



MANAGEMENT'S DISCUSSION AND ANALYSIS

OF CONSOLIDATED FINANCIAL POSITION
AND CONSOLIDATED RESULTS OF OPERATIONS
For the three and nine months ended September 30, 2015



NOVEMBER 5, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of the activities, consolidated financial condition and consolidated results of the operations of Continental Gold Inc. (the "Company" or "Continental Gold") constitutes management's review of the factors that affected the Company's consolidated financial and operating performance for the three and nine months ended September 30, 2015. This discussion, dated November 5, 2015, should be read in conjunction with the unaudited interim consolidated financial statements of the Company for the three and nine months ended September 30, 2015, together with the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts in this MD&A are in United States ("U.S.") dollars, unless stated otherwise. References to C\$ and COP are to Canadian dollars and Colombian pesos, respectively. Information contained herein is presented as of November 5, 2015, unless otherwise indicated.

Further information about the Company and its operations is available on SEDAR at www.sedar.com and on the U.S. Over-the-Counter market, OTCQX[®] International ("OTCQX"), at www.otcmarkets.com.

SCHEME OF ARRANGEMENT

Effective June 10, 2015 (the "Effective Date"), an internal corporate reorganization effected by way of a scheme of arrangement (the "Scheme") under Section 99 of the Companies Act 1981 of Bermuda was completed. The Scheme was approved by former shareholders of Continental Gold Limited ("Old Continental") on June 4, 2015 and sanctioned by the Supreme Court of Bermuda on June 9, 2015, resulting in Old Continental becoming a wholly-owned subsidiary of the Company. The Scheme involved the exchange of the outstanding existing securities of Old Continental as of the Effective Date for new equivalent securities of the Company, on a one-for-one basis. As a result of the exchange, former security-holders of Old Continental became security-holders of the Company as of the Effective Date. At the open of markets on Friday, June 12, 2015, the common shares of the Company were listed and posted for trading on the TSX under the existing trading symbol of Old Continental, "CNL", in substitution for the previously-listed common shares of Old Continental. Pursuant to the Scheme, the individuals who were the directors and officers of Old Continental became the directors and officers of the Company as of the Effective Date.

As the shareholders of Old Continental ultimately continued to hold their respective interests in the Company and the fact that the reorganization occurred between two related entities, there was no change in control. Accordingly, the unaudited interim consolidated financial statements for the three and nine months ended September 30, 2015 have been prepared on a continuity-of-interest basis. All references to the Company relating to periods prior to the Effective Date of the Scheme relate to those of Old Continental.

FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking statements" within the meaning of applicable Canadian securities legislation and applicable U.S. securities laws. Forward-looking information includes, but is not limited to: statements with respect to the potential of the Company's properties; the estimation of mineral resources; exploration results; potential mineralization; exploration and mine development plans; completion of a feasibility study; modifying the EIA (as defined herein); timing of the commencement of operations; the future price of gold and other mineral commodities; the realization of mineral resource estimates; success of exploration activities; cost and timing of future exploration and development; conclusion of economic evaluations; requirements for additional capital; other statements relating to the financial and business prospects of the Company; and other future events and information as to the Company's strategy, plans or future financial or operating performance.

Generally, forward-looking statements are characterized 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”, “will be taken”, “occur” or “be achieved”.

Forward-looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management considered reasonable at the date the statements are made in light of management’s experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that it believes to be relevant and reasonable in the circumstances at the date that such statements are made. Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: the actual results of exploration activities; the inherent risks involved in the exploration and development of mineral properties; changes in project parameters as plans continue to be refined; delays in obtaining government approvals; the uncertainties of project cost overruns or unanticipated costs and expenses; uncertainties inherent in conducting operations in a foreign country; title risks related to the ownership of the Company’s projects and the related surface rights and to the boundaries of the Company’s projects; the Company’s limited operating history; uncertainties related to the availability and costs of financing needed in the future; fluctuations in mineral prices; uninsurable risks related to exploration, development and production; reliance on economic studies to determine the potential economic viability of the mineral resources comprising the Buriticá project; uncertainties of construction and operating cost overruns; the risk that the conclusion of pre-production studies may not be accurate; unexpected adverse changes that may result in failure to comply with environmental and other regulatory requirements; differing interpretations of tax regimes in foreign jurisdictions; the loss of Canadian tax resident status; uncertainties inherent in competition with other exploration companies; non-governmental organization intervention and the creation of adverse sentiment among the inhabitants of areas of mineral development; uncertainties related to conflicts of interest of directors and officers of the Company; dependence on key management employees; reliance on outside contractors in certain mining operations; labour and employment matters; the presence of informal miners; the reliability of mineral resource estimates; the ability to fund operations through foreign subsidiaries; the residency of directors, officers and others; uncertainties related to holding minority interests in other companies; foreign currency fluctuations; unreliable historical data for projects; reliance on adequate infrastructure for mining activities; health and safety risks; compliance with government regulation; the market price of shares of the Company; the payment of future dividends; future sales of shares of the Company; accounting policies and internal controls; impairment of mineral properties; and Bermuda legal matters. See “Risks and Uncertainties” for further discussion regarding risk factors.

Although management of the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. 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 are cautioned not to place undue reliance on forward-looking statements. The forward-looking information contained herein is presented for the purpose of assisting shareholders in understanding the Company’s expected financial and operational performance and the Company’s plans and objectives and may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statements contained herein or incorporated by reference herein, except in accordance with applicable securities laws.

Differences in Reporting of Mineral Resource Estimates

This MD&A was prepared in accordance with Canadian standards for reporting of mineral resource estimates, which differ in some respects from United States standards. In particular, and without limiting the generality of the foregoing, the terms “inferred mineral resources,” “indicated mineral resources,” “measured mineral resources” and “mineral resources” used or referenced in this MD&A are Canadian mineral disclosure terms as defined in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) under the guidelines set out in the Canadian

Institute of Mining, Metallurgy and Petroleum (the “CIM”) Standards on Mineral Resources and Mineral Reserves (the “CIM Standards”). The CIM Standards differ significantly from standards in the United States. While the terms “mineral resource,” “measured mineral resources,” “indicated mineral resources,” and “inferred mineral resources” are recognized and required by Canadian regulations, they are not defined terms under standards in the United States. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies, except in limited circumstances. The term “resource” does not equate to the term “reserves”. Under United States standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Readers are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. Readers are also cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically or legally mineable. Disclosure of “contained ounces” in a mineral resource is permitted disclosure under Canadian regulations; however, United States companies are only permitted to report mineralization that does not constitute “reserves” by standards in the United States as in place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of “reserves” are also not the same as those of the United States Securities and Exchange Commission (the “SEC”), and reserves reported by the Company in compliance with NI 43-101 may not qualify as “reserves” under SEC standards. Accordingly, information regarding mineral resources contained or referenced in this MD&A containing descriptions of our mineral deposits may not be comparable to similar information made public by United States companies.

