CONTINENTAL GOLD LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS
ENDED SEPTEMBER 30, 2010

DATED: NOVEMBER 9, 2010

INTRODUCTION

The following management's discussion and analysis ("MD&A") of the activities, financial condition and results of the operations of Continental Gold Limited (the resulting corporation from the amalgamation of Cronus Resources Ltd. and Continental Gold Limited) (the "Company" or "CGL") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended September 30, 2010. This discussion, dated November 9, 2010, should be read in conjunction with (i) the unaudited interim financial statements of the Company for the nine months ended September 30, 2009, together with the notes thereto, included as Schedule "E" to the "Joint Management Information Circular and Proxy Statement of Cronus Resources Ltd. and Continental Gold Limited" dated February 17, 2010 (the "Amalgamation Circular"), and (ii) the unaudited interim financial statements of the Company for the three and nine months ended September 30, 2010, together with the notes thereto. Results are reported in U.S. dollars, unless otherwise noted. The unaudited interim financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") for interim financial reporting and, accordingly, do not include all of the information and notes required by Canadian GAAP for annual financial statements. Information contained herein is presented as of November 9, 2010, unless otherwise indicated.

The Company is governed by the laws of Bermuda and is a reporting issuer under applicable securities legislation of Ontario, Alberta and British Columbia. The Company's issued and outstanding common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "CNL".

Further information about the Company and its operations, including the Amalgamation Circular, is available on SEDAR at www.sedar.com.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain information contained in this MD&A and certain documents incorporated by reference herein constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company's properties; the future price of gold and other mineral commodities; success of exploration activities; cost and timing of future exploration and development; the estimation of mineral reserves and mineral resources; conclusions of economic evaluations; requirements for additional capital; and other statements relating to the financial and business prospects of the Company.

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

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: (i) the Company's goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic gold deposits; (ii) management's assessment of future plans for the Buritica project (see "Liquidity, Capital Resources and Business Prospects"); (iii) management's economic outlook regarding future trends; (iv) the availability of skilled labour, timing and the amount of the expected budget (see "Buritica Project" and "Berlin Project" under "Mineral Exploration Properties", and "Liquidity, Capital Resources and Business Prospects"); (v) the Company's ability to meet its fiscal 2010 planned expenditures (see "Liquidity, Capital Resources and Business Prospects"); (vi) expectations with respect to raising capital (see "Liquidity, Capital Resources and Business Prospects"); and (vii) sensitivity analysis on financial instruments which may vary from amounts disclosed (see "Financial Instruments"). Mineral resource and mineral reserve estimates are estimates and no assurances can be given that the indicated levels of mineral will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change as new information becomes available.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, other factors could also cause materially different results. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

DESCRIPTION OF BUSINESS

The Company is an exploration and development stage entity engaged in the acquisition, exploration, evaluation and development of principally gold resource properties in Colombia. The Company currently holds the rights to explore and develop nine properties in Colombia totaling approximately 166,207 hectares and has pending concession applications totaling approximately 145,656 hectares. Currently, the Company's primary focus is on its Buritica and Berlin projects. The Company is continued under the laws of Bermuda and carries on its operations through a branch office in Medellín, Colombia.

Pursuant to a pre-amalgamation agreement dated November 9, 2009, Continental Gold Limited, a Bermuda-based, privately owned company, and Cronus Resources Ltd. ("Cronus"), a TSX Venture Exchange ("TSX-V") listed company completed their proposed amalgamation on March 30, 2010. The resulting issuer, also a Bermuda-based company, now operates under the Continental Gold Limited name and is governed by the by-laws of the original Continental Gold Limited. Each shareholder of the original Continental Gold Limited and Cronus received one common share of the Company for 2.6973 common shares of the original Continental Gold Limited and 2.35712 common shares of Cronus, respectively. The outstanding share purchase warrants and stock options of the original Continental Gold Limited and Cronus were converted into share purchase warrants and stock options of the Company by applying the same conversion ratios. The respective shareholders of the original Continental Gold Limited and Cronus voted in favour of the amalgamation at separate shareholder meetings that took place on March 22, 2010. The Company's common shares began trading on the TSX on April 19, 2010.

On January 28, 2010 and February 11, 2010, pursuant to the terms and conditions of the pre-amalgamation agreement, the Company completed an equity financing consisting of the sale of 19,166,667 subscription receipts at a price of C$1.50 per subscription receipt for gross proceeds of C$28,750,000. On March 30, 2010 each subscription receipt was converted into one unit of the Company. Each unit consists of one common share of the Company and one half of one common share purchase warrant of the Company. Each full warrant has an exercise price of C$2.25 per common share and an expiry date of March 30, 2011.

On November 27, 2009, CGL issued a convertible debenture in the principal amount of C$3,000,000. On March 30, 2010, the principal amount of the debenture plus the accrued and unpaid interest on the debenture were automatically converted, at a price of C$1.50 per unit, into 2,029,135 units of the Company in accordance with the terms stated in the pre-amalgamation agreement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant has an exercise price of C$1.75 per common share and an expiry date of March 30, 2012.

On September 16, 2010 the Company issued, on a private placement basis, 12,000,000 units of the Company at a price of $5.70 per unit for total gross proceeds of $68,400,000. The financing included the initial agreement to acquire 10,000,000 units and the exercise, in full, by the underwriters of an underwriters' option granted to the underwriters to arrange for purchasers of an additional 2,000,000 units. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share at a price of $7.50 until September 16, 2012.

