization at depth.

The main changes in the combined Mineral Resource in the 2020 MRE since the previous estimate as of July 31, 2019 are as follows:

- Increase in the Indicated MDZ Mineral Resources, including the Transition Zone, from 6.4 Mt at 2.6 g/t Au for a total of 537 kozs to 28.1 Mt at 2.6 g/t Au for a total of 2,379 koz, representing an increase of 1,842 kozs within the MDZ. This is reflected in a reduction in the Inferred Mineral Resources from 41.2 Mt at 2.1 g/t for 2,812 kozs to 21.9 Mt at 2.3 g/t for 1,639 kozs, which is a reduction of 1,173 kozs.
- Increase in Measured and Indicated Mineral Resources within the vein domain from 9.2 Mt at an average grade of 4.6 g/t to 9.3 Mt at an average grade of 5.2 g/t Au, which is an increase of 180 kozs.
- Reduction in Inferred Mineral Resources within the veins from 3.3 Mt at 4.4 g/t Au for 466 kozs to 2.7 Mt at 4.4 g/t Au for 386 kozs, which represents a difference of 80 kozs.
- Minor increase in Indicated Mineral Resources of porphyry (pockets) material of 25 kozs.
- Increase in the Inferred Mineral Resources of porphyry material from 0.3 Mt at 3.1 g/t Au for 34 kozs to 1.7 Mt at 2.6 g/t Au for 145 kozs.

The following table provides additional details with respect to the 2020 MRE⁽¹⁾:

	Category	Quantity [Mt]	Grade (g/t)		Metal (kcozs)	
			Au	Ag	Au	Ag
Upper Mine ⁽²⁾	Measured	2.1	5.65	27.0	387	1,853
	Veins ⁽⁵⁾	2.1	5.65	27.0	387	1,853
	Porphyry ⁽⁵⁾	0.0	0.00	0.0	0	0
	Indicated	9.2	4.45	18.7	1,320	5,545
	Veins	7.2	5.01	21.1	1,156	4,862
	Porphyry	2.1	2.50	10.3	165	682
	Measured and Indicated	11.4	4.67	20.2	1,707	7,397
	Veins	9.3	5.15	22.4	1,543	6,715
	Porphyry	2.1	2.50	10.3	165	682
	Inferred	4.5	3.70	15.5	532	2,224
	Veins	2.7	4.38	17.9	386	1,574
	Porphyry	1.7	2.62	11.7	145	650
Transition Zone ^{(3) (6)}	Measured	0.0	0.00	0.0	0	0
	Indicated	3.4	2.68	7.2	294	785
	Measured and Indicated	3.4	2.68	7.2	294	785
	Inferred	0.0	1.95	3.7	2	3
MDZ ^{(4) (6)}	Measured	0.0	0.00	0.0	0	0
	Indicated	24.7	2.63	3.6	2,085	2,870
	Measured and Indicated	24.7	2.63	3.6	2,085	2,870
	Inferred	21.9	2.32	2.1	1,639	1,506
Combined	Measured	2.1	5.65	27.0	387	1,853
	Indicated	37.3	3.08	7.7	3,699	9,200
	Measured and Indicated	39.4	3.22	8.7	4,086	11,053
	Inferred	26.4	2.56	4.4	2,172	3,733

(1) Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate. The Mineral Resources were estimated by Benjamin Parsons, MSc, MAusIMM #222568 of SRK, a Qualified Person pursuant to NI 43-101.

(2) Upper Mine is defined as the current operating mines from levels 16 to 21 using existing mining methodology (cut and fill).

(3) "Transition Zone" is defined as mining of MDZ above an elevation of 950 masl access from the current operations using a modified longhole stoping method.

(4) MDZ is defined as mining of MDZ below an elevation of 950 masl using longhole open stope mining methods.

(5) Porphyry and vein mineral resources are reported at a cut-off grade ("CoG") of 1.9 g/t. CoGs are based on a price of US\$1,500/oz Au and gold recoveries of 90% for underground resources without considering revenues from other metals.

(6) MDZ mineral resources are reported at a CoG of 1.3 g/t. CoGs are based on a price of \$1,500/oz Au and gold recoveries of 95% for underground resources without considering revenues from other metals within a limiting pitshell.

Marmato Project Mineral Reserves

The Marmato Technical Report also includes the Company's first Mineral Reserve estimate for the Marmato Project with a total of 2.0 million proven and probable ounces of gold, based on 19.7 million tonnes of material at an average head grade of 3.2 g/t.

The mine is currently developed and mined to the 1,000 m elevation. A transition is occurring from narrow vein mineralization to large porphyry mineralized areas (gold associated with pyrrhotite veinlets). Mineralization is generally vertical with veins widths ranging from >1 m to several meters. Porphyry mineralized areas also have a vertical mineralization trend and can be up to ~100 m in width.

For the 2020 PFS, there are three different mining methods, separated into three distinct zones as follows:

- The first zone is the mineralized vein material between 950 m elevation to 1,300 m elevation, referred to as the Veins. This is the current mine and will be mined using the current conventional cut and fill stope method.
- The second zone is the wider porphyry material between 950 m elevation and 1,050 m elevation, referred to as the Transition Zone. A modified longhole stoping method will be used in this area. The stope size is 15 m wide by 15 m high with varying length of up to 26 m. These stopes are mined in a primary-secondary sequence with paste backfill for the primary stopes and unconsolidated waste rockfill for the secondary. Where waste rock is unavailable, hydraulic fill will be used to fill the secondary stopes.
- The third zone is the porphyry material below 950 m elevation, referred to as MDZ. There is a 10 m sill pillar left in-situ between the MDZ and the Upper Mine (Veins plus Transition area). The MDZ material can be mined using a longhole stoping method with stope sizes that are 10 m wide by 30 m high, with varying lengths of up to 30 m. The MDZ area is currently not developed.

The first two zones (Veins and Transition) are considered the Upper Mine, and the material is processed in the existing processing facility. The third zone is considered the MDZ and the material is envisioned to be sent to a new processing facility. Separate mine plans are presented for the Upper Mine area and MDZ area. Mining activities are limited to 2 million tonnes per annum of ore and waste by permit restrictions.

The following table provides a breakdown of the Mineral Reserve estimate⁽¹⁾ as of March 17, 2020 by area and category:

Area	Category	Tonnes (kt)	Grade (g/t)		Contained (kozs)	
			Au	Ag	Au	Ag
Veins ⁽²⁾	Proven	762	5.01	21.80	123	533
	Probable	3,049	4.20	16.85	412	1,652
	Veins Total	3,812	4.37	17.84	535	2,184
Transition ⁽³⁾	Proven	40	7.63	28.16	10	36
	Probable	1,293	3.43	7.92	143	329
	Transition Total	1,333	3.56	8.52	152	365
MDZ ⁽⁴⁾	Proven	-	-	-	-	-
	Probable	14,556	2.85	3.84	1,333	1,799
	MDZ Total	14,556	2.85	3.84	1,333	1,799
Total	Proven	802	5.14	22.11	133	569
	Probable	18,898	3.11	6.22	1,888	3,780
	Total	19,701	3.19	6.87	2,020	4,348

Notes: All figures are rounded to reflect the relative accuracy of the estimates. Totals may not sum due to rounding. Mineral Reserves have been stated on the basis of a mine design, mine plan, and economic model.