EXECUTIVE SUMMARY

Continental Gold Inc. (TSX:CNL; OTCQX:CGOOF) is an advanced-stage exploration and development company with one advanced-stage gold project and three early-stage projects covering over 166,523 hectares of exploration and exploitation rights in highly-prospective areas with known historical high-grade gold production in Colombia. The Company is led by an international management team with a successful track record of discovering and developing large high-grade gold deposits in Latin America.

The focus of the Company for 2015 is the continued advancement of the exploration and development programs for its flagship high-grade gold project, Buriticá, located in Antioquia, Colombia. Major objectives and milestones for 2015 include: the release of an updated mineral resource estimate; advancement of the Company’s environmental permitting application; continued cooperation and collaboration with the communities in creating opportunities and improving living conditions; and advancing various engineering studies that will form the foundation of an updated economic study expected to be completed in 2016.

Q3 2015 Highlights

- Pre-development activities at the Buriticá project during the quarter included:
 - On August 7, 2015, the Company filed with Canadian securities regulators an independent technical report prepared in accordance with National Instrument 43-101 (“NI 43-101”) entitled “Independent Technical Report and Resource Estimate on the Buriticá Gold Project 2015”, detailing the updated mineral resource estimate announced on June 24, 2015;
 - The Company continued to advance various studies which will form the basis of a feasibility study to be released in 2016;
 - On September 15, 2015, the Company announced that it requested the National Government of Colombia to assume the responsibility of reviewing the application for an amendment to the existing Environmental Impact Assessment (“EIA”) for the Buriticá project as a Project of National Strategic Interest (Proyecto de Interés Nacional Estratégico (“PINES”)). Consequently, the Company withdrew its application for the amendment to the EIA from the autonomous regional environmental authority of the department of Antioquia; and

- The Company continued its efforts to advance the formalization of small-scale miners by continuing to work with individual organizations on health and safety, mine planning and mineral transportation procedures.
- The Company announced the appointment of Mateo Restrepo Villegas as Executive Vice President effective August 12, 2015.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

As at	September 30	December 31
In thousands of U.S. dollars	2015	2014
	\$	\$
Consolidated Financial Position		
Cash and cash equivalents	33,253	57,558
Exploration and evaluation assets	218,429	195,309
Total assets	263,509	268,498
Shareholders' equity	227,246	242,972

The Company's total assets at September 30, 2015 were \$263.5 million, which is consistent in comparison to total assets of \$268.5 million as at December 31, 2014 and \$263.8 million as at June 30, 2015.

Cash and cash equivalents at September 30, 2015 was \$33.3 million, compared to \$57.6 million as at December 31, 2014 and \$43.1 million as at June 30, 2015. The decrease in cash and cash equivalents in the quarter is primarily a result of expenditures for the continued advancement of the Buriticá project, a decline in Canadian-dollar cash balances due to changes in the C\$:U.S. dollar exchange rate and an increase in the amount of gold doré inventory as at September 30, 2015.

Exploration and evaluation assets at September 30, 2015 includes 2,218 ounces of gold doré inventory (December 31, 2014 – 86 ounces) at a cost of \$2.3 million (December 31, 2014 – \$0.1 million) and having a net realizable value of \$2.5 million based on a closing gold price of \$1,115 per ounce (December 31, 2014 - \$0.1 million based on a closing gold price of \$1,206 per ounce).

In thousands of U.S. dollars	Three months ended		Nine months ended	
	September 30		September 30	
	2015	2014	2015	2014
	\$	\$	\$	\$
Consolidated Operating Results				
Foreign exchange loss	(1,368)	(3,525)	(4,720)	(4,601)
Net loss	(10,198)	(14,173)	(20,433)	(16,325)
Consolidated Cash Flow				
Acquisition of and investment in exploration and evaluation assets, net of gold sales	6,935	14,129	19,613	33,644
Cash flows from financing activities	470	543	2,996	769
Net cash outflow	(8,454)	(14,747)	(19,836)	(38,138)

Net loss for the three and nine months ended September 30, 2015 was \$10.2 million and \$20.4 million, respectively, compared to the \$14.2 million and \$16.3 million for the same respective periods in 2014. The change in 2015 is mainly due to the recognition of a new Colombia wealth tax imposed in 2015, a change in May 2015 in the tax rates applicable to Colombia tax losses generated in 2013 and 2014, foreign exchange losses on cash balances and on deferred tax expense resulting from changes in U.S. dollar:COP exchange rates on tax balances. In addition, 2014 includes gains recognized relating to marketable securities and loss of significant influence in an associate of the Company.

The Company has no long-term financial liabilities, off-balance sheet financing arrangements or material contingent liabilities or contractual obligations, other than the equity tax liability. Excluding the impact of

revaluations for financial liabilities and foreign exchange on Canadian-dollar cash balances, the Company expects to continue to incur losses until commercial mining operations from its exploration and evaluation assets have commenced.

DESCRIPTION OF BUSINESS

The Company is an advanced-stage exploration and development entity engaged in the acquisition, exploration, evaluation and development of principally gold resource properties in Colombia. The Company currently holds the rights to explore one advanced-stage gold project and three early-stage projects in Colombia totaling approximately 162,927 hectares of exploration and exploitation rights, and has pending concession applications totaling approximately 3,596 hectares of exploration rights. There is no guarantee that the Company will be granted the pending concession applications. See the “Risks and Uncertainties” section in this MD&A. Currently, the Company’s primary focus is on its Buriticá project.