The Company has no revenues and as such its ability to ensure continuing operations is dependent upon its discovery of economically recoverable reserves, confirmation of its interest in the underlying mineral claims, and its ability to obtain necessary financing to complete exploration activities, development and future profitable production.

MINERAL EXPLORATION PROPERTIES

The Company holds the right to explore and develop nine properties in Colombia, South America, that comprise an aggregate area, which includes both concessions owned and pending concession applications, of approximately 311,863 hectares. Concessions owned aggregate to 166,207 hectares and pending concession applications total 145,656 hectares. There is no guarantee that the Company will be granted the pending concession applications. The Company's principal focus is on exploring the Buritica and Berlin properties.

Buritica Project

The Buritica project encompasses an aggregate area of 31,257 hectares and is located about 75 kilometres northwest of Medellín in the Antioquia Department of north-western Colombia. The project area is comprised of 22 registered concessions covering 5,551 hectares and nine pending registration concessions totalling 13,320 hectares. A further five concession applications have been submitted covering 12,386 hectares. As in the case of all the Company's properties, concession applications in process give the Company priority on the properties in question during the application process. The Buritica project includes the Yaragua Mine that had previously been under small-scale production by the Company and is now utilized for underground exploration development and a bulk sample testing operation. A technical report dated November 2009 entitled "Continental Gold Limited: Buritica Mine Project" compiled by Snowden Mining Industry Consultants and prepared in accordance with Canadian *National Instrument 43-101 – Standards of Disclosure for Mineral Reports* ("NI 43-101") has been filed on SEDAR.

The technical information on Buritica on which this disclosure is based has been supervised and verified by Stuart Moller, P.Geol., Vice President, Exploration of the Company, who is a qualified person for the purpose of NI 43-101. Mr. Moller has over 30 years of mineral exploration experience and is a Licensed Professional Geologist in the Province of British Colombia, a Fellow of the Society of Exploration Geologists and a full time employee and corporate officer of the Company.

Drilling activities continued through the third quarter of the year and, as of September 30, 2010, six surface drills and two underground drills were working on the property. Definition drilling on a 25 - 50-metre grid continued on the San Antonio and B veins, and step-out drilling on a 50 - 100-metre grid continued on the South Vein package. Areas to the north and south of currently known mineralization, defined by soil anomalies, were drilled in a reconnaissance fashion.

The drilling program for 2010 is projected to 31,550 metres and, as of September 30, 2010, two-thirds of that total had been completed (20,396 metres over 84 holes). Expenditures through the period were slightly below budget. Project-to-date drilling totals for the nine months ended September 30, 2010 are 38,183 metres in 174 surface and underground holes. The eight drills were used for infill and step out purposes on the Veta Sur vein system, Vein B, Murcielagos, and San Antonio. A 100 x 25 metre grid of soil samples was continued and the 2.5 x 1.5 kilometre grid was almost completed.

During the third quarter of 2010, the Company released both soil geochemistry results and initial drill program results in press releases dated August 9, 2010 and August 31, 2010, respectively. Soil geochemistry results from a 1.5km x 1.0 km surface grid surrounding the Buritica area with sample points at 25-metre intervals, indicated multiple areas of highly anomalous gold, silver and zinc identifying several new potential drill targets in the vicinity of the current Buritica drill program. In several areas, gold in soils reached values of greater than 12ppm (g/t) which is considered highly anomalous and reflects sub-surface mineralization.

Initial drill results from the 2010 drill campaign were disclosed in the Company's news releases dated August 9, 2010 and August 31, 2010 which are available on SEDAR at www.sedar.com.

Pre-development

Planning for many of the pre-development activities at Buritica continued during the three months ended September 30, 2010. Proposals and quotes continue to be returned to the Company on activities such as a scoping study, hydrogeological study, and access road design. The following activities are expected to commence in the fourth quarter of 2010:

- Metallurgical Studies to be undertaken by METCON Research (Tucson, Arizona);
- Environmental base line study to be undertaken by Servicios Ambientales y Geográficos (Medellín, Colombia); and
- Geotechnical review to be undertaken by Geominas (Medellín, Colombia).

An internal team of dedicated licence and permit management professionals continue to ensure all requirements for existing permits are met and that applications for additional licences and permits are rigorously managed. Management of the Company's land position has been formalized with the addition of a dedicated professional during the third quarter of 2010.

Infrastructure improvements continued during the third quarter of 2010 including the building of a new warehouse and office space and the commissioning of the new Merrill-Crowe facility.

Berlin Project

The Berlin project totals 26,901 hectares of concessions and concession applications totaling 24,460 hectares. The project area is located 90 kilometres north of Medellín in the Antioquia Department.

Drilling continued at Berlin during the three months ended September 30, 2010. Using one drill, 2,240 metres were drilled in nine holes for project totals of 3,002 metres in 12 holes. The drilling tested the southern one-third of the 11 kilometre long trend of quartz vein hosted gold mineralization on an average 250 metre spacing along strike. Surface mapping and sampling have continued on the adjacent Troncal trend of similar veins that have been traced along a minimum four strike kilometres. Approximately 90% of the combined strike length on the two prospective trends is on concessions which are 100% owned by the Company.

