CB GOLD INC.

Management's Discussion and Analysis

For the Year Ended December 31, 2015

Introduction

The following Management's Discussion and Analysis ("MD&A") of CB Gold Inc. and its subsidiaries, (the "Company", "CB Gold", "we", "us" or "our") should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2015 and 2014, and the related notes contained therein. In addition, the following should be read in conjunction with the Company's most recent Annual Information Form. All of these are available under the Company's profile on SEDAR at www.sedar.com. All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

This MD&A is current as at April 26, 2016.

Additional information related to the Company is available on SEDAR under the Company's profile.

Corporate Structure

CB Gold Inc. was incorporated on May 11, 2009 under the Business Corporations Act (British Columbia) (the "BCBCA"). On November 2, 2010, the Company's common shares were listed and available for trading on the TSX Venture Exchange under the symbol "CBJ".

CB Gold has one wholly-owned subsidiary, Cedar Business Investment Ltd. ("Cedar"), and Cedar has one wholly owned subsidiary, Leyhat Corporation ("Leyhat"). Both Cedar and Leyhat are incorporated under the laws of the British Virgin Islands and were acquired by CB Gold on July 20, 2009. Leyhat has one registered branch in Colombia, Leyhat Colombia Sucursal ("Leyhat Sucursal"), which holds CB Gold's interest in the Vetas Gold Project, and the La Vereda property. On March 4, 2016, Leyhat Corporation, completed a name change to Minera Vetas Limited. The Company's subsidiary, Minera Vetas Limited, operates in Colombia through its Colombian branch, Minera Vetas.

Forward-Looking Statements

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

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

Forward-looking statements involve risks, uncertainties, assumptions, and other factors including those set out below, that may never materialize, prove incorrect or materialize other than as currently contemplated which could cause the Company's results to differ materially from those expressed or implied by such forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact and may be forward-looking statements.

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

- the ability of the Company to successfully acquire all required regulatory permits;
- access to funding to support the Company's strategic plans and/or operating activities in the future;
- volatility of currency exchange rates, metal prices and metal production; and
- risks normally incident to the acquisition, exploration, development and operation of mining properties.

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

Highlights for the year ended December 31, 2015 and Subsequent Events

- On June 25, 2015, the Company announced that its 100% owned La Peter, Santa Isabel and Los Delirios mining licenses had been converted into concession contracts, with an average 20 year duration (extendable for an additional 30 years), securing the long-term development potential of the properties. La Peter, Santa Isabel and Los Delirios form part of the Vetas Gold Project.

- On July 24, 2015, the Company announced the closing of a non-brokered private placement of 11,500,000 common shares at a price of $0.05 per common share for gross proceeds of $575,000.

- On August 7, 2015, the Company issued 1,866,000 common shares at $0.035 per common share to the titleholders of its San Bartolo, La Triada and San Alfonso mining titles (the "Titles"). The consideration shares constitute the share component of the consideration payable to the titleholders in connection with the Company's acquisition of the Titles.

- On October 8, 2015, Red Eagle Mining Corporation ("Red Eagle Mining") acquired 50.01% of the Company. The acquisition was facilitated by way of an all-share offering on the basis of 0.162 Red Eagle Mining shares for each common share of the Company. Currently, Red Eagle Mining is a 71% Shareholder and Batero Gold Corp. ("Batero") is a 25% shareholder of the Company.

- On November 5, 2015, pursuant to a restructuring agreement dated October 29, 2015, signed by CB Gold, Red Eagle Mining and Batero, CB Gold completed a non-brokered private placement of 30,000,000 common shares of the Company at a price of $0.06 per common share for gross proceeds of $1,800,000. As part of the restructuring agreement, all former directors and officers of CB Gold resigned, and Red Eagle Mining directors Tim Petterson, Jay Sujir, and Ian Slater were appointed, as the only directors, to the board of CB Gold, Ian Slater was appointed Chief Executive Officer and Chui Wong was appointed Chief Financial Officer.

- On January 11, 2016, the Company completed a private placement financing with Red Eagle Mining for 51,670,500 common shares of the Company at a price of $0.05 per common share for gross proceeds of $2,583,525 (USD $1,850,000).