The Company was incorporated under the provisions of the Business Corporations Act (Ontario) and is a reporting issuer in Canada under applicable securities legislation in Ontario, Alberta, British Columbia and New Brunswick. It carries on its operations through a corporate office in Toronto, Canada and a foreign company branch office in Medellín, Colombia. The Company’s issued and outstanding common shares trade on the TSX and OTCQX under the symbols “CNL” and “CGOOF”, respectively.

The Company has a need for equity capital and other financing to fund working capital in the exploration and development of its properties. The Company’s ability to continue as an active mineral property explorer and developer is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or sufficient, or if the Company will attain profitable levels of operation.

EXPLORATION SUMMARY

Exploration expenditures, net of gold sales and recoveries, are summarized as follows:

In thousands of U.S. dollars	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
	\$	\$	\$	\$
Buriticá	10,699	14,346	23,120	35,704
Dojura	6	–	8	–
Dominical	–	–	2	–
Berlin	1	3	3	15
Santander	–	–	13	–
	10,706	14,349	23,146	35,719

Buriticá Project

The Buriticá project encompasses an aggregate area of 61,784 hectares of exploration and exploitation rights and is located approximately 75 kilometres northwest of Medellín in the Antioquia Department of north-western Colombia. The project area is comprised of 18 registered concessions covering 17,424 hectares, 44 pending registration concessions totaling 41,860 hectares and four concession applications totalling 2,500 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; however, there is no guarantee that the Company will be granted the pending concession applications (see “Risks and Uncertainties” in this MD&A). The Buriticá project includes the Yaraguá mine that had previously been under small-scale production by the Company and is now utilized for underground exploration development and as a bulk-sample testing facility.

The deposit-type of the Buriticá project is a porphyry-related, carbonate base metal (“CBM”) gold vein/breccia system. High-grade precious metal mineralization in CBM systems may occur over substantial vertical intervals well in excess of a kilometre, beginning from the porphyry level and ending just below the shallow epithermal range. Compared to low-sulfidation epithermal styles, CBM

mineralization is sulphide-rich, with abundant pyrite, +/- pyrrhotite, sphalerite, galena, minor sulfosalts, chalcopyrite and with quartz-carbonate gangue mineralogy. Gold in CBM systems may be free-milling or refractory. Mineralization in CBM systems typically comprises sheeted veins, stockworks and breccias which include some fracture-related disseminations in associated wall-rocks.

Pre-development

On June 24, 2015, the Company announced an updated mineral resource estimate, prepared in accordance with NI 43-101, for the Yaraguá and Veta Sur vein systems at the Buriticá project. Undertaken by independent consultants, Mining Associates Limited, the estimates were based on 271,003 metres of drilling and 7,215 metres of underground sampling (as at May 11, 2015).

COMBINED YARAGUÁ AND VETA SUR MINERAL RESOURCES above a 3 g/t gold cut-off, as at May 11, 2015									
RESOURCE		GRADES				METAL			
Category	M tonnes	Gold g/t	Silver g/t	AuEq g/t	Zinc %	Au Mozs	Ag Mozs	AuEq Mozs	Zn Mlbs
Measured	0.89	19.0	55	19.9	0.7	0.54	1.58	0.57	13.4
Indicated	12.00	10.2	32	10.7	0.4	3.94	12.40	4.18	112.6
M & I	12.89	10.8	34	11.4	0.4	4.48	13.98	4.71	126.0
Inferred	15.6	9.0	29	9.5	0.3	4.5	14.7	4.8	91

Notes – Reported tonnage and grade figures have been rounded from raw estimates to reflect the order of accuracy of the estimate. Minor variations may occur during the addition of rounded numbers. There have been no assumptions made as to metal prices or recoveries in this mineral resource estimate other than in gold equivalents that are calculated for AuEq = Au+ Ag/60. M in Figures and Tables represents millions.

The mineral resource estimate will form the foundation of a feasibility study which the Company expects to be completed in Q2/Q3 2016. During the quarter, the Company filed with Canadian securities regulators the corresponding independent technical report prepared by Mining Associates Limited in accordance with NI 43-101 entitled “Independent Technical Report and Resource Estimate on the Buriticá Gold Project 2015”, with an effective date of May 11, 2015 and dated August 7, 2015.

In anticipation of completing a feasibility study in 2016, the Company continued to advance various studies during the quarter, including metallurgy and mill design, mine planning, tailing storage facility, hydrology and hydrogeology and electrical.

During the quarter, the Company also announced that it has requested the National Government of Colombia to assume the responsibility of reviewing the application for modification to the existing environment permit (EIA) for the Buriticá project as a PINES project, as contemplated under Colombian law. Consequently, the Company withdrew its application for the modification of the EIA from the autonomous regional environmental authority of the department of Antioquia. The withdrawal of the EIA modification application from the regional authority and the corresponding PINES process will transfer responsibility for the environmental aspects of permitting to Autoridad Nacional de Licencias Ambientales (“ANLA”), the Colombian national environmental licensing agency. The EIA modification application is expected to be reviewed on a priority basis and under the high-level government supervision provided by PINES regulations.

Sustainability and Corporate Social Responsibility

Continental Gold is committed to conducting its operations in a safe, environmentally and socially responsible manner, while ensuring respect and transparency in any community in which we operate.

The Company’s Corporate Social Responsibility (“CSR”) model is aligned with international performance standards, aiming to protect the environment, deliver effective and sustainable community development, and improve the quality of life for its employees and contractors, their families, and the immediate community.

The Company's responsibility to the sustainable development of the Buriticá community is reflected in the following programs implemented during the third quarter of 2015, aimed at strengthening the community and improving health, education, infrastructure and the environment:

- Implemented of a formal grievance system;
- Continued to promote education by sponsoring courses for adult basic training for various community members, including employees of the Company;
- Partnered with the Ministry of Labor to promote international standards against child labor;
- Improved infrastructure at local schools, sports recreation centres and public areas, including improving the local soccer fields and sanitation systems;
- Continued support of the small-scale mining formalization process by helping to establish various procedures and controls with a focus on health and safety, environmental compliance and mine planning;
- Supported local businesses and farmers through partnerships, awarding contracts, donations and co-hosting events;
- Established a corporate volunteer and employee donation plan that help support local projects and raise money to sponsor children attending the Tabacal rural youth home; and
- Communicated with local communities through formal meetings regarding the formalization process, reconnaissance exploration and various other projects underway in the local communities.

