

COSIGO RESOURCES LTD.  
(the “Company” or “Cosigo”)

Form 51-102F1 – Management Discussion and Analysis  
For the Quarter Ended September 30, 2015

This discussion and analysis is prepared as at October 10, 2017 and should be read in conjunction with the unaudited condensed consolidated interim financial statements of **Cosigo Resources Ltd.** for the period ended September 30, 2015 which was prepared in accordance with International Financial Reporting Standards (“IFRS”). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis (“MD&A”) are quoted in Canadian dollars. Additional information with respect to the Company’s activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and at the Company’s web site at [www.cosigo.com](http://www.cosigo.com)

Management’s discussion and analysis contains forward-looking statements, including statements regarding the business and anticipated financial performance of the company. These statements are not guarantees of the company’s future performance and are subject to risk uncertainties and other important factors, which could cause a corporation’s actual performance to be different from that projected. Given the uncertainties associated with forward-looking information, the reader should not place undue reliance on the forward-looking information.

## **FINANCIAL STATEMENT PRESENTATION AND ACCOUNTING POLICIES**

The annual consolidated financial statements of the Company at December 31, 2014 and 2013 have been prepared using accounting policies consistent with IFRS. The annual consolidated financial statements of the Company are prepared on a going concern basis. The going concern basis assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has incurred significant operating losses and negative cash flows from operations since inception and requires financing to continue operations. The Company will require additional funding to complete its future exploration plans. It is anticipated that these funds will be raised by future equity issuances.

It is uncertain if the Company will be able to continue as a going concern. The Company will need to continue to raise capital to fund its operations which may not be available or may not be available on reasonable terms. The outcome of these matters cannot be predicted at this time. These factors may cast significant doubt as to the ability of the Company to continue as a going concern.

The condensed consolidated interim statements of financial position presented as at September 30, 2015 and December 31, 2014 and the consolidated statements of operations and comprehensive loss, consolidated statement of changes in equity and the consolidated statements of cash flows for the years then ended include the accounts of the Company and its subsidiaries:

1. Cosigo Mining Inc., a wholly owned subsidiary, incorporated on March 30, 2005 under the British Columbia Corporations Act. The subsidiary was disposed in 2015.

2. Horseshoe Gold (U.S.) Inc., a wholly owned subsidiary incorporated in Nevada. The subsidiary was inactive at December 31, 2014 and 2013 and disposed in 2016.
3. Cosigo Frontier Mining Corporation, a wholly owned subsidiary of Cosigo Mining Inc., incorporated on August 20, 2007 under the British Columbia Corporations Act.
4. Cosigo Fronteira, Prospecção Pesquisa e Extração Mineral Ltda., a 49% owned (by Cosigo Mining Inc.) subsidiary, incorporated on April 7, 2010 under the laws of Brazil. The subsidiary was inactive at December 31, 2014.
5. Cosigo Resources Prospecção Pesquisa e Extração Mineral Ltda., a 99% owned (by Cosigo Mining Inc.) subsidiary, incorporated on June 6, 2011 under the laws of Brazil. The subsidiary was inactive at December 31, 2014.

## **OVERALL PERFORMANCE AND SELECTED ANNUAL INFORMATION**

The principal business of Cosigo Resources Ltd. is the acquisition of interests in mineral applications and in mineral exploration licenses in Colombia and Brazil, South America. The Company has title to an area of approximately 10,000 hectares in the Taraira North, Vaupes Province of Colombia and has focused its efforts on an area referred to as the Machado Project. Exploration has been carried out on the Machado Project including the construction of a thirty person base camp, mobilization of two leased light-weight reverse circulation percussion drills and completion of a network of access trails. Work has also included 1:10,000 scale geological mapping and a 6,798 sample MMI (Mobile Metal Ions) grid-based soil sampling program. A drill program, totaling 1,168m of drilling in 20 drill holes, was carried out in the summer of 2013. The drill program targeted areas highlighted by MMI sampling and geological mapping and successfully showed that the Machado project is underlain by several zones of strata-bound gold mineralization.