(1) Veins ore reserves are reported using a CoG of 2.23 g/t Au. The Veins CoG calculation assumes a \$1,400/oz Au price, 85% Au metallurgical recovery, \$49.45/t mining cost, \$13.63/t G&A, \$12.24/t processing cost, and \$8.96/t royalties. Transition ore reserves are reported using a CoG of 1.91 g/t Au. The Transition CoG calculation assumes a \$1,400/oz Au price, 95% Au metallurgical recovery, \$46.00/t mining cost, \$13.63/t G&A, \$12.24/t processing cost, and \$8.96/t royalties. MDZ ore reserves are reported using a CoG of 1.61 g/t Au. The MDZ CoG calculation assumes a \$1,400/oz Au price, 95% metallurgical recovery, \$42.00/t mining cost, \$14.00/t processing cost, \$6.75/t production royalties/taxes, \$3.00/t G&A, and \$3.00/t tailings cost. Note that costs/prices used here may be somewhat different than those in the final economic model. This is due to the need to make assumptions early on for mine planning prior to finalizing other items and using long-term forecasts for the LoM plan.

(2) The Veins area is currently mined using cut-and-fill methods. Mining dilution ranges from 20% to 55%, averaging 26%, is included in the Reserves using a zero grade for dilution. A mining recovery of 90% is applied to stopes. The Veins Mineral Reserves were estimated by Fernando Rodrigues, BS Mining, MBA, MMSAQF #01405, MAusIMM #304726 of SRK, a Qualified Person pursuant to NI 43-101.

(3) The Transition Zone is envisioned to be mined using a modified longhole stoping method. A mining dilution of 7% is included in the Reserves using a zero grade for dilution. A mining recovery of 90% is applied to stopes. The Transition Mineral Reserves were estimated by Fernando Rodrigues, BS Mining, MBA, MMSAQP #01405, MAusIMM #304726 of SRK, a Qualified Person pursuant to NI 43-101.

(4) The MDZ portion of the project is amenable to underground longhole open stoping mining methods. Mining dilution (internal and external) is included in the Reserve. Stope dilution is 8%, and a portion of the stope dilution is applied using grade values based on average surrounding block information. A mining recovery of 92.5% is applied to stopes. The MDZ Mineral Reserves were estimated by Joanna Poeck, BEng Mining, SME-RM, MMSAQP #01387QP, a Qualified Person pursuant to NI 43-101.

Marmato 2020 PFS and Life-of-Mine ("LoM") Plan

The Marmato Technical Report includes a mining study and schedule prepared by SRK's technical professionals to create a LoM production schedule for the expanded underground mining operations at Marmato that will ultimately comprise two distinct operations, the existing Upper Mine and the new MDZ operation which sits directly below the Upper Mine vein system. The Zona Baja contract was awarded to the Company's wholly-owned subsidiary, Caldas Gold Marmato S.A.S. (formerly Mineros Nacionales S.A.S.) in October 1991 and is valid for 30 years until October 2021. In October 2017, the Company commenced the process to renew the contract for another 30-year term, which is progressing well and is expected to be completed toward the end of 2020.

The LoM production schedule in the Marmato Technical Report foresees a total of 19.7 million tonnes of mineralized material being processed over a 14-year mine life resulting in a total of 1.9 million ounces of gold produced at an average LoM total cash cost of US\$778 per ounce and an average LoM AISC of US\$880 per ounce. The initial capital cost, to be incurred between 2020 and 2023, required for the MDZ mining operation is estimated to total US\$269.4 million. At an expected long-term gold price of \$1,400 per ounce, total LoM undiscounted after-tax project cash flow from mining operations amounts to US\$490.9 million. At a 5% discount rate, the net present value of the total LoM after-tax project cash flow amounts to US\$256.1 million. Before financing, the project has a 19.5% after-tax internal rate of return and payback by 2026.

Juby Project Mineral Resources

On October 5, 2020, the Company announced today that it had completed an updated Mineral Resource estimate for its Juby Project prepared in accordance with NI 43-101 with an effective date of July 14, 2020. Caldas Gold also filed a technical report on SEDAR and the Company's website entitled "Updated Mineral Resource Estimate for the Juby Gold Project". The technical report was prepared by SGS Geological Services ("SGS") and GeoVector Management Inc. ("GeoVector") in accordance with NI 43-101 in support of the MRE. The table below summarizes the updated within pit MRE for the Juby Gold Project effective as of July 14, 2020:

Area	Category	Tonnes (Mt)	Grade (g/t Au)	Contained (ozs Au)
JMZ-GLZ Open Pit (2)	Indicated	20.2	1.12	728,000
	Inferred	41.5	0.99	1,319,000
HCLZ and BDZ Open Pit (3)	Indicated	1.1	1.31	45,000
	Inferred	5.6	0.93	169,000
Total	Indicated	21.3	1.13	773,000
	Inferred	47.1	0.98	1,488,000

(1) Mineral Resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.

(2) JMZ represents the Juby Main Zone and GLZ represents the Golden Lake Zone.

(3) HCLZ represents the Hydro Creek-LaCarte Zone and BDZ represents the Big Dome Zone.

- (4) The amounts reported represent "within-pit" Mineral Resources using a base case cut-off grade of 0.40 g/t Au, a gold price of \$1450 per ounce, gold recoveries of 90% based on metallurgical test work, and mining loss and dilution of 5% each.
- (5) High grade capping values of 12 g/t were applied to the JMZ-GLZ and 25 g/t on HCLZ and BDZ.
- (6) Bulk density values of 2.77 g/cm³ for JMZ-GLZ, and 2.80 g/cm³ for HCLZ and BDZ were based on specific gravity test work.