Anza Project

The Anza project is located 50 kilometres west of Medellín in the Antioquia Department and consists of five registered concessions covering 16,278 hectares.

The Company completed a definitive option agreement dated May 20, 2010 on certain of its Anza concessions with Waymar Resources Ltd. ("Waymar"), as more fully described in the Company's MD&A dated May 17, 2010 for the three months ended March 31, 2010 and filed on SEDAR. To date the Company has received $62,500 and 75,000 common shares of Waymar pursuant to the option agreement.

The Company also signed an acquisition agreement dated May 21, 2010 with Waymar on certain other Anza concessions. Pursuant to the sale of its legal and beneficial interest in these concessions to Waymar, the Company received 1,000,000 common shares of Waymar and 500,000 share purchase warrants giving the Company the right to purchase 500,000 Waymar common shares at a price of C$0.75 per share until June 29, 2012.

Dominical Project

The Dominical project consists of registered concessions totaling 7,719 hectares and applications for concessions covering 23,533 hectares. The project area is located in southern Colombia in the Cauca Department.

The Dominical project was subject to an option agreement dated October 4, 2006 between AngloGold Ashanti Limited ("AngloGold") and Robert W. Allen, the Chairman of the Company. The option agreement was assigned to the Company by Mr. Allen by way of an assignment agreement dated June 4, 2008. AngloGold began exploration on the Dominical project in April of 2007 and continued exploration on the project up to February 5, 2010 at which time AngloGold notified the Company that they would no longer be carrying out exploration activity on the Dominical project. The property has now reverted 100% back to the Company.

A review of the data provided by AngloGold indicates that there is significant potential on the property for discoveries of gold in the epithermal vein and porphyry environments. The veins are developed along 400 to 1,500 metres of strike length and are hosted by Tertiary clastic sedimentary rocks.

The Company has assembled an exploration team that will continue systematic surface exploration on the property during the fourth quarter of 2010.

Dojura Project

The Dojura project consists of concessions totaling 30,942 hectares and applications totaling 44,163 hectares.

The Dojura project is subject to an option agreement dated October 4, 2006 between AngloGold and Robert W. Allen, the Chairman of the Company. The option agreement was assigned to the Company by Mr. Allen by way of an assignment agreement dated June 4, 2008.

On January 15, 2010, AngloGold made an initial payment of $100,000 to the Company with regard to the Dojura Project; however, both parties have agreed to defer AngloGold's obligations to incur exploration expenses on the property until such time as security conditions in the area have improved, putting the existing contract under Force Majeure.

During the quarter ended June 30, 2010, the Company received a summary of the results of an airborne geophysical survey performed by AngloGold over a portion of the property and the results of historical surface sampling for copper. The results are consistent with the long-standing recommendation that the property has potential for large-scale gold-(copper) porphyry style mineralization.

Santander Project

The Santander property consists of concessions totaling 5,970 acres and applications totaling 4,992 acres. It is located 50 kilometres northeast of Bucaramanga in the California Mining District in north-eastern Colombia.

No exploration activities were undertaken on the property during the nine months ended September 30, 2010; however, several companies exploring in the area have expressed interest in acquiring the concessions. Concession GLU-133 is directly on trend to the southwest from the gold deposits owned by two Canadian companies. Concession BA3-093 is immediately south and adjacent to the historical Vetas gold district which is currently being explored by two Canadian companies.

Lunareja Project

The Lunareja project is comprised of nine registered concessions totaling 8,642 hectares and one application covering an area of 9,980 acres. Two of the registered concessions are within the boundaries of a national park located approximately 65 kilometres west of Medellín.

On February 9, 2010, the Colombian Ministry of the Environment, Housing and Territorial Development introduced an amendment to the Mining Code referred to as Law 1382. The amendment was designed to broaden the definition of environmentally sensitive areas where mining operations would be prohibited. Amongst other tests, an elevation test of 3,200 metres was introduced in the amendment thereby precluding the construction of a mine above this height restriction. Management of the Company has now determined that development of the Lunareja project is no longer feasible and wrote down the carrying value of the Lunareja project to zero in the first quarter of 2010.

Arenosa Project

The Arenosa project consists of ten concession contracts totaling 9,482 hectares and one application of 1,394 acres. The property is located 22 kilometres from the town of Remedios in the Antioquia Department. The topography is characterized by low, rolling hills and access is good via a series of secondary dirt roads.

The concession area is underlain by a sequence of Palaeozoic metamorphic rocks that is intruded by a Cretaceous age quartz diorite body. Known mineralization consists of a number of mesothermal gold quartz veins, several of which have been worked by small miners in the past. The principal vein has been located in float and outcrop along more than four kilometres of strike, half of which is on the property. This vein reaches a maximum of four metres in width but averages about one metre.

In July 2010, the Company entered into a five-year mining agreement with SociedadBettel S.A. (“Sociedad”), an arm’s-length party. Sociedad will perform the activities required for the technical and economic exploitation of the mineralization in an Arenosa mining concession. In the event the Company sells the mining concession and Sociedad cannot continue mining operations, Sociedad will receive as compensation double the realized investment for the construction and set up of the mining plant. The expected maximum compensation is estimated by management of the Company to be approximately $260,000.

No work was done on the property during the nine months ended September 30, 2010.