For the remainder of 2015, the Company plans to continue to advance its CSR program by establishing a solid foundation for sustainable development, with focus on, among other things, continued overall support of community activities, support of local businesses, promoting children's health, productivity, and refining infrastructure with a focus on water resources and urban planning.

2015 Expenditures

During the three and nine months ended September 30, 2015, the Company incurred \$10.7 million and \$26.5 million, respectively, of deferred exploration and development costs (three and nine months ended September 30, 2014, \$15.8 million and \$39.7 million, respectively), including \$0.2 million and \$0.5 million of capitalized share-based payments for the same respective period (three and nine months ended September 30, 2014 – \$0.4 million and \$1.0 million, respectively). Gold sales resulting from exploration work and drifting in ore at the Buriticá project amounted to \$nil and \$3.4 million, respectively, for the three months and nine months ended September 30, 2015 (three and nine months ended September 30, 2014 – \$1.4 million and \$4.0 million, respectively). Gold sales are treated as a capital credit as they support ongoing exploration of the Buriticá project and, accordingly, are not included as a revenue item in the Company's unaudited interim consolidated statements of operations and comprehensive loss. As a result, net project expenditures for the three and nine months ended September 30, 2015 totaled \$10.7 million and \$23.1 million, respectively (three and nine months ended September 30, 2014 – \$14.3 million and \$35.7 million, respectively).

Project expenditures for the three and nine months ended September 30, 2015 include \$1.8 million and \$2.3 million, respectively, relating to the cost of production of 1,900 ounces and 2,218 ounces, respectively, of gold doré that were not sold and are stored in a secured third party vault in a major metropolitan centre. Management expects to liquidate these ounces in the fourth quarter and will record the sales as a capital credit to exploration and evaluation assets.

Berlin Project

The Berlin project covers an aggregate area of 38,102 hectares of exploration rights. The project is comprised of 11 registered concessions totaling 22,850 hectares and 11 pending registration concessions totaling 15,252 hectares. The project area is located 90 kilometres north of Medellín in the Antioquia Department.

No work has been performed at the Berlin project during 2015 and 2014 but the Company continues to anticipate the initiation of a diamond drilling campaign in the future.

During 2014, a write-down of \$14.2 million was recorded in respect of the remaining value of the Berlin project. The slow progress towards the improvement of security conditions in the area have prevented the Company from commencing any meaningful exploration activity to date at the Berlin project. As management does not expect a change in circumstances in the foreseeable future, management has determined that the recoverability of the recorded value for the project is uncertain and has accordingly recorded a write-down for the book value of the property (see the "Risks and Uncertainties" section in this MD&A). All subsequent expenditures in respect of the Berlin project are recognized as exploration expense.

Dojura Project

The Dojura project covers an aggregate area of 40,743 hectares of exploration rights. It is located in the western cordillera in the Choco Department, 30 kilometres southeast of the Departmental capital city of Quibdó. The Dojura project is comprised of three registered concessions totaling 12,726 hectares, 10 pending registration concessions totaling 27,711 hectares and one concession application totaling 306 hectares.

Due to uncertainty as to whether the Company will be able to recover its costs or commence exploration for the project, the Company recorded a write-down in 2013 for the remaining value of \$1.4 million in respect of the Dojura project. Any costs incurred subsequently are recognized as exploration expense.

On September 23, 2014, the Superior Court of the District of Antioquia rejected a claim to cancel exploration and mining concessions that encompass traditional indigenous land due to indigenous groups being displaced as a result of security conditions. However, the court did temporarily suspend exploration and mining activities on indigenous land until formal consultation with indigenous communities occur. Approximately 7,726 hectares in the Dojura project are affected by this court ruling. The Company plans to begin the process of consulting the indigenous communities in the affected areas.

Dominical Project

The Dominical project encompasses an aggregate area of 25,894 hectares of exploration rights and is located in southern Colombia in the Cauca Department. The Dominical project area is comprised of four registered concessions totaling 5,590 hectares, 12 pending registration concessions totaling 19,514 hectares and two concession applications covering 790 hectares.

A write-down was recorded in 2013 in the consolidated statement of operations and comprehensive loss for the remaining value of \$4.7 million in respect of the Dominical project as a result of worsening security conditions in the Cauca Department (see the "Risks and Uncertainties" section in this MD&A). Any costs incurred subsequently are recognized as exploration expense.

CONSOLIDATED OPERATING RESULTS

The following is a summary of the Company's consolidated operating highlights for the three and nine months ended September 30, 2015 and 2014:

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Tonnes milled (tonnes)	2,098	2,045	5,499	6,040
Average grade (g/t)	30.2	23.6	30.0	20.2
Gold production (ounces)	1,900	1,407	4,936	3,553
Gold sales (ounces)	–	1,154	2,804	3,221
Realized gold price(\$)	–	1,206	1,192	1,238

In thousands of U.S. dollars, except per share amounts	Three months ended September 30		Three months ended September 30	
	2015	2014	2015	2014
Net loss	\$ (10,198)	\$ (14,173)	\$ (20,433)	\$ (16,325)
Net loss per share, basic and fully diluted	0.8	(0.11)	0.16	(0.13)

Pre-Production and Development Planning Activities

For the three and nine months ended September 30, 2015, the Company sold nil and 2,804 ounces of gold, respectively (three and nine months ended September 30, 2014 – 1,154 and 3,221 ounces, respectively), which were sold for an average realized price of \$nil and \$1,192 per ounce, respectively (three and nine months ended September 30, 2014 – \$1,206 and \$1,238 per ounce, respectively). The reduction in sales is due to a delay in shipments as a result of management's decision to retain the services of an international refiner. The Company expects to both commence shipments to the refiner and sell the balance of its gold inventory during the fourth quarter of 2015. The increase in production is a result of an increase in grade, both of which vary as production is dependent on exploration and development activities.

As at September 30, 2015, the Company held 2,218 ounces (December 31, 2014 – 86 ounces) of gold doré in inventory at a cost of \$2.3 million (December 31, 2014 – \$0.1 million) and a net realizable value of \$2.5 million based on a closing gold price of \$1,115 per ounce (December 31, 2014 - \$0.1 million based on a closing gold price of \$1,206 per ounce). Inventory is classified as part of exploration and evaluation assets as the bulk sampling operation is used to support exploration and development activities.