Cosigo Resources Ltd. will continue to test and evaluate areas along the strike of known mineralization and surrounding the areas of known mineralization in the Taraira North area. A key component of this work will be drilling to test known showings and their down-dip extensions.

In addition to the Machado Project the Company has title to the Damian Project.

During the year 2014, CN Project mineral title began process of revocation in 2015 as the property was overlapping a National Park. The possibility of getting the mineral title back is remote.

The Company currently owns 13.26% of the issued common shares of DHK Diamonds Inc., a private company which was formed to own and explore mineral properties in the Northwest Territories, Canada. DHK has entered into a joint exploration program on its properties with a third party who is the operator of the program. The investment in DHK Diamonds Inc. was considered impaired and the cost of the investment was charged to income in a prior year.

The following table sets out selected financial information for the periods indicated and should be considered in conjunction with the more complete information contained in the annual

consolidated financial statements. All currency amounts are stated in Canadian dollars. Loss for the periods indicated is as follows:

<b>Condensed Consolidated Interim Statements of Operations and Comprehensive Loss</b>					
<i>(Unaudited - Prepared by Management)</i>					
<b>Expressed in Canadian Dollars</b>					
	Three Months Ended			Nine Months Ended	
	Sep 30	Sep 30		Sep 30	Sep 30
	2015	2014		2015	2014
Exploration	(45,555.47)	61,633.00		(73,771.39)	363,492.00
<b>General and administrative expenses</b>					
Administrative fees and compensation	19,609.68	40,256.00		67,579.71	137,613.00
Depreciation	-	1,486.00		-	4,414.00
Foreign exchange/Loss	39.94	0.00		222.65	-344.00
Legal, accounting and audit	3,325.34	10,743.00		36,034.24	54,627.00
Office and sundry	5,309.43	31,034.00		6,459.16	80,828.00
Share-based compensation	-	0.00		-	0.00
Telecommunications	1,254.63	4,361.00		8,098.17	15,095.00
Travel	-	3,293.00		-	15,303.00
<b>Total General and administrative expenses</b>	<b>29,539.01</b>	<b>91,173.00</b>		<b>118,393.92</b>	<b>307,536.00</b>
<b>Net and Comprehensive Loss Period</b>	<b>-16,016.46</b>	<b>152,806.00</b>		<b>44,622.53</b>	<b>671,028.00</b>
Weighted Average number of Shares Outstanding, Basic and Diluted	77,630,523	77,630,523		77,630,523	77,630,523

	Sept 2015	December 31 2014
Total Assets	200,116	408306
Total Liabilities	318,685	482291
Working Capital	-292,032	-240615
Cumulative Exploration Expenses	7,013,280	7087051

## SUMMARY OF QUARTERLY RESULTS

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
			\$	\$	\$	\$	\$	\$	\$	\$
Exploration Expenses	(45,555.47)	(21,132.73)	(7,083)	26,451	61,633	87,726	214,133	228,713	779,029	436,934
General and Administrative Expenses	29,539.01	33,098.15	55,757	8,432	91,173	123,965	92,398	195,615	235,719	227,346
Other Expenses				16,381						
Net Loss and Comprehensive Loss for the Quarter	(16,016)	11,965	48,674	51,264	152,806	211,691	306,531	424,328	1,014,748	664,280
Loss Per Share, Basic and Diluted	\$ (0.00021)	\$ 0.00015	\$ 0.001	\$ 0.001	\$ 0.002	\$ 0.003	\$ 0.004	\$ 0.005	\$ 0.013	\$ 0.009
	77,630,523	77,630,523	77,630,523	77,630,523	77,630,523	77,630,523	77,630,523	77,630,523	77,630,523	73,860,823

## SHARE CAPITAL

The following table summarizes the changes in Common Shares from December 31, 2011 to September 30, 2015:

	COMMON SHARES	
	NUMBER	AMOUNT
December 31, 2011	72,560,255	11,064,605
Shares issued for cash and compensation	573,808	65,545
December 31, 2012	73,134,063	11,130,150
Shares issued for cash and compensation	4,496,460	1,116,774
December 31, 2013	77,630,523	12,246,924
Shares issued for cash and compensation	-	-
December 31, 2014	77,630,523	12,246,924
Shares issued for cash and compensation	-	-
September 30, 2015	77,630,523	12,246,924

The following table summarizes the changes in **Warrants** from December 31, 2012 to June 30, 2015:

	NUMBER OF WARRANTS
December 31, 2012	24,535,572
Issued	<u>4,455,100</u>
December 31, 2013	28,990,672
Expired	<u>-445,510</u>
December 31, 2014	24,535,572
Expired	<u>-17,456,966</u>
September 30, 2015	7,078,606

Subsequent to year-end 7,078,606 warrants expired unexercised.

The following table summarizes the Warrants outstanding at September 30, 2015:

Number of Warrants	EXERCISE PRICE				Expiry Date
	Year 1	Year 2	Year 3	Year 4	
16,448,600	\$0.50	\$1.00	\$1.25		April 26, 2015
1,008,366	1.25 USD	1.00 USD	1.25 USD		September 21, 2015
7,078,606	1.25	1	1.25	1.5	April 26, 2016
<b>24,535,572</b>					
-17,456,966	expired in Q3				
7,078,606					

The following table summarizes the changes in Stock Options from December 31, 2012 to September 30, 2015

		Number of Options
Balance	December 31, 2012	6,040,000
Granted	August 16, 2013	100,000
Granted	August 16, 2013	75,000
Granted	December 2, 2013	100,000
Granted	December 9, 2013	350,000
Expired on Directors resignation	November 4, 2014	-2,175,000
Expired on Directors resignation	February 23, 2015	-1,525,000
Balance	September 30, 2015	2,965,000

The following table summarizes the Stock Options outstanding and their exercise prices as at September 30, 2015:

Number of Options	Exercise Price	Expiry Date
730,000	\$ 0.25	March 18, 2018
4,810,000	\$ 0.50	April 10, 2022
500,000	\$ 0.50	May 14, 2022
100,000	\$ 0.50	April 10, 2022
75,000	\$ 0.50	August 16, 2023
100,000	\$ 0.50	December 2, 2023
350,000	\$ 0.50	December 9, 2023
6,665,000		
-3,700,000	expired on resignation	
2,965,000	as at Sept 30, 2015	

## TRANSACTIONS WITH RELATED PARTIES

Related party transactions and balances were measured at exchange amounts which represent the amounts established and agreed to by the related parties and include the following:

The Company owes \$120,000, by way of unsecured Promissory Note due on demand to a company controlled by a common Director.

During the year ended December 31, 2014, the Company received several unsecured loans totaling \$15,852 (\$32,617,356 COP) from an employee in Colombia. The loans were interests free and repaid in full in 2015.

During the year ended December 31, 2014 the Company received advances of \$14,580 (\$30,000,000 COP) from a new director of the company, appointed April 27, 2015. The funds received were intended for the purchase of shares through a private placement but the private placement never took place and was cancelled. As a result, the advances were reclassified as an interest free loan due on demand.

During the year ended December 31, 2014 the Company received \$22,567 (\$46,434,200 COP) from Tobie Mining & Energy, an unrelated party. The unsecured promissory note is due on demand and does not bear interest.

## OTHER INFORMATION

Additional information on the Company is available at the Company's website [www.cosigo.com](http://www.cosigo.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

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<p>Directors: Andy Rendle * Robert E. Collawn * Hector Cuevas * (*Audit Committee Member)</p>	<p>Transfer Agent: Computershare 3rd Floor, 510 Burrard Street Vancouver, BC V6C 2T8 Canada</p>