- On January 15, 2016, the Company paid USD $50,000 and Red Eagle Mining issued 2,843,206 common shares to the shareholders of Real Minera Ltda pursuant to the agreement dated April 19, 2010 and amended on December 15, 2015, between the Company and Real Minera in order to meet the Company's property obligations with respect to the Vetas Gold Project. The Company issued 17,550,654 common shares to Red Eagle Mining as compensation.

- On January 27, 2016, the Company completed a private placement with Red Eagle Mining for 32,791,100 common shares of the Company at a price of $0.05 per common share for gross proceeds of $1,639,555 (USD $1,150,000).

- On February 8, 2016, the Colombian Constitutional Court delivered a ruling that invalidates pre-existing environmental license within the Paramos, Colombian's high-altitude ecosystem. The ruling has a relatively minor impact on the Vetas Gold Project, which has been reduced from 352 hectares to 299 hectares. The purchase agreement on that particular concession has been amended, reducing the purchase price to reflect the area lost. No exploration has been conducted in the affected area. The Ruling does not impact development plans for the Vetas Gold Project.

- February 29, 2016, the Company paid USD $300,000 and Red Eagle Mining issued 2,219,816 common shares to the title holders of the La Triada concession, pursuant to the agreement dated March 28, 2012 as amended between the Company and La Triada in order to meet the

Company’s property obligations with respect to the Vetas Gold Project. The Company issued 13,702,562 common shares to Red Eagle Mining as compensation.

Outlook for 2016

Upon the execution of a restructuring agreement, Red Eagle Mining has assumed a controlling interest in the Company and is the operator of the Vetas Project. Red Eagle Mining will conduct a thorough review of all exploration activities conducted at Vetas over the past six years. This will include, but not be limited to:

- An audit of all drill, surface and tunnel sample data;
- An internal review of the geologic interpretation; and
- A new geologic and resource model.

From a land management perspective, the standings of all of the Vetas licenses and concession contracts will be assessed to ensure all environmental management plans and existing mining permits remain accurate and in good standing.

After acquiring all of the Vetas properties originally included in its strategic plan, the Company continues to work closely with the various agencies and ministries of the Department of Santander and the government of Colombia in the transfer of environmental management plans and the maintenance of the existing mining permits at the Company's properties.

General Description of the Business and Overview of Performance

General Development of the Business

The Company's overall strategy is to:

- Advance the Vetas Gold Project toward economic feasibility by the delineation of high-grade vein resources exploitable by underground mining methods. This work will initially involve compiling existing data, detailed underground mapping of existing mine workings, detailed underground channel sampling and prioritizing targets for subsequent drifting and underground diamond drilling; and

- Acquire additional high-grade gold projects with low technical risk in Colombia.

Overview of Performance

a) Vetas Gold Project

Geologic Setting

Vetas lies within the prolific Vetas-California gold province, a belt of low to intermediate sulphidation epithermal gold-silver occurrences. The project is located near the village of Vetas, approximately 45 kilometres northeast of the city of Bucaramanga, comprising of ten mining titles totaling an area of 352 hectares.

The geological setting of Vetas is the Santander Massif in the Eastern Cordillera of the Colombian Andes. The rocks that comprise the Santander Massif are amphibolite grade gneisses, migmatites, and meta-sediments of the Precambrian Bucaramanga Formation. Vetas is underlain predominately by orthogneiss of the Bucaramanga formation, cross-cutting felsic dykes, stocks of variable composition, and intrusive fingers of granitic rocks related to the Santander Igneous Complex. The Santander Massif hosts a number of important epithermal gold occurrences including Eco Oro Minerals Corp.'s Angostura deposit and AUX Resources Corp.'s La Bodega, La Mascota, Pie de Gallo, La Baja, San Celestino, Callejón Blanco and Buenavista deposits. All of these deposits are focused along the northeast trending Vetas Fault.

The deposits at the Vetas Gold Project comprise several systems of narrow high-grade Au-Ag veins striking northeast and northwest, with moderate to steep dips. They exhibit multiple phases of quartz vein emplacement and reactivation associated with intense argillic alteration and sulphide mineralization. The vein gangue is comprised of equal proportions of chalcedonic quartz and feldspar, and the main sulphide constituent is pyrite (5% to 15%) with lesser galena, sphalerite and chalcopyrite. Fine to medium-grained visible gold is occasionally observed in association with pyrite. Higher grade mineralization often occurs within steeply plunging ore shoots controlled by vein wall flexures and structural intersections.