Operating Results

The Company's net loss for the three and nine months ended September 30, 2015 amounted to \$10.2 million net income (\$0.08 per share) and \$20.4 million net loss (\$0.16 per share), respectively, compared with a net loss of \$14.2 million (\$0.11 per share) and \$16.3 million (\$0.13 per share), respectively, for the same periods in 2014. The change compared to the same respective periods in 2015 was primarily from the following:

- Corporate administration for the three and nine months ended September 30, 2015 was \$1.5 million and \$6.4 million, respectively (three and nine months ended September 30, 2014 – \$3.5 million and \$7.1 million, respectively), including share-based payments. The change is mainly a result of a new Colombia wealth tax in 2015.
- Compensation costs related to share-based payments during the three and nine months ended September 30, 2015 were \$0.6 million and \$1.7 million, respectively (three and nine months ended September 30, 2014 – \$0.9 million and \$2.5 million, respectively), of which \$0.4 million and \$1.2 million, respectively (three and nine months ended September 30, 2014 – \$0.5 million and \$1.5 million, respectively) were expensed and \$0.2 million and \$0.5 million, respectively

(three and nine months ended September 30, 2014 –\$0.4 million and \$1.0 million, respectively) were capitalized to exploration and evaluation assets.

- Changes related to share-based payments relate to the issuance of 350,000 and 2,620,000 stock options, respectively, during the three and nine months ended September 30, 2015, with average grant date fair values of \$1.15 and \$0.88 per share, respectively, compared to 400,000 stock options and 2,025,000 stock options, respectively, during the three and nine months ended September 30, 2014, with average grant date fair values of \$1.62 per share and \$1.54 per share. The valuation of share-based payments is subjective and can impact net income (loss) significantly.
- Foreign exchange loss for the three and nine months ended September 30, 2015 was \$1.4 million and \$4.7 million, respectively, compared to \$3.5 million and \$4.6 million, respectively, for the same periods in 2014. The change is primarily the result of the continued weakening of the Canadian dollar against the U.S. dollar in 2015.
- Loss on marketable securities during the three and nine months ended September 30, 2015 was \$0.4 million and \$0.3 million, respectively, compared \$2.7 million and \$3.3 million, respectively, for the same periods in 2014. The change resulted from the revaluation of securities held. In addition, the conversion of the Company's investment in an associate to marketable securities resulted in the recognition of a gain of \$1.6 million in 2014.
- Deferred tax expense for the three and nine months ended September 30, 2015 was \$7.0 million and \$9.2 million, respectively, compared to \$4.5 million and \$3.6 million, respectively, for the same periods in 2014. Deferred tax expense is mainly related to foreign exchange on the translation of foreign tax balances at current rates net of a change in May 2015 relating to the tax rates applicable to Colombia tax losses generated in 2013 and subsequent years.

Excluding the effect of the revaluation of financial instruments and foreign exchange on cash balances, the Company will continue to incur losses until commercial mining operations from its exploration and evaluation assets have commenced.

SUMMARY OF CONSOLIDATED QUARTERLY RESULTS

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

The following table sets forth selected consolidated financial information for each of the Company's eight most recently completed quarters:

In thousands of U.S. Dollars, except per share amounts	Q3–	Q2–	Q1–	Q4–	Q3–	Q2–	Q1–	Q4–
	2015	2015	2015	2014	2014	2014	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
Net (loss) income	(10,198)	186	(10,421)	(23,338)	(14,173)	1,685	(3,837)	(6,014)
Basic and diluted (loss) income per share	(0.08)	0.00	(0.08)	(0.18)	(0.11)	0.01	(0.03)	(0.05)

The Buriticá project is the Company's most significant project and is expected to continue to be the focus of most of the exploration and development work undertaken in the current and future fiscal years.

SELECTED QUARTERLY INFORMATION

The following is a summary of the Company's financial operating results for the three and nine months ended September 30, 2015 and 2014:

In thousands of U.S. dollars, except per share amounts	Three months ended		Nine months ended	
	September 30		September 30	
	2015	2014	2015	2014
	\$	\$	\$	\$
Exploration expenditures, net of gold sales and recoveries (see "Exploration Summary")	10,706	14,349	23,146	35,719
Operating activities	(1,775)	(870)	(4,864)	(1,830)
Investing activities	(7,149)	(14,420)	(17,968)	(37,077)
Financing activities	470	543	2,996	769
	(8,454)	(14,747)	(19,836)	(38,138)
Foreign exchange on cash and cash equivalents	(1,414)	(3,694)	(4,469)	(4,540)
Net decrease in cash and cash equivalents	(9,868)	(18,441)	(24,305)	(42,678)
Net loss	(10,198)	(14,173)	(20,433)	(16,325)
Net loss per share, basic and fully diluted	(0.08)	(0.11)	(0.16)	(0.13)

Cash Flow Items

Operating Activities

Operating activity expenditures for the three and nine months ended September 30, 2015 of \$1.8 million and \$4.9 million, respectively, compared to \$0.9 million and \$1.8 million for the same respective periods in 2014, increased as a result of wealth tax charges, reduced interest income on cash balances and changes in working capital balances.

Investing Activities

Investing activity expenditures for the three and nine months ended September 30, 2015 of \$7.1 million and \$18.0 million, respectively (three and nine months ended September 30, 2014 – \$14.4 million and \$37.1 million, respectively) relate mainly to continued advancement and acceleration of the Buriticá project exploration and development programs, net of capitalized gold sales revenues relating to such assets and refunds received for value added taxes on exploration expenditures. During 2015, drilling and development activities have been significantly reduced and activities have been focused towards the advancement of a feasibility study. In 2014, the Company also invested \$0.9 million in additional investments in marketable securities.

Financing Activities

Financing activity for the three and nine months ended September 30, 2015 of \$0.5 million and \$3.0 million, respectively, is consistent with the \$0.5 million and \$0.8 million for the same respective periods in 2014, and relates to cash proceeds from the exercise of stock options.

Cash and Cash Equivalents

As at	September 30	December 31
In thousands of U.S. dollars	2015	2014
	\$	\$
Cash and cash equivalents	33,253	57,558

As at September 30, 2015, the Company maintained its surplus funds in cash with two major banks in Canada, one in Bermuda and select Colombian banks. Cash balances decreased in 2015 as a result of investing activities relating mainly to exploration and evaluation assets and unrealized foreign exchange losses on Canadian cash balances.

