

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

Form 51-102F1 – Management Discussion and Analysis
For the Year Ended December 31, 2015

This discussion and analysis is prepared as at June 24, 2019 and should be read in conjunction with the audited consolidated financial statements of **Cosigo Resources Ltd.** for the years ended December 31, 2015 and 2014 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 and at the Company’s web site at 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, 2015 and 2014 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 audited consolidated statements of financial position presented for years ending December 31, 2015 and 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 absorbed by the parent in 2015.
2. Horseshoe Gold (U.S.) Inc., a wholly owned subsidiary incorporated in Nevada. The subsidiary was inactive at December 31, 2015 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. The subsidiary was disposed in 2015.
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, 2015.
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, 2015.
6. Cosigo Resources Sucursal Colombia, a 100% owned subsidiary, incorporated on September 4, 2008 under the laws of Colombia. The subsidiary was absorbed by the parent in 2015.
7. Cosigo Frontier Mining Corporation Sucursal Colombia, a 100% owned subsidiary, incorporated on September 20, 2007 under the laws of Colombia.

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. However, in 2011, property investigation efforts in the Damian Project were temporarily suspended by government authorities at the behest of the company.

During the year 2015, the Company's mineral title in the CN Project in the Taraira South area of Columbia was administratively revoked as the whole property was overlapping a National Park. The company filed an appeal and the process is ongoing, however 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. Effective September 21, 2017 the Company was advised that the interest of DHK Diamonds Inc. in the joint exploration program was reduced to 10.3013% as a cash call required by March 15, 2017 was not met. In order for DHK Diamonds Inc. to maintain its current interest, it is required to pay its proportionate share of any future cash calls.

The following table sets out selected financial information for the years 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 years indicated is as follows:

	December 31 2015	December 31 2014
Exploration expenses	4,083	389,943
General and administrative expenses		
Administrative fees and compensation	29,510	90,671
Depreciation	-	6,123
Foreign exchange/Loss	796	(4,411)
Legal, accounting and audit	56,948	88,066
Office and sundry	30,316	96,301
Telecommunications	5,907	18,131
Travel	4,662	21,087
Total General and administrative expenses	128,139	315,968
Other items		
Impairment of equipment	10,307	16,381
Impairment of other assets	5,379	-
Gain on settlement of accounts payable	(26,613)	-
Net and Comprehensive Loss For The Year	121,295	722,292
 Weighted Average number of Shares Outstanding, Basic and Diluted	 77,630,523	 77,630,523

	December 31 2015	December 31 2014
Total Assets	165,728	408,306
Total Liabilities	344,306	482,291
Working Capital	(321,789)	(234,175)
Cumulative Exploration Expenses	7,091,135	7,087,051

SUMMARY OF QUARTERLY RESULTS

	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
	\$	\$	\$	\$	\$	\$	\$	\$
Exploration Expenses	77,854	(45,555)	(21,133)	(7,083)	26,451	61,633	87,726	214,133
General and Administrative Expenses	9,745	29,539	33,098	55,757	8,432	91,173	123,965	92,398
Other Expenses	(10,927)	-	-	-	16,381	-	-	-
Net Loss and Comprehensive Loss for the Quarter	76,672	(16,016)	11,965	48,674	51,264	152,806	211,691	306,531
Loss Per Share, Basic and Diluted	\$ 0.00099	\$ (0.00021)	\$ 0.00015	\$ 0.001	\$ 0.001	\$ 0.002	\$ 0.003	\$ 0.004
	77,630,523	77,630,523	77,630,523	77,630,523	77,630,523	77,630,523	77,630,523	77,630,523

SHARE CAPITAL

The following table summarizes the changes in Common Shares from December 31, 2013 to December 31, 2015:

	COMMON SHARES	
	NUMBER	AMOUNT
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	-	-
December 31, 2015	77,630,523	12,246,924

The following table summarizes the changes in **Warrants** from December 31, 2013 to December 31, 2015:

	NUMBER OF WARRANTS
December 31, 2013	28,990,672
Expired	(4,455,100)
December 31, 2014	24,535,572
Expired	(17,456,966)
December 31, 2015	7,078,606

Subsequent to the year ended December 31, 2015, 7,078,606 warrants expired unexercised.