Drilling

The area has a long history of gold mining dating back to at least the seventeenth century, however there was no modern exploration at Vetas prior to that commenced by the Company in September 2009.

Between November 2010 and November 2013 the Company completed a total of 71,035 metres of diamond drilling in 162 holes from surface platforms. Drilling results from Vetas highlight the excellent potential for high-grade gold and silver vein mineralization, including, among a multitude of other highly encouraging intersections:

- 325 g/t (9.5 oz/t) Au over 2.09 metres;
- 507 g/t (14.8 oz/t) Au over 0.74 metres;
- 370 g/t (10.8 oz/t) Au over 0.82 metres;
- 228 g/t (6.7 oz/t) Au over 1.13 metres;
- 104 g/t (3.0 oz/t) Au over 2.45 metres; and
- 235 g/t (6.9 oz/t) Au over 1.03 metres.

Highly encouraging results were returned from several of the known vein systems distributed throughout the project area, including:

- 177 intersections with grades in excess of 5 g/t (0.15 oz/t) Au;
- 100 intersections with grades in excess of 10 g/t (0.3 oz/t) Au; and
- 33 intersections with grades in excess of 30 g/t (0.9 oz/t) Au.

For the 177 intersections with grades in excess of 5 g/t Au, the length-weighted average grades are 30 g/t (0.9 oz/t) Au combined with 52 g/t (1.5 oz/t) Ag. Individual intersections range in length from 0.30 metres up to 3.87 metres and notably average 1.03 metres. Due to the steep topographic relief, multiple fanned drill holes were collared from each of several individual platforms and in most holes the intersected lengths may not represent true vein thicknesses.

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)
AR-062	162.32	163.06	0.74	506.69	89.7
AR-068	199	200	1	34.75	46.7
AR-070	245.05	245.7	0.65	79	19.8
RM-003	90.3	90.92	0.62	35.1	61.1
RM-005	200.2	201.16	0.96	30.9	10.05
RM-006	232.37	233.37	1	33.5	4.7
RM-006	247.15	247.83	0.68	33.9	2360
RM-017	135.63	136.6	0.97	109	15.05
RM-022	277	277.8	0.8	34.6	21.4
RM-031A	198.88	200.82	1.94	42.25	11.71
RM-042	50.15	51.08	0.93	66.79	21.9
RM-046	31.32	33.41	2.09	325.11	26.2
RM-046	143.83	145.23	1.4	80.24	1.75
RM-049	32	33.52	1.52	56.76	7.7
RM-053	214.88	215.73	0.85	40.12	38.4
RM-056	147.7	148.99	1.29	96.63	0.05
RM-064	429.18	429.93	0.75	42.45	200
RM-075	30.8	31.83	1.03	81.94	12.6
RM-075	44.38	45.2	0.82	369.94	44.6
RM-081	231.83	235.7	3.87	35.86	17.88
RM-088	82.42	83.15	0.73	49.09	17
RM-091	405.1	405.96	0.86	93.55	41.1
RM-097	167.64	169.07	1.43	36.41	19.4
RM-119	98.2	99.33	1.13	227.56	31.7
RM-119	124.33	125.39	1.06	35.86	8.3
RM-119	264.63	265.66	1.03	234.88	33.6
RM-121	217.9	220.35	2.45	104.26	28.1
RM-128	62.9	64.17	1.27	32.41	5.4
RM-128	100.9	101.9	1	175.9	22
RM-135	71.25	72.45	1.2	82.92	12.4
RM-143	100.95	102.1	1.15	57.99	10.7
RM-156	271.52	272.7	1.18	57.1	4.8
SI-080	167.3	168.18	0.88	72.34	43.9

Vetas Drill Intersection > 30 g/t Au

Quality Assurance and Quality Control

The Company used industry standard best practice quality control procedures during collection of drill core data, including the insertion of commercial certified control samples, sample blanks, and duplicates to monitor the accuracy and precision of their analytical results.