The Company had working capital of \$31.4 million as of September 30, 2015 (December 31, 2014 – \$58.2 million; June 30, 2015 – \$41.3 million). The change in working capital in 2015 is a result of continued expenditures for the advancement of the Buriticá exploration and development programs.

In addition to the Company's current assets, the Company also has, as at September 30, 2015, 2,218 ounces (December 31, 2014 – 86 ounces) of gold doré in inventory, classified as part of exploration and evaluation assets, at a cost of \$2.3 million (December 31, 2014 – \$0.1 million) and a net realizable value of \$2.5 million based on a closing gold price of \$1,115 per ounce (December 31, 2014 - \$0.1 million based on a closing gold price of \$1,206 per ounce) that can be liquidated to settle current obligations.

Total Assets

Total assets as at September 30, 2015 of \$263.5 million is consistent with \$263.8 million as at June 30, 2015, and has decreased from the \$268.5 million as at December 31, 2014 mainly due to foreign exchange losses on Canadian dollar cash balances.

Commitments

The Company has lease agreements expiring between 2015 to 2020 for office and warehouse facilities in Toronto and Colombia. The Company's estimated annual rents are approximately \$0.5 million, depending upon the actual annual operating costs for the Company's premises.

Contingencies

In November 2013, the Company was assessed a fine of COP 2,947,500,000 from the autonomous regional environmental authority of the department of Antioquia for alleged environmental infractions dating back to 2007 and 2008. The Company does not believe that the allegations have any merit and intends to vigorously defend this matter.

In 2014, the Company and the regional authority reached an agreement in principle. The principal terms of the agreement included the payment to the regional authority of COP 2,947,500,000 plus interest of COP 265,452,000 over a 12-month period. The agreement was submitted for approval to, and rejected by, the Colombian courts for administrative technicalities. The Company subsequently initiated legal proceedings against the regional authority, which proceedings are currently in process.

As at December 31, 2014, the Company recognized a liability and a corresponding expense of \$1,381,000 representing the fine of COP 2,947,500,000 and interest to December 31, 2014 of COP 349,145,000 in the consolidated statement of operations and comprehensive loss for the year ended December 31, 2014.

During the first quarter of 2015, the Company paid \$1,318,000 representing the fine of COP 2,947,500,000 plus interest of COP 507,019,239. The Company believes that paying the fine was in the best interest of the Company as it limits the accumulation of interest while the matter is dealt with in the courts.

The Company's exploration, development and bulk sampling activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are subject to change and may generally become more restrictive. As of September 30, 2015, the Company did not believe that there were any significant environmental obligations requiring material capital outlays in the near-term and anticipate that such obligations, if any, will only arise when mine development commences.

LIQUIDITY, CAPITAL RESOURCES AND BUSINESS PROSPECTS

The adequacy of the Company's capital structure is assessed on an ongoing basis and adjusted as necessary after taking into consideration the Company's strategy, forward gold prices, the mining industry, economic conditions and associated risks. In order to maintain or adjust its capital structure, the Company may adjust project capital spending, issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or issue new debt.

Historically, the Company's sole source of funding has been the issuance of equity-based securities for cash.

The Company's financial position at September 30, 2015 included \$33.3 million in cash and cash equivalents, compared to \$57.6 million at December 31, 2014 and \$43.1 million at June 30, 2015. In addition to cash and cash equivalents, the Company has 2,218 ounces of gold doré in inventory, classified as part of exploration and evaluation assets, with a net realizable value of \$2.5 million based on a closing gold price of \$1,115 per ounce that it expects to monetize in the fourth quarter of 2015. As at November 4, 2015, cash and cash equivalents amounted to approximately \$30.5 million and gold doré in inventory was 2,781 ounces with a net realizable value of \$3.1 million based on a gold price of \$1,115 per ounce.

As at September 30, 2015, 8,967,168 options were outstanding at an average exercise price of C\$5.43 per share. Management does not know when and how much will be collected from the exercise of such securities, as this is dependent on the determination of the option holder and the market price of the common shares.

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 interest-bearing accounts with two major Canadian banks. In addition, amounts receivable are comprised mainly of value-added-tax receivables (of which approximately 50% was received after quarter-end and the remainder is expected to be received within one year), interest receivable on cash and cash equivalents.

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 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 the Buriticá project includes gold production results from its bulk-sample testing operation from exploration work and drifting in ore. Aggregate gold sales for the three and nine months ended September 30, 2015 were \$nil and \$3.4 million, respectively (three and nine months ended September 30, 2014 – \$1.4 million and \$4.0 million, respectively). Gold sales are used as another source of funding the Company's exploration program and are viewed as a recovery of expenses. As a result, gold sales, net of costs, are treated as a capital credit and netted against deferred expenses that have been incurred to-date on the Buriticá project. As at September 30, 2015, the Company held 2,218 ounces (December 31, 2014 – 86 ounces) of gold doré in inventory at a cost of \$2.3 million (December 31, 2014 – \$0.1 million) and a net realizable value of \$2.5 million based on a closing gold price of \$1,115 per ounce (December 31, 2014 - \$0.1 million based on a closing gold price of \$1,206 per ounce) that can be liquidated to settle current obligations.

For the three and nine months ended September 30, 2015, the Company capitalized costs related to mineral properties in the amount of \$10.7 million and \$23.1 million, respectively (three and nine months ended September 30, 2014 – \$14.3 million and \$35.7 million, respectively). See "Exploration Summary".

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 of the Company 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, 2015, total shareholders' equity (managed capital) was approximately \$227.2 million (December 31, 2014 – \$243.0 million; June 30, 2015 – \$236.4 million).

The properties in which the Company currently has an interest are primarily 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 within 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 quarter ended September 30, 2015.

The Company is not subject to any externally imposed capital requirements. The Company believes that its current capital resources were sufficient to discharge its liabilities as at September 30, 2015.

SHARE CAPITAL

Fully Diluted Shares

As at (In thousands)	September 30 2015	December 31 2014
Shares issued	129,550	127,179
Stock options outstanding	8,967	10,298
	138,517	137,477

As at November 4, 2015, there were 129,549,628 common shares outstanding.