Zaragoza Project

The Zaragoza project consists of 56 concession contracts totaling 54,722 hectares and two applications totaling 11,428 hectares. The project is located in the eastern part of Antioquia Department, 160 kilometres north-east of Medellín. It includes the towns of El Bagre, Zaragoza, and Machuca. The project is accessed from the north by paved road and there are scheduled daily flights from Medellín to both the El Bagre and Otú airports. Elevation varies from 100 to 200 metres and the climate is semi-tropical.

The greater El Bagre, Zaragoza, Frontino Mine area is one of Colombia’s most significant historical gold producers with over 20 million ounces having been produced from alluvial and hard rock sources. The Company’s land package has dozens of known gold occurrences. These are mostly smaller quartz veins and lodes with little documented production. They are generally mesothermal in character, and appear to be controlled by secondary structures related to the Otú strike-slip fault. Larger veins of similar geological character have been mined ten kilometres to the south at Frontino (4-5 million ounces historical production) and at the Limon Mine five kilometres south of Zaragoza which the Company sold in February 2009. Large-scale alluvial production has occurred in several areas adjacent to the Company’s claims, especially from the Nechi River in the north.

The Company has performed first pass reconnaissance scale exploration over approximately 50% of the concession area. This work has documented the presence of several existing artisanal mining operations. A number of these including Oro Verde, La Diamantina, Machuca, and Los Delerios were sampled on multiple levels and the presence of gold-mineralized veins has been documented in all of them. Two diamond drill holes were drilled at the Limon Mine in 2008. These were successful in documenting the down-dip continuation of the vein. The mine was also de-watered and re-sampled on levels 6 and 7 but results were such that the Company subsequently sold the property. Three additional holes were drilled at the Mangos Mine at Machuca with generally negative results. The access decline at Mangos was also rehabilitated. The Mangos Mine is now subject to a third-party operating agreement and the Company is not conducting any additional exploration in that area. The Company considers that its landholdings in the Zaragoza project area are highly prospective for numerous smaller, high-grade vein mining operations; however, no significant work has been planned for the remainder of 2010 on this property.

The potential quantity and grade of the Company’s properties is conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the targets being delivered as a mineral resource.

MANAGEMENT

During the three months ended September 30, 2010, the Company augmented its senior management team with the addition of Mr. Keith McKay as Chief Financial Officer on September 1, 2010, and the appointment of Mr. Gustavo Koch as Executive Vice President (from his previous role as the Company's General Counsel) .

SUMMARY OF QUARTERLY RESULTS

The Company currently capitalizes its exploration expenditures to mineral properties as deferred expenses.

The following table sets forth selected financial information for each of our eight most recently completed quarters.

	Q4 – 2008[1]	Q1 – 2009[1]	Q2 – 2009[1]	Q3 – 2009[1]
Total Revenue	–	–	–	–
Net Loss	506,325	1,438,849	372,133	540,467
Loss per share[1]	0.01	0.03	0.01	0.01

	Q4 – 2009[1]	Q1 – 2010	Q2 – 2010	Q3 – 2010
Total Revenue	–	–	–	–
Net Loss	1,772,849	3,331,856[3]	2,894,343[4]	2,460,352[5]
Loss per share[2]	0.04	0.07	0.04	0.03

(1) Pursuant to a pre-amalgamation agreement dated November 9, 2009 Continental Gold Limited, a Bermuda-based, privately owned company, and Cronus Resources Ltd., a TSX-V listed company, completed their proposed amalgamation on March 30, 2010. Financial information for all periods prior to Q1 – 2010 is for Continental Gold Limited pre-amalgamation with Cronus.

(2) Basic and diluted loss per share are equal.

(3) Net loss of $3,331,856 principally related to: (i) the write down of the Lunareja Project in the amount of $1,172,707; (ii) stock-based compensation of $1,049,834; (iii) professional fees of $504,235; and (iv) salaries of $462,525. All other expenses related to general working capital purposes.

(4) Net loss of $2,894,343 principally related to: (i) stock-based compensation of $1,356,279; (ii) salaries of $474,099; (iii) professional fees of $187,498; (iv) TSX listing fees of $200,370; and (v) investor relations expenses of $74,895. All other expenses related to general working capital purposes.

(5) Net loss of $2,460,352 principally related to: (i) stock-based compensation of $1,775,028; (ii) salaries of $318,553; (iii) professional fees of $138,063; (iv) directors' fees of $271,750 accrued for the nine months ended September 30, 2010; and (v) investor relations expenses of $67,097. All other expenses related to general working capital purposes.

RESULTS OF OPERATIONS

Nine months ended September 30, 2010 compared with the nine months ended September 30, 2009

The Company reported a net loss of $8,686,551 for the nine months ended September 30, 2010, with basic and diluted loss per share of $0.14. This compares with a net loss of $2,351,448, with basic and diluted loss per share of $0.05 for the nine months ended September 30, 2009. The increase of $6,335,103 in net loss was principally the result of the following:

- Write-off of mineral exploration properties for the nine months ended September 30, 2010 was $1,172,707 (2009 – $nil) related to the Lunareja Project (see "Mineral Exploration Properties").

- Stock-based compensation expense during the nine months ended September 30, 2010 was $4,181,141 (2009 – $1,086,782), an increase of $3,094,359 compared to the same period in 2009. During the nine months ended September 30, 2010, the Company issued 5,759,414 stock options compared with 2,113,224 in the comparative period. Stock-based compensation expense varies due to the calculated Black-Scholes value and vesting terms of previously issued stock options. The stock options issued vested in accordance with the Company's stock option plan. Users of the financial statements should be cautious of the valuation of stock-based compensation since its calculation is subjective and can impact net loss significantly.