Results of Operations and Overall Performance

Gold production

(Ounces)	Third Quarter		Nine Months	
	2020	2019	2020	2019
Tonnes milled	86,715	95,862	224,950	277,662
Tonnes per day (tpd)	943	1,042	821	1,017
Head grade (g/t)	2.77	2.32	2.59	2.40
Mill recovery	89.4%	86.9%	89.0%	87.1%
Gold produced (ozs)	6,899	6,221	16,651	18,693
Silver produced (ozs)	9,287	9,219	23,404	29,136

In the third quarter of 2020, gold production totalled of 6,899 ounces compared with 6,221 ounces in the third quarter of 2019. The increase in production compared to the third quarter of 2019 is a result of a 19% increase in grade and a 3% increase in recovery. For the first nine months of 2020, the Company produced a total of 16,651 ounces of gold compared with 18,693 ounces in the first nine months of 2019. The 11% decrease in production was primarily as a result of the impact on the Company's operations of the COVID-19 national quarantine in Colombia invoked on March 25, 2020 which had a significant negative affect on second quarter 2020 production. The Company's Marmato mine and plant are continuing to operate and the Company continues to expect that it produce a total of between 23,000 and 26,000 ounces of gold in 2020. A summary of quarterly production over the trailing seven quarters and for the month of October 2020 is as follows:

	2020				2019			
	October	3 rd Qtr	2 nd Qtr	1 st Qtr	4 th Qtr	3 rd Qtr	2 nd Qtr	1 st Qtr
Marmato Operations								
Tonnes milled	29,990	86,715	53,610	84,625	92,832	95,862	90,411	91,389
Tonnes per day (tpd)	967	943	589	930	1,009	1,042	994	1,015
Head grade (g/t)	2.84	2.77	2.51	2.45	2.71	2.32	2.45	2.44
Mill recovery	90.8%	89.4%	88.9%	88.6%	87.1%	86.9%	87.8%	86.6%
Gold produced (ozs)	2,487	6,899	3,851	5,901	7,057	6,221	6,257	6,215
Silver produced (ozs)	3,268	9,287	5,105	9,012	10,423	9,219	10,078	9,839

During the COVID-19 national quarantine, restrictions on movement of people between communities adversely impacted the Company's access to workers, many of whom come from neighbouring communities outside the Municipality of Marmato. In response to the pandemic, the Company implemented its business continuity program and adapted operating procedures to ensure its workers remained healthy and safe. In the third quarter of 2020, the Company saw significant improvement in tonnes milled, head grade, recovery and production as compared to the second quarter of 2020, which were significantly impacted by the COVID-19 restrictions. Compared to the third quarter of 2019, the Company saw an increase of 11% in production as a result of a 19% increase in head grade and a 3% increase recovery, offset by a 10% decrease in tonnes milled.

Three and Nine Months ended September 30, 2020 versus Three and Nine Months ended September 30, 2019

Revenues

	Third Quarter		Nine Months	
	2020	2019	2020	2019
Gold				
Ounces sold	6,963	6,681	17,241	18,654
Average realized price (\$/oz)	1,881	1,467	1,728	1,357
Silver				
Ounces sold	9,286	10,053	24,032	28,965
Average realized price (\$/oz)	23	17	19	15
Revenues				
Gold	\$ 13,095	\$ 9,803	\$ 29,793	\$ 25,314
Silver	211	167	447	438
	\$ 13,306	\$ 9,970	\$ 30,240	\$ 25,752

Revenue amounted to \$13.3 million in the third quarter of 2020, 33% higher than the third quarter last year, primarily attributable to the 28% increase in realized gold price. Additionally, the Company sold 4% more gold than the third quarter of 2019 as result of higher head grade and recovery, partially offset by lower mill throughput. For the first nine months of 2020, revenue totalled \$30.2 million, up 17% compared to the first nine months of 2019, benefitting from a 27% improvement in the realized gold price. This increase was partially offset by an 8% decrease in gold ounces sold. The decrease in ounces sold is primarily a result of a 19% decrease in mill throughput in the first nine months of 2020 as compared to 2019 as a result of the impact of COVID-19 in the second quarter of 2020. The Company expects its revenues will continue to benefit in the fourth quarter of 2020 from a continued strong market for gold.

Cost of sales

	Third Quarter		Nine Months	
(\$000's)	2020	2019	2020	2019
Production costs	\$ 8,338	\$ 7,006	\$ 20,134	\$ 19,145
Production taxes	1,295	896	2,789	2,309
Related party royalty	39	36	84	75
Depreciation	276	309	824	891
Total cost of sales	\$ 9,948	\$ 8,247	\$ 23,831	\$ 22,420
Total cash costs per ounce ⁽¹⁾				
Production costs	\$ 1,197	\$ 1,049	\$ 1,168	\$ 1,026
Production taxes	186	134	162	124
Related party royalty	6	5	5	4
By-product credits (silver)	(30)	(25)	(26)	(23)
	\$ 1,359	\$ 1,163	\$ 1,309	\$ 1,131

(1) See "Non-IFRS Measures" on pages 24-27.

Cash cost per ounce of \$1,359 per ounce in the third quarter of 2020, up 17% over the third quarter last year, reflected a \$52 per ounce increase in production taxes due to higher spot gold prices, an increased level of

operating development costs in the Upper Zone mine associated with the preparation of Levels 21 and 22 (the Transition Zone) for expansion of mining activities and additional costs being incurred to maintain the COVID-19 protocols required to protect the health and safety of workers.

Other items

(\$000's)	Third Quarter		Nine Months	
	2020	2019	2020	2019
General and administrative	\$ 1,176	\$ 166	\$ 2,280	\$ 166
Share-based compensation expense	640	-	3,794	-
Social contributions	98	-	483	-
Finance costs	9,021	13	9,406	31
RTO Transaction costs	-	-	16,700	-
Loss on financial instruments	16,953	-	21,351	-
Foreign exchange (gain) loss	(322)	26	134	(61)
Income tax expense	673	597	1,661	1,058

Prior to the RTO Transaction, most of the corporate functions of the Company were performed by Gran Colombia who did not charge the Company any fees with respect to the services of the key management personnel. **General and administrative expenses** of \$1.2 million in the third quarter of 2020 and \$2.3 million for the first nine months of 2020 reflects costs associated with establishing the corporate services and functions of the publicly-listed company following the RTO Transaction, including personnel related costs, office space, insurance, auditor and other professional fees, shareholder relations and the investor relations program.

Share-based compensation expense of \$0.6 million in the third quarter of 2020 and \$3.8 million in the first nine months of 2020 represents the fair value of the long-term incentive program ("LTIP") compensation granted to directors, executives and managers as follows:

- On March 12, 2020, following the RTO Transaction, the Company granted 4,550,000 stock options under its LTIP to executive officers, management and an investor relations advisory firm, exercisable to March 1, 2025 at an exercise price of CA\$2.00 per share. On June 26, 2020, the Company granted an additional 160,000 stock options to new employees and a consultant exercisable at CA\$2.50 per share and expiring on June 26, 2025. 50% of the stock options granted by the Company vested immediately on the respective grant dates and the balance will vest on the first anniversary of the grant dates. On September 23, 2020, the Company granted 200,000 stock options to an investor relations advisory firm exercisable at CA\$2.73 per share and expiring on September 17, 2022. The options granted to the investor relations advisory firm vest on March 17, 2021. Share-based compensation expense associated with the stock option grants amounted to \$0.5 million in the third quarter of 2020 and \$3.2 million for the first nine months of 2020.
- The Company has adopted Deferred Share Units ("DSUs") in the LTIP for its non-employee directors. Following the RTO Transaction, the Company granted a total of 241,722 DSUs on March 12, 2020 to its three non-employee directors at a price of CA\$2.00 per share. On June 26, 2020, following the annual shareholders' meeting, the Company granted a total of 130,992 DSUs at a price of CA\$2.50 per share to its two newly elected non-employee directors. On September 29, 2020, The Company approved a grant of 58,590 DSUs to its newly elected non-employee director at a price of CA\$2.74 per share. Under the Company's DSU Plan, the initial grants to participants represent a two-year award with 50% vesting on the grant date and the balance vesting on the first anniversary of the grant date. Share-based compensation expense associated with the DSU grants amounted to \$0.1 million in the third quarter of 2020 and \$0.6 million for the first nine months of 2020.