From October 29, 2009 until July 25, 2011 samples were sent to ALS laboratories sample preparation laboratory in Bogota, Colombia, where they were dried, crushed, split and pulverized. Subsequently, 250g pulps were sent to ALS' laboratory in Lima, Peru, for analyses. From August 28, 2011 to July 24, 2013 samples were sent to the ACME laboratories sample preparation laboratory in Medellin, Colombia where they were dried, crushed, split and pulverized. Subsequently, 250g pulps were sent to ACME's laboratory in Vancouver, British Columbia, for analyses.

The drill core samples were analyzed for a 34 element suite, including Au and Ag, by ICP-MS. All samples with Au results in excess of 0.075 ppm were sent for full metallic screen fire assay. Samples identified by the logging geologists to contain visible gold or otherwise thought to contain high-grade mineralization were automatically sent for full metallic screen fire assay with an AA finish. If the metallic screen minus fraction was in excess of 10 ppm Au, then a gravimetric finish was also completed.

ACME and ALS Chemex are independent laboratories accredited to ISO 17025 by the Standards Council of Canada for a number of specific test procedures, including: fire assay for gold and silver with atomic absorption and gravimetric finish; multi-element inductively coupled plasma optical emission spectroscopy; and atomic absorption assays for silver, copper, lead and zinc.

The technical information contained in this news release has been reviewed and approved by Red Eagle Mining's Vice President of Exploration, Jeff Toohey P.Eng., who is a Qualified Person as defined under NI 43-101.

b) La Vereda Property:

The Company also owns a 100% interest in the La Vereda property, located 5 kilometres southwest of the Vetas Gold Project. On April 2, 2014, the Company announced that the Paramos boundaries that the Colombian government has issued includes the La Vereda concession. Subsequent to the announcement the Company wrote off all costs related to the La Vereda property.

Selected Annual Financial Information

In thousands of dollars

Financial Position	December 31, 2015	December 31, 2014	December 31, 2013
Cash and cash equivalents	$ 8	$ 961	$ 3,045
Mineral properties	19,664	17,152	16,945
Total Assets	19,901	18,391	20,305
Current liabilities	3,717	871	298
Non-current liabilities	353	-	-
Total Liabilities	4,070	871	298
Total Equity	15,831	17,520	20,007

Operations	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31, 2013
Exploration expenses	$ 838	$ 1,047	$ 4,223
General and administrative expenses	2,075	1,454	2,391
Professional and consulting fees	640	199	266
Share-based payments (non-cash)	76	524	1,047
Write off of mineral properties	-	460	64
Net loss, being comprehensive loss for the period	$ 4,100	$ 3,719	$ 7,912

Financial Review and Results of Operations

Project Costs Capitalized and Expensed

As of December 31, 2015, the Company has capitalized $19,664,000 (December 31, 2014 – $17,152,000) in regards to the acquisition costs of its mineral properties. For the year ended December 31, 2015, $838,000 of exploration expenditures have been incurred (December 31, 2014 – $1,047,000) relating to these properties.

The Company has capitalized the following costs as mineral properties by project:

In thousands of dollars		**Vetas Gold Project**		**La Vereda Property and other Gold Projects**		**Total**
Balance January 1, 2014	$	16,485	$	460	$	16,945
Additional acquisition costs		667		-		667
Write-off of mineral property costs		-		(460)		(460)
Balance December 31, 2014		17,152		-		17,152
Additional acquisition costs		2,512		-		2,512
Balance December 31, 2015	$	19,664	$	-	$	19,664

The Company has expensed the following exploration costs:

In thousands of dollars		**Year ended December 31, 2015**		**Year ended December 31, 2014**
Vetas Gold Project				
Environmental	$	353	$	11
Technical and geological consulting		185		190
Legal and consulting		97		167
Staffing and personnel		69		270
Core storage		66		86
General services		24		70
Value-added tax		24		35
Land and property		13		24
Health and safety		7		67
Metallurgical testwork		-		64
Resource statement and technical report		-		63
Total	$	838	$	1,047

The Company has cumulative exploration expenses at the end of the period:

In thousands of dollars	December 31, 2015	December 31, 2014
Vetas Gold Project	$ 29,760	$ 28,922
La Vereda Property and other Gold Projects	839	839
Total	$ 30,599	$ 29,761

Results of Operations

For the year ended December 31, 2015, the Company incurred a net loss of $4,100,000 compared to a net loss of $3,719,000 for the year ended December 31, 2014.