- Foreign exchange loss for the nine months ended September 30, 2010 was $334,085, compared to a gain of $178,327 in the same period in 2009. The U.S. dollar increased slightly during the comparative periods.

- Professional fees for the nine months ended September 30, 2010 were $829,796 (2009 – $467,965), an increase of $361,831 compared to the same period in 2009. This increase can be attributed to the legal and audit expenses associated with the amalgamation on March 30, 2010 and subsequent public company requirements.

- Salaries for the nine months ended September 30, 2010 were $1,255,177 (2009 – $710,301), an increase of $544,876 compared to the same period in 2009. The increase reflects the addition of management personnel required for the post-amalgamation public company, and to support exploration and pre-development planning.

- Director fees for the nine months ended September 30, 2010 were $317,251 (nine months ended September 30, 2009 – $103,491), an increase of $213,760. This increase is due to the declaration of director fees for the period January 1, 2010 to September 30, 2010.

- Regulatory fees for the nine months ended September 30, 2010 were $231,407 (2009 – $nil), an increase of $231,407. This increase was the result of listing fees paid to the TSX upon the listing of the Company's shares for trading on April 19, 2010, as well as the listing of additional shares associated with the financing completed September 16, 2010.

Three months ended September 30, 2010 compared with the three months ended September 30, 2009

The Company's net loss for the three months ended September 30, 2010 amounted to $2,460,352, with basic and diluted loss per share of $0.03. This compares with a net loss of $540,467 for the three months ended September 30, 2009 and basic and diluted loss per share of $0.01. This increase in net loss was principally the result of the following items:

- Stock based compensation for the three-month period ended September 30, 2010 amounted to $775,028 (2009 – $159,802), an increase of $615,226, reflecting additional share option grants in the third quarter of 2010.

- Salaries for the three-month period ended September 30, 2010 totalled $318,553 (2009 – $213,063), an increase of $105,490. The increase reflects the addition of management personnel required for the post-amalgamation public company and to support exploration and pre-development planning.

- Director fees for the three months ended September 30, 2010 were $271,750 (2009 – $34,497), an increase of $237,253. This increase is due to the declaration of director fees in the third quarter of 2010 for the period January 1, 2010 to September 30, 2010.

- Regulatory fees for the three months ended September 30, 2010 amounted to $31,037 (2009 – $nil), an increase of $31,037. This regulatory fee was paid to the TSX for listing fees associated with the financing completed September 16, 2010.

- Foreign exchange gain for the three-month period ended September 30, 2010 was $64,410 compared to a foreign exchange gain of $110,915 in the three month period ended September 30, 2009.

LIQUIDITY, CAPITAL RESOURCES AND BUSINESS PROSPECTS

Historically, the Company's sole source of funding has been the issuance of equity-based securities for cash. For the nine months ended September 30, 2010, the following equity transactions were completed:

- On September 20, 2010, pursuant to the certificates governing its warrants exercisable at $1.75, the Company elected to accelerate the expiry date of the warrants from March 20, 2012 to October 20, 2010.

- On September 16, 2010, the Company completed an equity financing consisting of the sale of 12,000,000 units at a price of C$5.70 per unit or gross proceeds of C$68,400,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each full warrant has an exercise price of C$7.50 and an expiry date of September 16, 2012. In addition, the underwriters received a cash commission of 5.25% of gross proceeds and 720,000 broker warrants exercisable to acquire one unit (the "additional units") at a price of C$5.70 until September 16, 2012. Each additional unit consists of one common share and one-half of one common share purchase warrant (the "additional warrants"). Each full additional warrant has an exercise price of C$7.50 for a period of two years.

- On January 28, 2010 and February 11, 2010, the Company completed an equity financing consisting of the sale of 19,166,667 subscription receipts at a price of C$1.50 per subscription receipt for gross proceeds C$28,750,000. Each subscription receipt converted into one unit which consisted of one common share and one half of one common share purchase warrant of the Company. Each full warrant has an exercise price of C$2.25 per share and an expiry of March 30, 2011.

- On November 27, 2009, the Company issued a convertible debenture in the principal amount of C$3,000,000. The debenture accrued interest at a rate equal to Canadian Prime plus 2%. On March 30, 2010, the principal portion of the debenture plus accrued and unpaid interest debt was automatically converted, at a conversion price of C$1.50 per unit, into 2,029,135 units of the Company in accordance with the terms stated in the pre-amalgamation agreement. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant has an expiry date of March 30, 2012 and an exercise price of C$1.75 per common share.

During the nine-month period ended September 30, 2010, the number of stock options of the Company exercised totalled 1,547,210, for cash proceeds to the Company of $1,680,492.

The Company also received aggregate proceeds of $4,399,544 from the exercise of 2,489,481 warrants, and aggregate proceeds of $814,700 from the exercise of 563,500 broker warrants.

The Company maintains its surplus funds in cash and guaranteed investment certificates with RBC Royal Bank of Canada in Toronto, HSBC Bank of Bermuda in Bermuda and select Colombian banks.