In response to the COVID-19 situation, the Company incurred \$0.1 million of **social contributions** in the third quarter and \$0.5 million in the first nine months of 2020, providing meals, hospital supplies, cleaning kits and masks to the local communities surrounding its Marmato Project.

Finance costs of approximately \$9.0 million in the third quarter of 2020 relate to the two significant financings the Company completed, including \$2.7 million related to Special Warrants bought deal financing which closed in July 2020 and \$6.3 million related to the Subscription Receipts financing which closed in August 2020. This brought the total finance costs for the first nine months of 2020 to \$9.4 million, including issue costs allocated to the Unlisted Warrants that were issued as part of the CFC Subscription Receipts Financing.

The **RTO Transaction costs** totalling \$16.7 million in the first nine months of 2020 represent the \$16.4 million excess of the RTO Transaction consideration over the net liability assumed together with RTO Transaction costs of approximately \$0.3 million which comprised a financial advisory fee and the fair value of the former Bluenose stock options honoured following the RTO Transaction.

The Company incurred a \$17.0 million **loss on financial instruments** during the third quarter of 2020. The Company had three separate financial liabilities which contributed to the third quarter loss: the Unlisted Warrants issued in connection with the RTO transaction, the Special Warrants on the date of their deemed exercise and the Subscription Receipts. All three of these financial liabilities are measured at fair value at both inception and then remeasured at each quarter as well as at the deemed exercise date of September 28, 2020 for the Special Warrants. The Company recorded an \$18.1 million financial instrument loss as a result of the increase in the fair value of the common shares and Unlisted Warrants underlying the Special Warrants between the date the Special Warrants were issued and the deemed exercise date of September 28, 2020. The GLN Subscription Receipts, whose underlying Gold Linked Notes and Warrants are both considered financial liabilities, were valued both on closing of the GLN Subscription Receipts on August 26, 2020 and at September 30, 2020. The GLN Subscription Receipts values were calculated using valuation pricing models which consider several key inputs including credit spread and volatility rates of the Company. The Company recorded a \$0.2 million gain on financial instruments related to the GLN Subscription Receipts in the third quarter of 2020. Finally, the revaluation of the Unlisted Warrants issued in conjunction with the RTO transaction resulted in the recognition of a \$1.0 million gain during the third quarter of 2020. The primary reason for the decline in the warrant liability and resulting gain on financial instrument was due to the decrease in the Company share price during the third quarter of 2020.

In the first quarter of 2020, the rapid devaluation in March of the Canadian dollar against the US dollar when the COVID-19 pandemic was initially announced resulted in a \$1.0 million **foreign exchange loss** that was primarily associated with the revaluation of the Company's Canadian dollar cash balances. As the Canadian dollar strengthened during the second and third quarters of 2019, the Company recouped some of its first quarter loss, reporting a \$0.3 million foreign exchange gain in the third quarter of 2020. For the nine months of 2020, the Company recorded a foreign exchange loss of \$0.1 million. The Company continued to convert a portion of its Canadian dollar cash balances to US dollars in the third quarter of 2020 to reduce its exposure to further exchange rate volatility.

The Company recorded **income tax expense** in the third quarter and first nine months of 2020 of \$0.7 million and \$1.6 million, respectively, compared with \$0.6 million and \$1.1 million in the third quarter and first nine months of 2019, respectively. The effective income tax rate on the Company's reported pre-tax income or loss will ordinarily vary from the expected income tax expense based on the 26.5% combined statutory tax rate in Canada as a result of differences in tax rates in Colombia (which decreased from 33% last year to 32% in 2020) and other foreign jurisdictions, non-deductible expenses (such as RTO Transaction costs and

financial instrument losses), losses incurred in jurisdictions outside Colombia for which deferred tax assets are not recognized and other less individually significant items. Reference should be made to Note 16 in the Interim Financial Statements for a reconciliation between income tax expense and the product of the accounting net (loss) income before income taxes multiplied by the Company's domestic federal and provincial combined tax rate.

Net (loss) income

The Company reported a **net loss** for the third quarter and first nine months of 2020 of \$24.9 million (\$0.32 per share) and \$49.4 million (\$0.90 per share), respectively, compared with net income of \$1.0 million (\$0.03 per share) and \$2.1 million (\$0.07 per share) in the third quarter and first nine months of 2019, respectively. The largest items affecting the net loss in the third quarter of 2020 were the fair value loss on financial instruments and financing costs incurred. For the first nine months of 2020, in addition to the factors noted in connection with the third quarter loss, the largest item contributing to the net loss was the \$16.7 million charge related to the RTO Transaction recorded earlier in the year.

After adjustments for the RTO Transaction costs, the loss on financial instruments, the finance costs and certain other items as set out in the reconciliation on page 27 of this MD&A, the **adjusted net income** for the third quarter was \$0.4 million (\$0.01 per share) and the **adjusted net loss** for the first nine months of 2020 was \$2.1 million (\$0.04 per share), compared with adjusted net income of \$1.0 million (\$0.03 per share) and \$2.1 million (\$0.07 per share) in the third quarter and first nine months last year. The third quarter 2020 adjusted net income primarily reflects the increase in realized gold price per ounce and the increase in production. The adjusted net loss for the first nine months of 2020 reflects the impact of lower production in the second quarter due to COVID-19 as well as the \$3.8 million charge for share-based compensation related to the initial grants of LTIP compensation following completion of the RTO Transaction.