As the Company has no operating revenues, it relies on current cash reserves and financing transactions to meet its current and budgeted exploration and operating activities. Funds raised have been used mainly for exploration activities and mineral property acquisitions at the Vetas Gold Project.

The increase in net loss for the year ended December 31, 2015, compared to the year ended December 31, 2014, was primarily due to an increase in general and administrative, professional and consulting fees expense categories and non-cash foreign exchange loss.

Exploration expenses have decreased 20% for the year ended December 31, 2015, compared to the prior year. The decrease in exploration expenses is mainly due to decreases in drilling and geochemistry, environmental, and staffing and personnel costs with a small increase in core storage costs. Costs in 2015 are primarily due to maintenance of the properties.

General and administrative expenses, which are primarily made up of management fees, salaries and office expenses have increased 43% for the year ended December 31, 2015, compared to the year ended December 31, 2014. This increase was due to payment of deferred salaries and management severance payments.

Professional and consulting fees have increased 222% for the year ended December 31, 2015, compared to the year ended December 31, 2014. This increase was due to legal and professional fees associated with the Company's sale process.

Share-based payments have decreased 85% for the year ended December 31, 2015, compared to the year ended December 31, 2014. Share-based payments are a non-cash expense and represent the amortization of the estimated fair value of stock options granted determined using the Black-Scholes option pricing model. The re-pricing of 825,000 stock options on May 29, 2014, and the issue of 3,375,000 new stock options on May 29, 2014, were the main reason for the higher expenses in the prior year.

There were no mineral property write-offs during 2015. Write-off of mineral properties of $460,000 in the year ended December 31, 2014, relates to the La Vereda property, which is within the Paramos boundaries that the Colombian government has issued. The Company has written off the costs relating to the La Vereda property.

The Company recorded a foreign exchange loss of $403,000 in the year ended December 31, 2015, compared with a foreign exchange gain of $59,000 in the year ended December 31, 2014. Foreign exchange losses and gains will fluctuate as a result of changes in the foreign exchange rate of the US dollar and the Colombian peso in relation to the Canadian dollar and the volume of transactions made in foreign currencies.

The Company recorded interest income of $5,000 in the year ended December 31, 2015, compared with interest income of $24,000 in the year ended December 31, 2014. The differences year to year are primarily due to decreasing cash balances.

Summary of Quarterly Results

Selected financial information for the last eight completed quarters, prepared in accordance with International Financial Reporting Standards:

Quarter	Revenue	Net Loss (expressed in thousands of Canadian dollars)	Net Loss per share, basic and diluted
Q4 2015	-	$ 1,068	$ (0.01)
Q3 2015	-	$ 1,839	$ (0.01)
Q2 2015	-	$ 581	$ (0.00)
Q1 2015	-	$ 612	$ (0.00)
Q4 2014	-	$ 840	$ (0.01)
Q3 2014	-	$ 788	$ (0.00)
Q2 2014	-	$ 808	$ (0.01)
Q1 2014	-	$ 1,283	$ (0.01)

During Q3 and Q4 2015 net loss increased primarily due to activities related to the Company's sale and restructuring process. Prior to the latter half of 2015, reduction in quarterly results were due to reduced levels of exploration activities.

Liquidity and Capital Resources

The Company's mineral exploration and development activities have provided the Company with no sources of income and an accumulated deficit. However, given the nature of its business, the results of operations as reflected in net loss and loss per common share do not provide meaningful interpretation of the Company's valuation.

At December 31, 2015, the Company had cash and cash equivalents of $8,000 compared to $961,000 at December 31, 2014. Subsequent to year end, the Company completed two private placements for gross proceeds of approximately $4,223,080 ($3,000,000 USD) as discussed in the financing activities below.

The Company intends to finance its exploration and development activities through existing cash balances and future financing activities.

a) Investing Activities

Cash outflows from investing activities during the year ended December 31, 2015, were $164,000 (December 31, 2014 – $672,000). The cash outflows in 2015 and 2014 were due to the acquisition of mineral properties and property and equipment.

b) Financing Activities

As a mineral exploration and development company with no current production or revenue from mining operations, the Company will continue to depend on equity capital to finance its activities. There are no assurances that capital requirements will be met by this means of financing as inherent risks are attached therein including commodity prices, financial market conditions, and general economic factors.