At September 30, 2010, the Company had $85,492,279 in cash and cash equivalents (December 31, 2009: $1,603,792). The Company had working capital of $85,230,316 as of September 30, 2010, compared to working capital of $228,023 as of December 31, 2009. Working capital increased for the current period as a result of the completion of the private placement of common shares in September of this year.

As of September 30, 2010, the Company had 87,795,960 common shares issued and outstanding; 25,089,169 warrants outstanding which would raise $73,943,677 if exercised in full; 1,498,167 broker warrants, each exercisable for a unit of the Company that, if exercised, including the exercise of the one-half of one warrant included in each unit, would raise $5,124,924; and 5,759,414 stock options outstanding which would raise $9,814,662 if exercised in full. Management does not know when and how much will be collected from the exercise of convertible securities as this is dependent on the determination of the holder.

The Company continues to have no debt and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest bearing.

The Company's liquidity risk with financial instruments is minimal as excess cash is invested in short-term guaranteed deposits. In addition, amounts receivable are comprised mainly of advances to employees for disbursements made on behalf of the Company to be transferred to deferred expenses upon receipt of detailed expense reports.

The Company has no operating revenues and therefore must utilize its current cash reserves, income from short-term investments, funds obtained from the exercise of warrants and stock options and other financing transactions to maintain its capacity to meet working capital requirements and planned expenditures, or to fund any further development activities.

The Company's underground exploration development at Buritica continued to result in small-scale gold production. Aggregate gold sales for the six months ended September 30, 2010 of $5,113,528 resulted from exploration work and drifting in ore. Gold sales are viewed as a recovery of expenses and used as another source of funding the Company's exploration program. As a result, gold sales are treated as a capital credit and netted against deferred expenses that have been incurred to date on the Buritica project. The Company capitalized costs in the amount of $3,079,681 on its mineral properties during the nine months ended September 30, 2010, of which $350,000 is a non-cash charge relating to the increase in the future tax liability associated with the mineral properties resulting in total cash expenses for the nine months of $2,729,681.

As of September 30, 2010, the Company capitalized costs related to mineral properties in the amount of $48,728,009, compared to $45,648,328 as at December 31, 2009. See "Mineral Exploration Properties".

COMMITMENTS

In April 2010, the Company entered into a five-year lease agreement for office facilities in Toronto. The Company's estimated gross annual rent will be approximately C$167,500 depending upon the actual annual operating costs for the building. Rent payments commenced on September 1, 2010.

CONTINGENCIES

The Company's exploration and development activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and becoming more restrictive. As of September 30, 2010, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the near-term and anticipates that such obligations, if any, will only arise when mine development commences.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

SUBSEQUENT EVENTS

From October 1 to November 9, 2010, the Company received aggregate proceeds of C$7,086,964 from the exercise of 4,174,518 warrants (including from the accelerated warrants announced on September 20, 2010), C$784,125 from the exercise of 522,750 broker warrants and C$161,527 from the exercise of 133,901 stock options.

SHARE CAPITAL

As of November 9, 2010, the Company had 91,683,962 common shares outstanding.

As of November 9, 2010, the Company had 5,775,513 stock options outstanding, each exercisable to acquire one common share of the Company:

As of November 9, 2010, the Company has 21,159,026 warrants outstanding, each exercisable to acquire one common share of the Company: The Company also has 975,417 broker warrants outstanding, each broker warrant allowing the holder to purchase a unit of the Company consisting of one share and one half of one share purchase warrant.

STOCK OPTION PLAN

The Company has in place a stock option plan (the "Plan") under which directors, officers, employees and consultants may be granted options to purchase common shares. The aggregate number of shares which may be issued under the Plan shall not exceed 10% of the aggregate number of shares then issued and outstanding (calculated on a non-diluted basis). As at September 30, 2010, options to purchase 3,020,182 shares remain available for grant. The exercise price of each option shall be fixed by the board of directors of the Company but shall not be less than the volume weighted average trading price (calculated in accordance with the rules and policies of the TSX) of the common shares on the TSX for the five trading days immediately preceding the day the option is granted. An option may be for a term up to ten years and may not be assigned. Under the terms of the Plan, unless the directors of the Company determine otherwise, one third of the number of options granted vest on each of the date of the grant and on the first and second anniversary of the grant date.

Stock Options	**As at November 9, 2010**	**As at September 30, 2010**
Outstanding	5,775,513	5,759,414
Exercisable	3,325,315	3,221,716
Available to grant	3,392,883	3,020,182

RELATED PARTY TRANSACTIONS

During the three and nine months ended September 30, 2010, legal fees of $nil and $30,703 (2009 - $20,000 and $86,531), respectively, were charged by a law firm in which a former director of the Company is a partner. As at September 30, 2010, there were no outstanding legal fees payable to this law firm (December 31, 2009 – $68,525).

During the three and nine months ended September 30, 2010, aggregate technical consulting fees of $nil and $15,000 (2009 – $27,000 and $74,225), respectively, were charged by a former director of the Company. As at September 30, 2010, there were no outstanding fees payable to this former director (December 31, 2009 – $63,600).

During the three and nine months ended September 30, 2010, aggregate gold sales to a refinery company controlled by a director of the Company amounted to $1,213,717 and $5,113,529 (2009 – $2,153,240 and $5,363,306), respectively. As of September 30, 2010, there were no outstanding amounts due to the Company (December 31, 2009 – $215,474) for gold delivered by the Company to the refinery.