The following table summarizes the Warrants outstanding at December 31, 2015:

Number of Warrants	EXERCISE PRICE				Expiry Date
	Year 1	Year 2	Year 3	Year 4	
7,078,606	\$ 1.25	\$ 1.00	\$ 1.25	\$ 1.50	April 26, 2016
7,078,606					

The following table summarizes the changes in Stock Options from December 31, 2013 to December 31, 2015

As at	December 31, 2015	December 31, 2014
Options outstanding, beginning of year	4,490,000	6,665,000
Granted	-	-
Expired	(2,475,000)	(2,175,000)
Options outstanding, end of year	2,015,000	4,490,000

The following table summarizes the Stock Options outstanding and their exercise prices as at December 31, 2015:

Number of Options	Exercise Price	Expiry Date
370,000	\$ 0.25	March 18, 2018
1,070,000	\$ 0.50	April 10, 2022
50,000	\$ 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
2,015,000		

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. This loan is included as part of the due to related parties.

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 due on demand loan. The Company received further loan advances of (\$45,000,000 COP) from this same director in 2015. As of December 31, 2015,

the Company owed a total of \$32,720 (\$75,000,000 COP) to this director as an interest free due on demand loan. This loan is also included as part of the due to related parties.

a) Related party transactions balances were as follows:

As at	December 31, 2015	December 31, 2014
Due to related parties		
Amounts due to directors and key management	32,720	95,036
Amounts due to companies with directors in common	121,399	126,758
Total	154,119	221,794

b) Transactions With Key Management Personnel

	December 31, 2015	December 31, 2014
Short term employment benefits (salaries, consulting, professional fees, insurance)	\$ 67,220	\$ 115,522
Total	\$ 67,220	\$ 115,522

MANAGEMENT OF RISKS

In the normal course of business, the Company is exposed to a number of risks that can materially affect its operating performance.

a) Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada, Colombia, and Brazil and as a result, a portion of the Company's expenditures are in Colombian Pesos and Brazilian Reals. The risk from a significant change in the exchange rate of the Canadian dollar relative to the foreign currencies could have an effect on the Company's results of operations, financial position or cash flows. However, management believes that the Company's foreign currency exchange risk is not significant at this time. The Company has not hedged its exposure to currency fluctuations.

b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and causes the other party to incur a financial loss. The Company's credit risk consists primarily of cash held at the Company's bank accounts.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has sufficient cash to meet its obligations and liquidity risk is therefore considered minimal. The Company manages liquidity risk through the management of its capital resources as outlined in Note 10.

OFF-BALANCE SHEET TRANSACTIONS

The Company has not entered into any significant off-balance sheet arrangements or commitments.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual results could materially differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive on future occurrences. Revisions to accounting estimates are recognized in their period in which the estimate is revised and may affect both the period of revision and future periods.

The estimates and assumptions critical to the determination of the amounts reported in the financial statements relate to, but are not limited to, the following:

- The Company's assessment of its ability to raise sufficient funds to finance operations: Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances;
- The analysis of the functional currency for each entity of the Company: In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influence the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained;
- The inputs used in accounting for the value of share-based compensation expense in the consolidated statement of comprehensive loss;
- The estimated remaining values of prepaid expenses and drilling supplies;
- The allocation of overhead costs between exploration projects and general and administrative expenses;
- The determination of income taxes and the valuation of deferred income tax assets; and
- Management's assumption that there are currently no rehabilitation costs is based on the facts and circumstances that exist during the period.

RISK AND UNCERTAINTIES

The Company is in the mineral exploration and development business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

- a) The industry is capital intensive and subject to fluctuations in precious metal prices, market sentiment, and interest rates.
- b) The only source of future funds for further exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in

its properties to be earned by another party carrying out further exploration or development. Management has been successful in accessing the equity markets during the year, but there is no assurance that such sources will be available on acceptable terms in the future.

- c) Any future equity financings by the Company for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders.
- d) The operations of the Company may require licenses and permits from various governmental authorities in Colombia and Brazil. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits in the future.
- e) There is no certainty that the properties which the Company has deferred as assets on its balance sheet will be realized at the amounts recorded. These amounts should not be taken to reflect realizable value.

OTHER INFORMATION

Additional information on the Company is available at the Company’s website www.cosigo.com or on SEDAR at www.sedar.com.

<p>Head Office: PO Box 31029 Victoria, BC V8N 6J3 Canada</p>	<p>Auditor: A. Chan & Company LLP 114B - 8988 Fraserton Court Burnaby, BC V5J 5H8, Canada</p>
<p>Directors: Andy Rendle * Robert E. Collawn * Hector Cuevas * (*Audit Committee Member)</p>	<p>Transfer Agent: Alliance #1010, 407 - 2nd Street S.W. Calgary, Alberta T2P 2Y3</p>