Share-Based Compensation

The Company has a stock option plan (the "Option Plan"), a deferred share unit plan (the "DSU Plan") and a restricted share unit plan (the "RSU Plan") in place. The maximum number of common shares issuable under all stock-based compensation arrangements of the Company is equal to 10% of the issued and outstanding common shares of the Company from time to time. The Option Plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. The maximum number of Common Shares to be reserved for issuance under the DSU Plan and RSU plan is set at 250,000 and 750,000, respectively.

Under the Option Plan, directors, officers, employees and consultants may be granted stock options to purchase common shares of the Company. The DSU Plan provides that employees and directors of the Company may elect to receive up to 100% of their annual compensation in deferred share units ("DSUs"). In addition, DSUs may be awarded to an employee or director as deemed appropriate by the Company. Under the RSU Plan, restricted share units may be awarded to an employee or consultant as a discretionary payment in consideration of past or futures services to the Company. Limits have also been set in respect of the maximum number of options or DSUs that may be issued to a non-employee director in any one-year period.

As at September 30, 2015, 8,967,168 options were outstanding at an average exercise price of C\$5.43 (December 31, 2014 – 10,297,663 options at an average exercise price of C\$5.50), of which 5,952,168 were exercisable (December 31, 2014 – 8,443,288). Management does not know when and how much

will be collected from the exercise of such securities as this is dependent on the determination of the holder and the market price of the common shares. As at September 30, 2015, there were no DSUs or RSUs outstanding.

As at November 4, 2015, there were 8,770,293 stock options and no DSUs and RSUs outstanding.

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.

RELATED PARTY TRANSACTIONS

Transactions with related parties are in the normal course of business and are recorded at the exchange amount, being the price agreed between the parties. The following is a summary of related party transactions for the three and nine months ended September 30, 2015:

- Gold sales to a refinery company (in which a former director of the Company has an equity interest and is an officer) for the three and nine months ended September 30, 2015 amounted to \$nil, compared to \$nil and \$2.6 million for the same respective periods in 2014, and were reported as a reduction to exploration and evaluation assets in the unaudited interim consolidated statements of financial position. The former director resigned from the Company effective June 4, 2014.
- The Company had a consulting agreement with a company controlled by the former Chairman of the Company for \$20,000 per month. Services included site visit security and logistics, technical assistance and assistance with Colombia mining law and processes. This consulting agreement terminated on December 31, 2014.
- In 2013, the Company issued a letter of support to the Colombian Mining Authority representing a total of 257,690 hectares covered in exploration applications submitted a former associate of the Company. The letter of support indicated a financial commitment by the Company to financially support the exploration activities that is limited to an approximate cost of \$98/hectare, for future exploration expenditures for the three-year period commencing from the date a concession contract is registered in respect of the specified areas in the applications. The letter of support was required in order for the former associate to meet rules governing mineral exploration applications. In December 2014, the Company notified the Colombian Mining Authority of the withdrawal of the letter of support.

CONTRACTUAL OBLIGATIONS

As at September 30, 2015, the Company had the following payments due on contractual obligations and commitments:

Contractual Obligations	Total	< 1 year	2-3 years	4-5 years	>5 years
In thousands of U.S. dollars					
	\$	\$	\$	\$	\$
Operating lease obligations ⁽¹⁾	846	270	297	279	-
Rehabilitation obligations ⁽²⁾	6,273	1,165	1,697	3,411	-
Capital commitments ⁽³⁾	7,257	6,720	537	-	-
Wealth Tax ⁽⁴⁾	1,407	1,005	402	-	-
Total	15,783	9,160	2,933	3,690	-

⁽¹⁾ Represents lease agreements for office, warehouse and housing facilities in Toronto and Colombia.

⁽²⁾ Represents undiscounted cash flows.

⁽³⁾ Represents open contracts and purchase orders for the development of the Buriticá project.

⁽⁴⁾ Represents estimated wealth tax payments based on the Company's net equity position in Colombia as at December 31, 2014.

As at September 30, 2015, a rehabilitation provision of \$6.3million (December 31, 2014 – \$3.1 million) was recorded, representing the discounted value of the expected future cash flows.

FINANCIAL INSTRUMENTS AND RELATED RISKS

The Company manages capital and its exposure to financial risks by ensuring it has sufficient financial capacity to support exploration and development plans and long-term growth strategy.

The Company is subject to various financial risks that could have a significant impact on financial conditions and the Company's ability to advance its exploration projects. These risks include liquidity risk, credit risk and financial market conditions relating to interest rates, gold price and currency rates.

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 management team carries out risk management 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 regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company has treasury policies designed to support managing liquidity risk by proactively mitigating exposure through cash management, including forecasting its liquidity requirements with available funds and anticipated cash flows. As at September 30, 2015, the Company had cash and cash equivalents of \$33.3 million (December 31, 2014 – \$57.6; June 30, 2015 – \$43.1 million) to settle current liabilities of \$4.4 million (December 31, 2014 – \$4.8 million; June 30, 2015 – \$4.6 million). In addition, the Company has 2,218 ounces of gold doré (December 31, 2014 – 86 ounces; June 30, 2015 – 318 ounces) with a net realizable value of \$2.5 million (December 31, 2014 – \$0.1 million; June 30, 2015 – \$0.4 million) that can be liquidated to settle its current obligations. The majority of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has begun to examine its options to secure additional sources of funds including public issuances, private placements and the exercise of outstanding stock options.

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 primarily 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, Colombia. The Company is subject to gains and losses due to fluctuations in the Colombian peso and the Canadian dollar against the Company's U.S. dollar functional currency. Sensitivity to a plus or minus 20% 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, 2015, would affect net loss and comprehensive loss by approximately \$4.0 million.

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 and 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 and amounts receivable. The Company has no significant concentration of credit risk arising from its properties. The Company's cash and cash equivalents are held with banks in Colombia, Bermuda and Canada. The Company limits material counterparty credit risk on these assets by dealing with financial institutions with credit ratings of at least A or equivalent, or those which have been otherwise approved. The majority of amounts receivable are current and consist of receivables from unrelated parties as of September 30, 2015. Management believes that the credit risk concentration with respect to amounts receivable is minimal based on the Company's history with these unrelated parties.

Fair Value

As at September 30, 2015, the carrying and fair value amounts of the Company's financial instruments were approximately equivalent. The fair value of the Company's financial instruments at September 30, 2015 was determined using quoted market prices.