The Company received consulting services from Grupo de Bullet S.A. ("Grupo"), a company controlled by a director of the Company, during the three and nine months ended September 30, 2010 amounting to $nil and $274,750, respectively (2009 – $nil). As at September 30, 2010, there were no amounts owing by the Company to Grupo (December 31, 2009 – $119,453). In addition, the Company made advances to Grupo during the nine months ended September 30, 2010 in the amount of $162,190 (September 30, 2009 – $nil) repayable on April 1, 2011 with interest accruing at LIBOR.

The Company purchased drilling services during the three and nine months ended September 30, 2010 from Terra Colombia S.A., a company with a common director, at a cost of $nil and $73,995 (2009 – $262,063 and $709,488), respectively.

On March 30, 2010 the Company issued 2,402,832 stock options to officers and directors of the Company. The stock options have an exercise price of C$1.50 and an expiry date of March 30, 2015.

On May 10, 2010, the Company issued 800,000 stock options to officers and directors of the Company. The stock options have an exercise price of C$2.35 and an expiry date of May 10, 2015.

The Company shares office space with a company with a common officer, and contributed C$67,785 and C$89,573, respectively, during the three and nine months ended September, 2010 (2009 - $nil).

Transactions with related parties disclosed above are in the normal course of business and are recorded at the exchange amount, being the price agreed between the parties.

On January 28, 2010, a director of the Company, and companies with an officer who is also a director of the Company, purchased 1,596,334 units of the Company for gross cash proceeds to the Company of C$2,394,501 (see "Description of the Business" above).

On February 11, 2010, officers and directors of the Company purchased 593,602 units of the Company (see "Description of the Business" above) for gross cash proceeds to the Company of C$890,403.

CHANGES IN CANADIAN ACCOUNTING RECOMMENDATIONS

Future Accounting Changes

International Financial Reporting Standards ("IFRS")

In February 2008, the Accounting Standards Board announced that 2011 is the changeover year for publicly-listed companies to replace Canadian GAAP with IFRS. The Company will be required to prepare financial statements in accordance with IFRS for interim and annual financial statements relating to fiscal years beginning on January 1, 2011. The changeover date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ending December 31, 2010.

The Company started the conversion to IFRS in August 2010 with the commencement of project planning. In the third quarter of 2010, an initial diagnostic review of significant IFRS differences was initiated with the assistance of the Company's external auditors. Based on preliminary work completed to date, the Company does not expect that the conversion to IFRS will have a significant impact on its accounting processes and internal controls (including information technology systems). The Company is in the process of reviewing its disclosure controls and procedures to ensure they are appropriate for reporting under IFRS.

The Company has not yet completed its assessment of all accounting policy differences that may arise on conversion to IFRS. The following is a summary of the accounting policy differences that have been identified to date:

(a) Property, plant and equipment – IFRS requires that the Company identify the different components of its fixed assets and record amortization based on the useful lives of each component. The Company has reviewed the depreciation of its existing property, plant and equipment and does not expect any material differences between IFRS and the Company's current depreciation policies.

(b) Impairment – International Accounting Standard (IAS) 36, "Impairment of Assets," uses a step approach for both testing for and measurement of impairment, with asset carrying values compared directly with the higher of fair value less costs to sell and value in use (which uses discounted future cash flows). This may potentially result in more write-downs where carrying values of assets were previously supported under Canadian GAAP on an undiscounted cash flow basis, but could not be supported on a discounted cash flow basis. IFRS also has the requirement under IAS 36 to reverse any previous impairment losses where circumstances have changed such that the impairments have been reduced. Canadian GAAP prohibits reversal of impairment losses.

The Company has not yet quantified the impact of these differences on its financial statements. A number of other differences between Canadian GAAP and IFRS have been identified, but are still being assessed by the Company, including the accounting for mineral properties, income taxes, stock options, financial instruments and disclosure requirements. These differences may have a material impact on the Company's financial statements.

A more detailed review of the impact of IFRS on the Company's consolidated financial statements is in progress and is targeted for completion during the fourth quarter of 2010.

The Company expects to meet the changeover date of January 1, 2011, requiring the restatement to IFRS for comparative purposes of amounts for the year ending December 31, 2010.

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, “Business Combinations”, Section 1601, “Consolidated Financial Statements”, and Section 1602, “Non-Controlling Interests”. These new standards will be effective for fiscal years beginning on or after January 1, 2011. Section 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 – *Business Combinations*. Sections 1601 and 1602 together replace section 1600, “Consolidated Financial Statements”. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27 – *Consolidated and Separate Financial Statements*. The Company is in the process of evaluating the requirements of the new standards.

FINANCIAL INSTRUMENTS

Canadian GAAP requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The Company’s activities expose it to a variety of financial risks: liquidity risk, market risk (including interest rate, foreign exchange rate and price risk) and credit risk.

Risk management is carried out by the Company’s management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company’s liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. The Company generates cash flow primarily from its financing activities and interest income earned on its cash and cash equivalents. The Company has cash and cash equivalents of $85,492,279 as at September 30, 2010 (December 31, 2009 – $1,603,792) to settle current liabilities of $1,860,538 (December 31, 2009 – $1,692,290). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

All of the Company’s financial liabilities are subject to normal trade terms.

Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company’s financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. In the normal course of business, the Company is not exposed to market risks as a result of its investments being held in cash or short-term investment certificates.