Summary of Quarterly Results

	2020			2019			
\$000's except ounce, per ounce and per share data	3 rd Qtr	2 nd Qtr	1 st Qtr	4 th Qtr	3 rd Qtr	2 nd Qtr	1 st Qtr
Operating data:							
Gold produced (ounces)	6,899	3,851	5,901	7,057	6,221	6,257	6,215
Gold sold (ounces)	6,963	3,737	6,541	6,623	6,681	6,578	5,395
Average realized gold price (1)	\$ 1,881	\$ 1,691	\$ 1,587	\$ 1,470	\$ 1,467	\$ 1,295	\$ 1,296
Silver sold (ounces)	9,286	4,701	10,045	9,861	10,053	10,651	8,261
Average realized silver price (1)	\$ 23	\$ 16	\$ 16	\$ 16	\$ 17	\$ 14	\$ 15
Total cash costs (1, 2)	1,359	1,371	1,219	1,056	1,163	1,095	1,133
All-in sustaining costs (1, 2)	1,827	1,922	1,371	1,287	1,254	1,183	1,189
Financial data:							
Revenue							
Gold	\$ 13,095	\$ 6,319	\$ 10,379	\$ 9,734	\$ 9,803	\$ 8,519	\$ 6,992
Silver	211	73	163	162	167	151	120
Total	13,306	6,392	10,542	9,896	9,970	8,670	7,112
Cost of sales	9,948	5,461	8,422	7,450	8,247	7,645	6,528
General and administrative	1,176	762	342	51	166	-	-
Share-based compensation	640	877	2,277	-	-	-	-
Social contributions	98	385	-	-	-	-	-
(Loss) income from operations	1,444	(1,093)	(499)	2,395	1,557	1,025	584
Finance costs, net of income (3)	(9,012)	(13)	(351)	6	2	3	2
RTO Transaction costs	-	-	(16,700)	-	-	-	-
(Loss) gain on financial instruments	(16,953)	(6,182)	1,784	-	-	-	-
Foreign exchange	322	560	(1,016)	(27)	26	(13)	(74)
(Loss) income before taxes	(24,199)	(6,728)	(16,782)	2,374	1,585	1,015	512
Income tax expense	(673)	(208)	(780)	(823)	(597)	(289)	(172)
Net (loss) income	(24,872)	(6,936)	(17,562)	1,551	988	726	340
Per share - basic and diluted	(0.32)	(0.14)	(0.47)	0.05	0.03	0.03	0.01
Adjusted EBITDA (2)	2,360	49	2,061	2,686	1,866	1,313	878
Adjusted net income (loss) (2)	437	(1,299)	(1,286)	1,569	971	735	390
Adjusted per share (2)							
Basic and diluted	0.01	(0.03)	(0.03)	0.05	0.03	0.03	0.01
Net cash provided by (used in) operating activities	4,026	1,523	(832)	1,282	1,881	1,464	(117)
Additions to mining interests, plant and equipment	5,334	3,427	3,259	4,351	1,806	1,674	922

(1) Per ounce sold.

(2) Refer to "Non-IFRS Measures" on pages 24-27.

Liquidity and Capital Resources

The Company is about to embark on a major expansion and modernization of its underground mining operations, including optimization of its existing Upper Zone mining operation, expansion of its Upper Zone processing plant and incorporating the MDZ mineralization in a new mining operation to be constructed through mid-2023. Although the Company is generally generating positive cash flow from operations, aided in 2020 by an increase in gold prices, it has increased its level of expenditures on its mining interests, plant and equipment in the last two years, triggered by the implementation of drilling campaigns and technical studies associated with evaluation of the mine expansion opportunity. This led to the completion of the 2019 PEA which was filed on SEDAR in February 2020 and the 2020 PFS announced in early July 2020 and filed on SEDAR in August 2020. Prior to the RTO Transaction, the Company's parent, Gran Colombia, had provided the funding required to pay for the additional capital expenditures. As outlined under *Financing Activities* on page 19, CFC completed two equity financings prior to the RTO Transaction which raised approximately \$16.0 million to establish the initial source of funds for the Company to complete the PFS in 2020, to execute the 2020 drilling campaign, to provide working capital for the Upper Zone mine optimization and for general corporate purposes. On July 29, 2020, the Company completed a CA\$50 million bought deal financing of Special Warrants generating net proceeds of approximately \$34.6 million. On August 26, 2020 the completed the \$83.1 million GLN Subscription Receipt financing, and as described under *Financing Activities*, the Company is putting additional facilities in place to fund the development and construction activities as outlined in the Marmato Technical Report.

At September 30, 2020, the Company had working capital of \$37.4 million compared with working capital of \$3.1 million at the end of 2019. Key components of the Company's operating working capital at September 30, 2020 include:

- *Cash and cash equivalents* - \$43.0 million, up from \$2.7 million at the end of 2019, primarily as a result of completing the Special Warrant financing and the two CFC equity private placements in conjunction with the RTO Transaction.
- *Accounts receivable* – \$1.6 million, down modestly from \$1.7 million at December 31, 2019, primarily due to a reduction in recoverable VAT balances.
- *Inventories* - \$5.8 million, up modestly from \$5.3 million at the end of 2019 with an increase in materials and supplies.
- *Accounts payable and accrued liabilities* - \$8.0 million, up from \$4.0 million at December 31, 2019, largely reflecting a policy change implemented early in the third quarter of 2020 adopting the general convention of a 60 days' payment term for suppliers in Colombia.
- *Due to related parties* - \$0.1million, down from \$2.4 million at December 31, 2019, as the Company substantially repaid Gran Colombia in the third quarter of 2020 the funds received from Gran Colombia prior to the RTO Transaction to fund the Company's capital and exploration expenditures while CFC completed its equity financings.

Operating activities

Net cash provided by operating activities in the first nine months of 2020 amounted to \$4.7 million compared to \$3.2 million in the first nine months of 2019. Operating cash flow was net of the payment of \$1.4 million of income taxes in the first nine months of 2020, up from \$0.5 million in the first nine months of last year.

The third quarter of 2020 had a positive impact on operating cash flow as the both the gold realized price and the Company's production increased significantly from the second quarter of 2020. As outlined elsewhere in this MD&A, the COVID-19 situation in the second quarter of 2020 had an adverse impact on operating cash

flow for the first nine months of 2020 compared to what could have been achieved under normal operating circumstances.

Investing activities

Cash used in investing activities by the Company is associated with additions to mining interests, plant and equipment at its Marmato Project, including exploration and evaluation (“E&E”) activities related to the future mine expansion to incorporate the MDZ mineralization as outlined in the Marmato Technical Report.

Additions to mining interests, plant and equipment in the interim condensed consolidated statements of cash flow can be broken down into three categories as follows:

	Third Quarter		Nine Months	
	2020	2019	2020	2019
Sustaining capital	\$ 1,970	\$ 416	\$ 3,498	\$ 1,270
Non-sustaining E&E costs	3,958	1,912	9,520	3,654
Change in accounts payable and accrued liabilities related to capital expenditures and E&E costs	(594)	(522)	(998)	(522)
Total	\$ 5,334	\$ 1,806	\$ 12,020	\$ 4,402

Sustaining capital expenditures in the first nine months of 2020 totalled \$3.5 million and included \$1.7 million related to mine infrastructure improvements and equipment, including mining equipment associated with the extension of operations into the Transitional Zone, \$0.9 million of capital development in the Transitional Zone and \$0.9 million associated with mill and tailings storage facility improvements.

The Company incurred a total of \$9.5 million of non-sustaining capital expenditures in the first nine months of 2020, including \$3.6 million related to the Deep Zone drilling campaign and \$5.9 million related to various technical studies in support of the 2020 PFS and other costs related to the MDZ expansion project. In the first nine months of 2019, non-sustaining expenditures of \$3.4 million was incurred in connection with the 2019 drilling program and 0.3 million related to preparation of the 2019 PEA.