There were net cash inflows of $2,365,000 from financing activities during the year ended December 31, 2015, from the completion of two separate private placements net of the costs of issuance. There were cash inflows from the year ended December 31, 2014, of $743,000 from the completion of a non-brokered private placement net of the costs of issuance.

Subsequent to December 31, 2015, the Company completed two additional financings. On January 11, 2016, the Company completed a private placement financing with Red Eagle Mining for 51,670,500 common shares at a price of $0.05 per common share for gross proceeds of $2,583,525 (USD $1,850,000). On January 27, 2016, the Company completed a private placement with Red Eagle Mining for 32,791,100 common shares at a price of $0.05 per common share for gross proceeds of $1,639,555 (USD $1,150,000). The Company intends to use the proceeds from these private placements to fund exploration and engineering at the Company's Vetas Gold Project.

Commitments and Contractual Obligations

Acquisition agreement liability

At December 31, 2015, pursuant to the Acquisition and Option Agreements for the Company's La Triada, San Bartolo and San Alfonso properties, and following the Resolution 2090 of December 19, 2014, issued by the Ministry of Environment and Territorial Development, and the National Government delimitation of the Paramos Jurisdicciones-Santurbán-Berlín, the Company was committed to cash payments of approximately $2,562,000. During the year ended December 31, 2015, 1,866,000 common shares with an associated value of $66,000 were issued as consideration for the acquisition of mineral properties and the Company has accrued for the cash payments in the Statement of Financial Position.

The acquisition price for the La Triada property was renegotiated and paid subsequent to December 31, 2015, which included a cash settlement of USD $300,000 and 2,219,816 common shares of Red Eagle Mining, a related party of the Company. The Company issued 13,702,562 common shares to Red Eagle Mining as compensation on March 4, 2016.

Certain property Acquisition Agreements are subject to royalty payments of US$5 per ounce, up to a maximum of 2,000,000 ounces of gold (or equivalent to US$10,000,000) of measured and indicated mineral resources as disclosed and published in one or more technical reports to be prepared in accordance with National Instrument ("NI") 43-101. On April 2, 2014, the Company issued a NI 43-101 Mineral Resource Statement disclosing measured and indicated resources of 123,000 ounces of gold at the Company's Real Minera property representing a royalty payment payable due of $851,000 (USD$ 615,000). This payment has been accrued for in the Statement of Financial Position.

The terms of the royalty payment with Real Minera were renegotiated by the Company in December 2015, and paid subsequent to year-end, which included a cash settlement of USD $50,000 and 2,843,206 common shares issued of Red Eagle Mining. The Company issued 17,550,654 common shares to Red Eagle Mining as compensation on January 15, 2016.

Share Capital and Outstanding Share Data

As at the date of this MD&A, the Company's fully diluted share position is:

	Weighted average exercise price	Number of shares
Issued and outstanding common shares		326,413,643
Options	$0.48	3,810,000
Fully diluted		330,223,643

As at the date of this MD&A, the Company had no warrants outstanding.

Off Balance-Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Financial Instruments and Other Instruments

The carrying values of cash and cash equivalents, accounts payable and accrued liabilities, and amounts due to related parties approximate their fair values. The Company is exposed to currency risk on its cash and cash equivalents that are held in USD dollars and in Colombian pesos.

Related Party Transactions

During the year ended December 31, 2015 and 2014, the Company paid or accrued the following legal and management fees to directors and officers and to companies controlled by directors and officers. Legal fees include fees paid directly to Dawn Wattie, a former officer of the Company and to an entity controlled by Dawn Wattie. Management fees include fees paid to an entity controlled by Fabio Capponi, former Chief Executive Officer of the Company, and to an entity controlled by Ana Milena Vasquez, an officer of Leyhat Sucursal.

In thousands of dollars		**Year ended December 31, 2015**		**Year ended December 31, 2014**
Legal fees	$	33	$	40
Management fees		1,196		378
	$	1,229	$	418

Amounts payable to related parties are non-interest bearing and without specific terms of repayment and are as follows:

In thousands of dollars		**Year ended December 31, 2015**		**Year ended December 31, 2014**
Due to Red Eagle Mining Corporation (Parent)		14		-
Due to Trebor International Holdings		115		-
	$	129	$	-

During the quarter ended December 31, 2015, Red Eagle Mining obtained over 50% ownership of the Company's common shares. The amounts owing to the Red Eagle Mining are for various costs paid on behalf of the Company during the period ended December 31, 2015.