MARKET TRENDS

Global Financial Market Conditions

Events and conditions in the global financial markets particularly over the last two years continue to impact gold prices, commodity prices, interest rates and currency rates. These conditions, as well as market volatilities, may have a positive or negative impact on the Company's operating costs, project exploration and development expenditures, and planning of the Company's projects.

Gold Market

The Company's economic assessment of its gold projects is impacted by the market-driven gold price. The gold market is affected by negative real interest rates over the near-to-medium term, continued sovereign debt risks, elevated geo-political risks, mine production and substantial above-ground reserves that can affect the price should a portion of these reserves be brought to market.

While many factors impact the valuation of gold, traditionally the key factors are actual and expected U.S. dollar value, global inflation rates, oil prices and interest rates.

The global financial market crisis affected the volatility of gold and other commodity prices, oil prices, currencies and the availability of credit. The gold price has displayed considerable volatility in the last few years. The daily closing spot gold price during the nine months ended September 30, 2015 was between \$1,080 and \$1,296 per ounce (between \$1,214 and \$1,385 per ounce during the nine months ended September 30, 2014) for an average price for the nine months ended September 30, 2015 of \$1,114 per ounce (nine months ended September 30, 2014: \$1,288). Continued uncertainties in major markets, specifically in the U.S. and European countries, and increased investments from Asian countries, namely India and China, were the main driving forces in the demand for gold.

(\$/ounce of gold)	2015	2014
Average market gold price for the nine months ended September 30	1,178	1,288
Closing market gold price as at September 30	1,115	1,217

Currency

The Company's functional and reporting currency is the U.S. dollar. Movement in the Canadian dollar against the U.S. dollar has a direct impact on the Company's corporate office cost base and cash balances. Movement in the Colombian peso has a direct impact on the Company's exploration activities. Currencies continued to experience volatility relative to the U.S. dollar during the nine months ended September 30, 2015. The key currencies to which the Company is exposed are the Canadian dollar and the Colombian peso.

	Closing Rate As at		Average Rate Nine months ended	
	September 30 2015	December 31 2014	September 30 2015	September 30 2014
Canadian dollar/U.S.\$	0.7493	0.8620	0.7945	0.9773
Colombian peso /U.S.\$	0.00033	0.00042	0.00038	0.00052

During 2015, the Company will have significant U.S. dollar and Colombian peso requirements due to exploration activities, the majority being expenditures to advance the Buriticá project. As at September 30, 2015, the Company held \$19.2 million in U.S. dollars, which represents approximately 58% of total cash balances to protect against currency volatility in 2015 and which the Company believes is sufficient to fund remaining planned exploration expenditures for 2015. As at November 4, 2015, the Company held approximately \$19 million in U.S. dollars, representing approximately 63% of total cash balances.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements under IFRS requires management to make certain estimates and assumptions that affect the amounts reported in the consolidated financial statements. The accounting estimates considered to be significant are the valuation of the Company's mineral resource assets and equity instruments, the factors considered in determining the Company's functional currency, and the inputs used in determining the balances recorded for the rehabilitation provision, commitments and contingencies. While management believes that these estimates and assumptions are reasonable, actual results could vary significantly.

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 stock options and warrant investments. The main factor affecting the estimates of stock-based compensation is the stock price volatility used. The Company uses historical price data 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 consolidated financial position of the Company.

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

CHANGES IN ACCOUNTING POLICIES

Future Accounting Changes

The following revised standards and amendments have not been applied in preparing the consolidated financial statements. Management has not yet considered the potential impact of their adoption and does not plan to adopt these standards early.

IFRS 9 – Financial Instruments

IFRS 9, Financial Instruments (“IFRS 9”), replaces IAS 39, Financial Instruments – Recognition and Measurement (“IAS 39”) and some of the requirements for IFRS 7, Financial Instruments – Disclosures. The objective of IFRS 9 is to establish principles for reporting of financial assets and financial liabilities in respect of the assessment of the amounts, timing and uncertainty of an entity’s future cash flows.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers (“IFRS 15”), replaces IAS 11, Construction Contracts (“IAS 11”), IAS 18, Revenue (“IAS 18”) and some revenue-based interpretations. The objective of IFRS 15 is to provide a single comprehensive revenue recognition model that applies to contracts with customers.

IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

Amendments to IAS 16 – Property, Plant and Equipment and IAS 38 - Intangibles

Amendments to IAS 16, Property, Plant and Equipment (“IAS 16”) and IAS 38, Intangibles (“IAS 38”) provide clarification in respect of the acceptable methods of depreciation and amortization.

The amendments to IAS 16 and IAS 38 are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

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, 2015, nor were there any significant deficiencies or material weaknesses in the Company’s internal controls identified requiring corrective actions.

The Company’s management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company’s disclosure controls and procedures. Based on that evaluation, the Company’s Chief Executive Officer and Chief Financial Officer have concluded that, as of September 30, 2015, the Company’s disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods.

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.

QUALIFIED PERSON

Mauricio Castañeda, Vice-President, Exploration of the Company, is a qualified person within the meaning of NI 43-101 – *Standards of Disclosure for Mineral Projects* and has reviewed and approved the scientific and technical information contained in this MD&A.

For additional information on the Buriticá project, please refer to the Company's current Technical Report for the Buriticá project, available on the Company's website at www.continentalgold.com and under the Company's profile on SEDAR at www.sedar.com.

RISKS AND UNCERTAINTIES

The business of the Company is subject to a variety of risks and uncertainties. The Company's common shares should be considered highly speculative due to the nature of its business and the present stage of exploration and development, and the location of its properties in Colombia. The reader should carefully consider the risks disclosed in this MD&A, the Company's Annual Information Form (the "AIF") for the year ended December 31, 2014, audited annual consolidated financial statements and related management's discussion and analysis for the year ended December 31, 2014, and other publicly-filed documentation regarding the Company, each available under the Company's profile on SEDAR at www.sedar.com and on the OTCQX at www.otcmarkets.com. In addition, the AIF is available upon request from the Company. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations and any of these risk elements could have a material adverse effect on the business of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's AIF, is available under the Company's profile on SEDAR at www.sedar.com and on the OTCQX at www.otcmarkets.com, and is available upon request from the Company.

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