In the first nine months of 2020, cash used in investing activities included \$9.9 million paid by the Company in connection with the acquisition of SARC, as described on page 5, including \$0.3 million of acquisition costs and net of \$0.4 million of cash acquired in SARC.

Financing activities

Total cash provided by financing activities in the first nine months of 2020 amounted to \$58.0 million, up from \$2.8 million in the first nine months of 2019. Key sources of funding in the first nine months of 2020 were as follows:

- At closing of the RTO Transaction, the net proceeds of approximately \$4.7 million from the Subscription Receipt Financing completed by CFC in December 2019 were released from escrow to the Company. Concurrently, the Subscription Receipts were exchanged for one common share of the Company and one Unlisted Warrant of the Company with an exercise price of CA\$3.00 per share expiring December 19, 2024. The Company also paid issue costs amounting to \$0.4 million in the first nine months of 2020 related to the Subscription Receipts Financing.

- The Company completed two private placements in the first nine months of 2020 with Gran Colombia yielding total gross proceeds of \$19.7 million as follows:
 - In February 2020, prior to the RTO Transaction, CFC closed the Gran Colombia Private Placement pursuant to which Gran Colombia purchased 7,500,000 units of CFC in a non-brokered private placement basis at a price of CA\$2.00 per unit, for gross cash proceeds of CA\$15.0 million (approximately \$11.3 million), of which CA\$2.4 million (equivalent to \$1.8 million) was advanced in December 2019. At the closing of the RTO Transaction, each unit issued under the Gran Colombia Private Placement was exchanged for one common share of the Company and one Unlisted Warrant of the Company with an exercise price of CA\$3.00 per share expiring December 19, 2024.
 - On June 30, 2020, the Company completed a private placement with Gran Colombia, issuing 7,000,000 common shares at CA\$2.00 per share for total gross proceeds of CA\$14.0 million, equivalent to \$10.3 million. The proceeds were used by the Company to fund the \$10.0 million used in the acquisition of SARC as noted under *Investing Activities*.
- On July 29, 2020, the Company completed the Special Warrant bought deal financing for CA\$50 million (approximately \$37.4 million) as described on page 6 with transaction costs of the financing amounting to \$2.7 million. On September 28, 2020 the Special Warrants were deemed to be exercised and the Company issued 22,222,222 of both common shares and Listed Warrants.
- On August 26, 2020, the Company completed the GLN Subscription Receipts private placement as described on page 6 yielding total gross proceeds of \$83.1 million. After deducting certain fees and expenses of the financing, the net proceeds of \$77.4 million were placed in escrow pending certain escrow release conditions. Total transaction costs amounted to \$6.3 million.

Gold Notes to be Issued on Conversion of GLN Subscription Receipts

On the Conversion Event related to the GLN Subscription Receipts, each GLN Subscription Receipt shall convert and entitle the holder thereof to receive one unit of the Company, with each unit comprising Gold Notes in an aggregate principal amount of \$1,000 and 200 Listed Warrants of the Company having the same terms and conditions of the Listed Warrants issued pursuant to the Special Warrants.

The Gold Notes will be non-callable throughout their seven-year term except in the event that the current mining license for the Marmato Project, which expires in October 2021, is not renewed for a minimum additional term of 20 years. On the Conversion Event, \$12.3 million of the Escrowed Funds will be transferred to an interest escrow account to be held by the Gold Note trustee. Once the mining license renewal is received, the balance of the Escrowed Funds will be released to the Company. However, if the mining license renewal is not received by August 26, 2021, the Gold Notes will be automatically redeemed, and the balance of Escrowed Funds and the interest escrow account will be used to fund the redemption of the Gold Notes.

The key terms of the Gold Notes include:

- The Gold Notes mature on August 26, 2027.
- The Gold Notes are denominated in units of \$1.00.
- The Gold Notes represent senior secured obligations of the Company, ranking *pari passu* with all present and future senior indebtedness including the Wheaton stream financing and senior to all present and future subordinated indebtedness of the Company.

- The Gold Notes bear cash interest at a rate of 7.5% per annum, payable monthly in equal amounts. On the Conversion Event, an amount will be paid to holders of the Subscription Receipts equal to the amount of interest that would have been paid on each Gold Note had interest accrued thereon from August 26, 2020 (“pre-Gold Note issuance fee”). The first monthly interest payment following the Conversion Event will be equal to a pro rata monthly interest payment from the date of the Conversion Event to the end of the month.
- The interest escrow account to fund the first two years of interest, including pre-Gold Note issuance fee payable to holders.
- Beginning September 2021, an amount of physical gold will be set aside monthly by the Company in a trust account (the “Gold Trust Account”).
- Principal repayments (the “Amortizing Payments”) of the Gold Notes will be made quarterly in February, May, August and November of each year with the first principal repayment occurring in November 2021. To facilitate the quarterly Amortizing Payments, within five business days after the 15th day of each of February, May, August, and November (the “Measurement Dates”), the gold accumulated in the Gold Trust Account will be sold such that:
 - If the afternoon per ounce London Bullion Market Association Gold Price (the “London PM Fix”) on the Measurement Dates is above \$1,400 per ounce, the Company will make a cash payment to the holders of the Gold Notes equal to that number of gold ounces sold multiplied by the London PM Fix, representing the sum of the Amortizing Payment for the applicable quarter and a Gold Premium. The Gold Premium is the portion of the gold sales proceeds attributed to the excess of the London PM Fix over \$1,400 per ounce and will not reduce the principal amount of the Gold Notes outstanding.
 - If the London PM Fix is below \$1,400 per ounce of gold, the Company will make a cash payment to the holders of the Gold Notes equal to the applicable Amortizing Payment. Any shortfall in the proceeds from the sale of the gold ounces below \$1,400 per ounce will be paid by the Company.

Scheduled amortizing payments of the Gold Notes at \$1,400 per ounce are as follows:

(\$000s except ounces)	2021	2022	2023	2024	2025	2026	2027	Total
Gold ounces	1,083	4,650	6,000	12,000	13,100	13,200	9,300	59,333
Principal repayments	\$1,516	\$6,510	\$8,400	\$16,800	\$18,340	\$18,480	\$13,020	\$83,066

Subsidiary Guarantors of the Gold Notes

Upon issuance of the Gold Notes, the obligations of the Company under the Gold Note Indenture and the Gold Notes will be fully and unconditionally guaranteed, jointly and severally, on a senior secured basis by each of the Company’s Restricted Subsidiaries. Thereafter, future Restricted Subsidiaries of the Company that meet the requirements specified in the Note Indenture will be required to deliver a guarantee in respect of the Gold Notes.

Each Gold Note guarantee will be a senior secured obligation of each subsidiary guarantor, *pari passu* in right of payment with any future senior indebtedness of each subsidiary guarantor, senior in right of payment to any future subordinated indebtedness of each subsidiary guarantor and effectively senior to all unsecured indebtedness incurred from time to time by each subsidiary guarantor, to the extent of the value of the assets of each guarantor securing the Gold Notes.