Trebor International Holdings Ltd. entered a short term loan agreement in order to satisfy immediate property obligations. These related party obligations were repaid in full subsequent to December 31, 2015.

These expenditures were incurred in the normal course of business and measured at the exchange amount, which are the amounts agreed upon by the transacting parties. Amounts payable to related parties are non-interest bearing and without specific terms of repayment.

Critical Accounting Policies and Estimates

The Company's accounting policies are described in Note 3 of its audited consolidated financial statements for the year ended December 31, 2015. Management considers the following policies to be the most critical in understanding the judgments that are involved in the preparation of the Company's consolidated financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows:

- Nature of operations
- Mineral properties
- Share-based payments

Nature of operations

The Company is primarily engaged in the exploration, development and permitting of its mineral properties. The Company is considered to be in the exploration stage given that its mineral properties are not yet in production and, to date, have not earned any significant revenues. The recoverability of amounts shown for exploration and evaluation assets is dependent on the existence of economically recoverable reserves, obtaining and maintaining the necessary permits to operate a mine, obtaining the financing to complete development and future profitable production.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. Management has carried out an assessment of the going concern assumption and has concluded that the Company has sufficient cash and cash equivalents to continue operating for the ensuing twelve months. Subsequent to the year ended December 31, 2015, the Company completed two private placements with Red Eagle Mining for a total of $4,223,080. These consolidated financial statements do not give effect to any adjustment, which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different than those reflected in the consolidated financial statements.

Mineral properties

The Company defers the cost of acquiring and maintaining its interest in mineral properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. Other exploration and development expenditures are expensed as incurred until such time as mineral reserves can be established, after which such costs will be accounted for in the same manner as acquisition costs. Costs of producing properties will be amortized on a unit of production basis and costs of abandoned properties are written-off. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the assets, with any excess included in operations. Write-downs due to impairment in value are charged to operations.
Recoverability of the amounts shown for mineral properties is dependent upon the discovery of economically recoverable mineral reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain financing necessary to complete the exploration

and development of its mineral properties, and on future profitable production or proceeds from the disposition of the mineral properties.

The Company reviews the carrying value of long-lived assets for impairment when circumstances indicate an asset's value may not be recoverable. The evaluation is based on the higher of the asset's fair value less costs to sell and its value in use, which is the present value of future cash flows expected to be derived from the asset in its current state. If such assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds the higher of fair value less costs to sell and value in use.

Although the Company has taken steps to verify title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration or development of such properties, these procedures do not guarantee a clear title. Property title may be subject to unregistered prior agreements and regulatory requirements. The Company is not aware of any disputed claims of title.

Share-based payments

Stock option based awards made to directors, employees and consultants are measured using a fair value based method. Under this method the Company determines the fair value of stock option awards using the Black-Scholes model, and these amounts are recognized as an expense over the vesting period. In determining the fair value, management is required to make certain assumptions regarding such items as the expected life of the options, forfeiture rates and expected volatility. Changes in the assumptions used to estimate fair value could result in materially different results.

Additional Information

Proposed Transactions

There are no proposed transactions that should be disclosed.

Adoption of New Accounting Standards and Upcoming Changes

Recent accounting pronouncements:

The following new standards, and amendments to standards and interpretations, were not yet effective for the year ended December 31, 2015, and have not been applied in preparing these consolidated financial statements.

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers ("IFRS 15"). The standard replaces IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programmes, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfer of Assets From Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contract with customers. This standard is effective for annual periods beginning on or after January 1, 2017, and permits early adoption.

In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments ("IFRS 9") which will replace IAS 39, Financial Instruments ("IAS 39"). This standard is effective for annual periods beginning on or after January 1, 2018, and permits early adoption. IFRS 9 provides a revised model for recognition and measurement of financial instruments with two classification categories: amortized cost and fair value. As well, under the new standard a single impairment method is required, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes a substantially reformed approach to hedge accounting that aligns accounting more closely with risk management.

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). This standard is effective for annual periods beginning on or after January 1, 2019, and permits early adoption provided that IFRS 15 is also adopted. The objective of IFRS 16 is to bring all leases on-balance sheet for lessees. IFRS 16 requires lessees to recognize a "right of use" asset and liability calculated using a prescribed methodology.