Currency Risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the U.S. dollar and major purchases are transacted in U.S. dollars and Colombian pesos. The Company funds certain operations, exploration and administrative expenses in Colombia on a cash call basis using Colombian pesos converted from its Canadian and/or U.S. dollar bank accounts held in Canada. The Company maintains Canadian and U.S. dollar bank accounts in Canada, a U.S. dollar bank account in Bermuda and Colombian pesos bank accounts in Medellín. The Company is subject to gains and losses due to fluctuations in the U.S. dollar and the Colombian pesos against the Company's Canadian dollar cash and cash equivalents. Sensitivity to a plus or minus 10% change in all foreign currencies (Colombian pesos and Canadian dollars) against the U.S. dollar with all other variables held constant as at September 30, 2010, would affect net loss and comprehensive loss by approximately $6,726,000.

Interest Rate Risk

Interest rate risk is the impact that changes in interest rates could have on the Company's earnings and assets. In the normal course of business, the Company is exposed to interest rate fluctuations as a result of cash equivalents being invested in interest-bearing instruments. Interest rate risk is minimal as the Company's interest bearing instruments have fixed interest rates.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents are held with reputable financial institutions, from which management believes the risk of loss to be minimal. The related party receivables are short-term in nature.

The related party receivables are in good standing as at September 30, 2010. Management believes that the credit risk concentration with respect to amounts receivable is minimal.

Fair Value

As at September 30, 2010, the carrying and fair value amounts of the Company's financial instruments were approximately equivalent.

MANAGEMENT OF CAPITAL

The Company defines capital that it manages as its shareholders' equity. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral properties. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. As at September 30, 2010, total shareholders' equity (managed capital) was $124,885,199 (December 31, 2009 – $34,618,626).

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration programs and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient potential, if it has adequate financial resources to do so and if it fits with the Company's overall strategic plan.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes in the Company's approach to capital management during the three and nine months ended September 30, 2010.

RISK FACTORS

The Company is subject to a number of risks and uncertainties. The reader should carefully consider the information disclosed in the financial statements, in the Company's Amalgamation Circular, and in other publicly-filed documentation regarding the Company available on SEDAR at www.sedar.com. Any of these risk elements could have a material adverse effect on the business of the Company.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's unaudited interim financial statements requires management to make certain estimates that affect the amounts reported in the financial statements. The accounting estimates considered to be significant are the valuation of the Company's resource assets and stock-based compensation.

The policy of capitalizing exploration costs to date does not necessarily relate to the future economic value of the exploration properties. The valuation of mineral resource properties is dependent entirely upon the discovery of economic mineral deposits.

The Company uses the Black-Scholes model to determine the fair value of options and warrants. The main factor affecting the estimates of stock-based compensation is the stock price volatility used. The Company uses historical price data and comparables in the estimate of the stock price volatility.

Changes in the accounting estimates in the items discussed above may have a material impact on the financial position of the Company.

Other items requiring estimates are accounts receivable, accounts payable and accrued liabilities and future income taxes. Changes in the accounting estimates in these items may have a material impact on the financial position of the Company.

INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

The Company's management, including the Chief Executive Officer and Chief Financial Officer, have completed a preliminary evaluation of the effectiveness of the design and operation of the Company's internal controls over financial reporting and disclosure controls and procedures as of September 30, 2010. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the controls in place were effective at a reasonable assurance level. The Company is undertaking a more detailed review of internal controls over financial reporting and disclosure controls and procedures in the fourth quarter of 2010.

There were no significant changes in the Company's internal controls, or in other factors, that could significantly affect those controls subsequent to the date the Chief Executive Officer and Chief Financial Officer completed their evaluation as of September 30, 2010, nor were there any significant deficiencies or material weaknesses in the Company's internal controls identified requiring corrective actions.

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, does not expect that its disclosure controls and internal controls over financial reporting will prevent or detect all errors and fraud. A cost effective system of internal controls, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the internal controls over financial reporting are achieved.

OUTLOOK

During the third quarter of 2010, the Company continued its exploration and pre-development activities at its Buritica property. The Company completed 3,000 metres of drilling at its Berlin property and continued to evaluate several other properties within its extensive Colombian property portfolio.

The following activities are expected in the next six months:

- Continued exploration at the Buritica project towards the preparation of a NI 43-101 compliant mineral resource in 2011;

- Initiation of pre-development activities at the Buritica project in 2011;

- Completion of an initial exploration program at its Berlin project in 2011; and

The Company is expected to spend approximately $2,000,000 per month on drilling and other related activities in the fourth quarter of 2010.

QUALIFIED PERSON

The information in this MD&A that relates to drilling results is information compiled by Stuart Moller, P.Geol. Mr. Moller has over 30 years of mineral exploration experience and is a Licensed Professional Geologist in the Province of British Columbia, a Fellow of the Society of Exploration Geologists and a full-time employee and corporate officer of the Corporation. Mr. Moller has sufficient experience which is relevant to the style of mineralization and type of deposits under consideration and to the activity which he is undertaking to qualify as a Qualified Person as defined in the Canadian National Instrument 43-101: Standards of Disclosure for Mineral Projects. Mr. Moller verified the data disclosed in this MD&A, including the sampling, analytical and test data underlying the information contained herein. Mr. Moller has consented to the inclusion of this information in the form and context in which it appears in this MD&A.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.