As at the date the Gold Notes are issued, all subsidiaries of the Company, namely, SARC, Caldas Gold Colombia Inc. and Caldas Gold Marmato S.A.S. (collectively, the “**Credit Supporters**”), will be Restricted Subsidiaries under the Gold Note Indenture and will have provided corporate guarantees in connection with

the Gold Note Indenture and the Gold Notes. All of the foregoing subsidiaries are wholly owned direct or indirect subsidiaries of the Company. The financial results of the subsidiaries are included in the consolidated financial statements of the Company.

The following table sets forth certain summary financial information relating to the Company and the Credit Supporters (including certain predecessor entities of Credit Supporters, as applicable) derived from the Interim Financial Statements. This table should be read in conjunction with the Interim Financial Statements.

(\$000's)	Company	Credit Supporters	Consolidation Adjustments	Consolidated Total
<i>Nine Months ended September 30, 2020</i>				
Revenue	\$ -	\$ 30,240	\$ -	\$ 30,240
Profit/loss from continuing operations	(34,601)	1,671	(16,440)	(49,370)
Profit/loss	(34,601)	1,671	(16,440)	(49,370)
Current assets	127,488	10,570	(10,000)	128,058
Non-current assets	87,105	91,443	(90,749)	87,799
Current liabilities	75,830	24,823	(10,000)	90,653
Non-current liabilities	20,593	3,816	-	24,409
<i>Three Months ended September 30, 2020</i>				
Revenue	-	13,306	-	13,306
Profit/loss from continuing operations	(26,909)	2,037	-	(24,872)
Profit/loss	(26,909)	2,037	-	(24,872)

Subsequent Event – WPMI Precious Metals Stream

On November 5, 2020, the Company announced that it had entered into a Precious Metals Purchase Agreement (the “Precious Metals Stream”) with WPMI, a wholly-owned subsidiary of Wheaton Precious Metals™ Corp. Pursuant to the Precious Metals Stream, effective July 1, 2020, WPMI will purchase 6.5% of the gold production and 100% of the silver production until 190,000 ounces of gold and 2.15 million ounces silver have been delivered, after which the stream drops to 3.25% of the gold production and 50% of the silver production for the life of mine. Under the Precious Metals Stream, WPMI will pay total cash consideration of \$110 million, \$38 million of which is payable within six months after closing, subject to customary conditions, and the remaining portion of which is payable during the development and construction of the MDZ project, subject to receipt of required permits and licenses, sufficient financing having been obtained to cover total expected capital expenditures and other customary conditions. In addition, WPMI will make ongoing payments equal to 18% of the spot gold and silver price until the uncredited portion of the upfront payment is reduced to nil, and 22% of the spot gold and silver price thereafter.

In connection with the Precious Metals Stream, the Company and its subsidiaries have provided security in favour of Wheaton International in respect of their obligations under the Precious Metals Stream, including, a first ranking general security agreement over substantially all properties and assets of the Company and its subsidiaries, security over the mining rights comprising the Marmato Project, and a first ranking share pledge over the shares of each of the subsidiaries of the Company.

In addition to the financings completed in 2020, the Company believes that additional sources of funding for the MDZ expansion project may be available, as needed, through operating cash flow, proceeds received from the exercise of stock options and warrants, future equity issues and lease financing.

Financial Instruments

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and due to related party approximate their carrying values due to the short term to maturity of these financial instruments. The warrants, GLN Subscription Receipts and DSU liabilities are carried at fair value through profit and loss.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Policies and Estimates

The preparation of the consolidated financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Judgments and estimates are continuously evaluated and are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ significantly from the amounts included in the consolidated financial statements.

The critical judgments and estimates applied in the preparation of the Company's Financial Statements are consistent with those applied and disclosed in Notes 3 and 4 to the Company's Interim Financial Statements, including:

- Exploration and evaluation assets;
- Assets' carrying values and impairment charges;
- Income taxes;
- Mineral resources
- Fair values of financial instruments;
- Impairment; and
- Decommissioning liabilities.

Recent Accounting Pronouncements

New and Amended Accounting Policies

The Company has adopted the following new and revised IFRS standards and amendments, effective January 1, 2020. These changes were made in accordance with the applicable transitional provisions.

IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Estimates and Errors

Effective January 1, 2020, the Company has adopted the amendments in *Definition of Material (amendments to IAS 1 and IAS 8)*. The amendments to IAS 1 and IAS 8 clarify the definition of 'material' and aligns the definition used within the IFRS Standards. The application of the amendments did not have an impact on the Company.

IFRS 3 – Business Combinations

Effective January 1, 2020, the Company has adopted the amendments to IFRS 3 which narrow and clarify the definition of a business and provide for an optional simplified initial assessment of whether an acquired group of assets is a single identifiable group of assets, rather than a business. The application of the amendment has been made on a prospective basis and has not had an impact on the Company.

Accounting Standards Not Yet Adopted

IAS 16, Property, Plant and Equipment

The IASB issued an amendment to IAS 16, Property, Plant and Equipment to prohibit the deducting from property, plant and equipment amounts received from selling items produced while preparing an asset for its intended use. Instead, sales proceeds and its related costs must be recognized in profit or loss. The amendment will require companies to distinguish between costs associated with producing and selling items before the item of property, plant and equipment is available for use and costs associated with making the item of property, plant and equipment available for its intended use. The amendment is effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. The extent of the impact of adoption of this standard has not yet been determined.

IFRS 3 – Business Combinations

The IASB has issued an amendment to IFRS 3 Business Combinations adding an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. This exception specifies that for some assets and liabilities, an entity applying IFRS 3 should instead refer to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

IFRS 9 – Financial Instruments

The IASB has issued an amendment to IFRS 9 Financial Instruments clarifying which fees to include in the test in assessing whether to derecognize a financial liability. Only those fees paid or received between the borrower and the lender, including fees paid or received by either the entity or the lender on the other's behalf are included.

The amendment is effective for annual periods beginning on or after January 1, 2022 with early adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

IAS 1 – Presentation of Financial Statements

The IASB has issued an amendment to IAS 1 Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments further clarify that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty.

The amendments are effective for annual periods beginning on or after January 1, 2023 and are to be applied retrospectively, with early adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

Disclosure controls and procedures and internal controls over financial reporting have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis.

TSX-V listed companies are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument 52-109. In particular, the Chief Executive Officer and the Chief Financial Officer certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) processes to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's GAAP.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, believe that any disclosure controls and procedures and internal controls over financial reporting, no matter how well designed and operated, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

Non-IFRS Measures

The Company has included non-IFRS measures in this MD&A such as total cash costs (by-product) and AISC on a per ounce basis, adjusted EBITDA and adjusted net income or loss. These non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to other issuers. The Company reports total cash costs and AISC on a sales basis. In the gold mining industry, this is a common performance measure but does not have any standardized meaning.