The Company will evaluate the impact of adopting the above accounting pronouncements in its consolidated financial statements in future periods.

Disclosure Controls and Internal Control Over Financial Reporting

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

Risks and Uncertainties

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may exist. The Company is in the business of acquiring, exploring and developing mineral properties. It is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation and other risks. The Company currently has no source of revenue other than interest income. The Company will rely mainly on equity financing to fund acquisitions and its other activities. The Company's mineral properties are located in Colombia, which exposes the Company to risks associated with possible political or economic instability including currency fluctuations, changes to applicable laws, and impairment or loss of mining title or other mineral rights. The process for establishing and preserving mining title and other mineral rights in Colombia is complex, and may be the subject of dispute.

Regulatory

Before mining activities can commence on any of its properties, the Company must obtain various permits and other regulatory approvals from governmental authorities. There is no assurance that such approvals will be obtained on a timely basis, or at all. Mining activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labor standards, occupational health and safety, water disposal, toxic substances, explosives, management of natural resources, environmental management and protection, mine safety, dealings with native groups, historic and cultural preservation and other matters. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, construction, operating and closing mines and other facilities. Compliance with environmental regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. Any breaches of environmental laws could materially and adversely affect the Company. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations, requiring corrective measures or other remedial actions, any of which could result in the Company incurring significant expenditures. The Company may be subject to potential legal claims which, if determined adversely to the Company, could have a material effect on the Company and/or its financial condition. The Company may be required to compensate persons suffering loss or damage as a result of any infringement of applicable laws or regulations.

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

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

Exploration and Mining Risks

There is no assurance that any exploration activities of the Company will result in the development of an economically viable mine project. Exploration for minerals is highly speculative in nature, involves many risks and frequently is unsuccessful. Among the many uncertainties inherent in any mineral exploration and development program are the characteristics and location of the orebody and its proximity to infrastructure, the required metallurgical processes, regulatory permit requirements and the prevailing metal prices, economic and financing conditions at the relevant time. Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Assuming discovery of an economic ore body, depending on the type of mining operation involved, several years may elapse from the initial phases of drilling until commercial operations are commenced and during such time the economic feasibility of production may change.

Future Profits/Losses and Production Revenues/Expenses

The Company has no history of operations and expects to incur losses until such time as a property enters into commercial production and generates sufficient revenues to fund its continuing operations. There is no assurance that the Company will generate any revenues or achieve profitability. The ongoing maintenance of existing assets, any acquisitions of claims currently under lease or option and any other activities relating to the exploration and development of the Vetas Gold Project will require the commitment of substantial resources. Expenses may increase due to the cost of employees, consultants, service providers and equipment associated with advancing exploration and development. The amount and timing of expenditures will depend on the progress of ongoing exploration and development, the Company's strategic analyses, the rate at which operating losses are incurred, the execution of any joint venture or other agreements with strategic partners, and the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control. There is no assurance that the Company will have the funds required to make such expenditures or that those expenditures will prove profitable. Historically, the Company has been financed through the issuance of common shares and other equity securities. There is a risk that sufficient additional financing may not be available to the Company on acceptable terms, or at all. The ability of the Company to arrange additional financing will depend, in part, on prevailing debt and equity market conditions and the market price of gold. Global metal prices fluctuate widely and are affected by numerous factors beyond the Company's control, including global demand and production levels, political and economic conditions, producer hedging activities, speculative activities, inflation, interest rates and currency exchange rates.

Risks Associated with Potential Acquisitions

The Company may evaluate opportunities to acquire additional mining assets and businesses. These acquisitions may be material in size, may change the scale of the Company's business and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition targets, acquire them on acceptable terms and integrate their operations successfully with those of the Company. The Company may need additional capital to finance any such acquisitions. Debt financing related to acquisition would expose the Company to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition in the areas where the Company contemplates conducting exploration activities. The Company may be at a disadvantage in its efforts to acquire quality mining properties as it must compete with individuals and companies which in many cases have greater financial resources and larger technical staffs than the Company. Accordingly, there can be no assurance that the Company will be able to compete successfully for new mining properties.

Dependence on Key Personnel

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