The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's underlying performance of its core operations and its ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Non-IFRS measures referred to in this MD&A are defined as follows:

"Total cash costs per ounce sold" on a by-product basis is calculated by deducting revenues from silver sales from production cash costs, production taxes and related party royalties and dividing the sum by the number of gold ounces sold. Production cash costs include mining, milling, mine site security and mine site administration costs.

"AISC per ounce sold" includes total cash costs (as defined above) and adds the sum of general and other expenses, sustaining capital expenditures and sustaining lease payments, all divided by the number of ounces sold. As this measure seeks to reflect the full cost of gold production from current operations, new project capital and exploration and evaluation ("E&E") costs are not included in the calculation of AISC per ounce. Additionally, certain other cash expenditures, including income and other tax payments are not included in AISC per ounce.

"Adjusted EBITDA" represents earnings before interest (including non-cash accretion of financial obligations and lease obligations), income taxes and depreciation and amortization ("EBITDA"), adjusted to exclude impairment charges, share-based compensation, RTO Transaction costs, fair value changes on financial instruments and foreign exchange gains/losses.

"Adjusted net income or loss" excludes gains/losses and other costs incurred for acquisitions and disposals of mining interests, impairment charges and reversals, debt financing costs, unrealized and non-cash gains/losses on financial instruments, RTO Transaction costs and foreign exchange gains/losses as well as other significant non-cash, non-recurring items.

(\$000's except ounces and per ounce data)

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The following table provides a reconciliation of **adjusted EBITDA** to net (loss) income as reported in the Interim Financial Statements:

	Third Quarter		Nine Months	
	2020	2019	2020	2019
Net (loss) income	\$ (24,872)	\$ 988	\$ (49,370)	\$ 2,054
Income taxes	673	597	1,661	1,058
Finance costs, net of finance income	9,012	(2)	9,376	(7)
Depreciation and amortization	276	309	824	891
EBITDA	(14,911)	1,892	(37,509)	3,996
Share-based compensation	640	-	3,794	-
RTO Transaction costs	-	-	16,700	-
Loss on financial instruments	16,953	-	21,351	-
Foreign exchange loss (gain)	(322)	(26)	134	61
Adjusted EBITDA	\$ 2,360	\$ 1,866	\$ 4,470	\$ 4,057

The following table provides details of the primary components of **adjusted EBITDA**:

	Third Quarter		Nine Months	
	2020	2019	2020	2019
Revenue	\$ 13,306	\$ 9,970	\$ 30,240	\$ 25,752
Cost of sales, excluding DD&A	(9,672)	(7,938)	(23,007)	(21,529)
General and administrative	(1,176)	(166)	(2,280)	(166)
Social contributions	(98)	-	(483)	-
Adjusted EBITDA	\$ 2,360	\$ 1,866	\$ 4,470	\$ 4,057

The following table provides a reconciliation of **adjusted net income (loss)** to the Interim Financial Statements:

	Third Quarter		Nine Months	
	2020	2019	2020	2019
Net (loss) income	\$ (24,872)	\$ 988	\$ (49,370)	\$ 2,054
RTO Transaction costs	-	-	16,700	-
Loss on financial instruments	16,953	-	21,351	-
Debt financing costs	9,011	-	9,365	-
Foreign exchange (gain) loss	(322)	(26)	134	61
Income tax effect on adjustments	(333)	9	(328)	(19)
Adjusted net income (loss)	\$ 437	\$ 971	\$ (2,148)	\$ 2,096

Risks and Uncertainties

Exploration, development and mining of precious metals involve numerous inherent risks as a result of the economic conditions in the various areas of operation. As such, the Company is subject to several financial, operational and political risks that could have a significant impact on its profitability and levels of operating cash flows. Although the Company assesses and minimizes these risks by applying high operating standards, including careful management and planning of its facilities, hiring qualified personnel and

developing their skills through training and development programs, these risks cannot be eliminated. Such risks include:

- Dependence on the Marmato Project;
- Exploration and development risk;
- Limited operating history and financial resources;
- Uncertainty of resource estimates;
- Mineral resources;
- Preliminary economic assessment risk;
- Operational risks;
- Title to property;
- Commodity prices;
- Future production rates;
- Dependence on future financings;
- Share price volatility;
- Availability and costs of supplies;
- Government regulation;
- Permits and licenses;
- Health and safety risk;
- Environmental matters;
- Tailings;
- Corruption;
- Infrastructure;
- Acquisition and integration;
- Liquidation risk;
- Key personnel;
- Insurance and uninsured risk;
- Market perception/limited market for securities;
- Fluctuations in foreign currency exchange rates;
- Conflict of interest;
- No dividends;
- Emerging market country;
- Economic and political developments;
- Exchange controls;
- Decline in economic growth;
- Seizure or expropriation of assets;
- Local legal and regulatory systems;
- Colombia is a less developed country;
- Sanctions by the United States Government;
- Guerilla and other criminal activity;
- Use of and reliance on experts outside Canada;
- Repatriation of earnings;
- Enforcement of civil liberties;
- Service of process and enforcement of Judgments outside Canada; and,
- Other risks.

If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently aware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the prices of the Company's securities could decline and investors may lose all or part of their investment.

Readers are encouraged to read and consider the risk factors which are more specifically described under the caption "*Risk Factors*" in the Company's annual information form for the financial year ended December 31, 2019 dated as of August 17, 2020 which is available for view on SEDAR at www.sedar.com. Such risk factors could materially affect the future operating results of the Company and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

COVID-19 Virus

The ongoing impact of the novel COVID-19 virus is changing daily and the Government of Colombia implemented a selective isolation stage that went into effect at the beginning of September 2020 and, as of the date of this MD&A, remains in effect. While the Company has activated its business continuity program at its Marmato Operations and is currently in production, it is unknown whether the Company will be able to continue operating on such levels if a reinstatement of a prolonged national quarantine takes place. The Company has taken precautionary measures for screening of all employees at its Marmato Operations and non-essential administrative staff are working remotely; however it is unknown whether any additional measures will need to be implemented based upon recommendations from local, national and international agencies. The Company will continue to monitor developments related to the situation and revise its response plans accordingly.

Cautionary Note Regarding Forward Looking Statements

Certain statements in this MD&A constitute forward-looking information. Often, but not always, forward-looking statements use words or phrases such as: "expects", "does not expect" or "is expected", "anticipates" or "does not anticipate", "plans" or "planned", "estimates" or "estimated", "projects" or "projected", "forecasts" or "forecasted", "believes", "intends", "likely", "possible", "probable", "scheduled", "positioned", "goal", "objective" or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such forward-looking statements, including but not limited to statements with respect to anticipated business plans or strategies, gold production, total cash costs and AISC per ounce sold, capital and exploration expenditures and mineral resources, involve known and unknown risks, uncertainties and other factors which may cause the actual actions, events and results to be materially different from estimated actions, events or results expressed or implied by such forward-looking statements. The Company believes the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the caption "*Risk Factors*" in the Company's Filing Statement dated as of February 19, 2020 which is available for view on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws.