CORDOBA MINERALS CORP.

(formerly Wesgold Minerals Inc.)

(An Exploration Stage Company)

FINANCIAL STATEMENTS

APRIL 30, 2012 AND 2011

(Expressed in Canadian Dollars)

SmytheRatcliffe
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF CORDOBA MINERALS CORP.
(formerly Wesgold Minerals Inc.)

We have audited the accompanying financial statements of Cordoba Minerals Corp., which comprise the statements of financial position as at April 30, 2012, April 30, 2011 and May 1, 2010, and the statements of operations and comprehensive loss, changes in equity and cash flows for the years ended April 30, 2012 and April 30, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Cordoba Minerals Corp. as at April 30, 2012, April 30, 2011 and May 1, 2010, and its financial performance and its cash flows for the years ended April 30, 2012 and April 30, 2011 in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the financial statements, which indicates that the Company has an accumulated deficit of $3,010,661 as at April 30, 2012 and is expected to incur further losses in the development of its business. This condition, along with other matters set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe Ratcliffe LLP

Chartered Accountants

Vancouver, British Columbia
August 16, 2012

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CORDOBA MINERALS CORP. (formerly Wesgold Minerals Inc.)
(An Exploration Stage Company)
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at:	**April 30, 2012**	**April 30, 2011**	**May 1, 2010**
		(Note 17)	(Note 17)
ASSETS			
Current assets			
Cash	$ 1,337,889	$ 116,084	$ 61,725
Other receivables	40,890	32,732	22
Due from related party (Note 11)	1,579	-	-
Prepaid expenses and deposits	194,917	20,000	500
	1,575,275	168,816	62,247
Non-current assets			
Property and equipment (Note 5)	16,550	-	-
Exploration and evaluation assets (Note 6)	4,631,048	191,000	11,000
	4,647,598	191,000	11,000
TOTAL ASSETS	**$ 6,222,873**	**$ 359,816**	**$ 73,247**
LIABILITIES and SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	$ 74,559	$ 5,227	$ -
Due to related parties (Note 11)	88,942	25,725	5,542
	163,501	30,952	5,542
Shareholders' equity			
Share capital (Note 9)	7,457,635	893,528	200,425
Other equity reserve (Note 9)	1,612,398	190,877	-
Deficit	(3,010,661)	(755,541)	(132,720)
	6,059,372	328,864	67,705
TOTAL LIABILITIES and SHAREHOLDERS' EQUITY	**$ 6,222,873**	**$ 359,816**	**$ 73,247**

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"Simon Ridgway", Director
Simon Ridgway

"Ralph Rushton", Director
Ralph Rushton

See accompanying notes to the financial statements

CORDOBA MINERALS CORP. (formerly Wesgold Minerals Inc.)
(An Exploration Stage Company)
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the years ended April 30, 2012 and 2011
(Expressed in Canadian Dollars)

	2012	2011
		(Note 17)
EXPLORATION EXPENDITURES (Note 7)	$ 1,108,919	$ 376,959
GENERAL AND ADMINISTRATIVE EXPENSES		
Amortization	1,165	-
Finance costs (Note 8)	500,000	-
Interest (Note 8)	56,860	-
Management fees (Note 11)	30,000	17,500
Office and administration (Note 11)	39,026	12,950
Professional fees	35,641	21,322
Property investigation	9,488	16,667
Regulatory fees	27,619	18,841
Salaries and benefits (Note 11)	100,528	35,122
Shareholder communications	37,845	1,858
Share-based payments (Notes 10 and 11)	26,436	164,408
Travel	76,249	7,194
	940,857	295,862
Loss before other items	(2,049,776)	(672,821)
OTHER ITEMS		
Foreign exchange loss	(14,344)	-
Write-off of exploration and evaluation assets (Note 6)	(191,000)	-
Loss before income taxes	(2,255,120)	(672,821)
Deferred income tax recovery (Note 13)	-	50,000
Net loss and comprehensive loss for the year	**$ (2,255,120)**	**$ (622,821)**
Loss per share, basic and diluted	$(0.27)	$(0.14)
Weighted average number of common shares outstanding	8,227,593	4,561,781

See accompanying notes to the financial statements

CORDOBA MINERALS CORP. (formerly Wesgold Minerals Inc.)
(An Exploration Stage Company)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended April 30, 2012 and 2011
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Warrants reserve	Share-based compensation reserve	Equity portion of convertible debenture	Deficit	Total
Balance, May 1, 2010 (Note 17)	3,010,000	$ 200,425	$ -	$ -	$ -	$ (132,720)	$ 67,705
Net loss for the year	-	-	-	-	-	(622,821)	(622,821)
Flow-through shares issued for private placement	200,000	20,000	-	-	-	-	20,000
Shares issued for IPO	1,200,000	360,000	-	-	-	-	360,000
Flow-through shares issued for IPO	1,000,000	350,000	-	-	-	-	350,000
Premium on issue of flow-through shares	-	(50,000)	-	-	-	-	(50,000)
Shares issued for property acquisition	400,000	180,000	-	-	-	-	180,000
Share issuance costs	-	(166,897)	26,469	-	-	-	(140,428)
Share-based payments	-	-	-	164,408	-	-	164,408
Balance, April 30, 2011 (Note 17)	5,810,000	893,528	26,469	164,408	-	(755,541)	328,864
Net loss for the year	-	-	-	-	-	(2,255,120)	(2,255,120)
Shares issued for private placements	7,042,292	4,366,785	914,934	-	-	-	5,281,719
Convertible debentures equity component (Note 8)	-	-	-	-	71,429	-	71,429
Shares issued for convertible debentures (Note 8)	4,255,318	2,000,000	-	-	(71,429)	-	1,928,571
Shares issued for finance charges	600,000	500,000	-	-	-	-	500,000
Share issuance costs	-	(303,559)	80,487	-	-	-	(223,072)
Warrants issued for property acquisition	-	-	400,000	-	-	-	400,000
Exercise of share purchase warrants	1,815	545	-	-	-	-	545
Transfer of other equity reserve on exercise of warrants	-	336	(336)	-	-	-	-
Share-based payments	-	-	-	26,436	-	-	26,436
Balance, April 30, 2012	**17,709,425**	**$ 7,457,635**	**$ 1,421,554**	**$ 190,844**	**$ -**	**$ (3,010,661)**	**$ 6,059,372**

See accompanying notes to the financial statements

CORDOBA MINERALS CORP. (formerly Wesgold Minerals Inc.)
(An Exploration Stage Company)
STATEMENTS OF CASH FLOWS
For the years ended April 30, 2012 and 2011
(Expressed in Canadian Dollars)

	2012	2011
		(Note 17)
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net loss for the year	$ (2,255,120)	$ (622,821)
Items not involving cash:		
Deferred income tax recovery	-	(50,000)
Share-based payments	26,436	164,408
Write-off of exploration and evaluation assets	191,000	-
Finance costs	500,000	-
Amortization	1,165	-
Changes in non-cash working capital balances:		
Other receivables	(8,158)	(32,710)
Due from related party	(1,579)	-
Prepaid expenses and deposits	(174,917)	(19,500)
Accounts payable and accrued expenses	69,332	5,227
Due to related parties	63,217	20,183
Net cash used in operating activities	(1,588,624)	(535,213)
FINANCING ACTIVITIES		
Issuance of shares for cash, net	5,059,192	589,572
Proceeds from loans	2,487,250	-
Repayment of loans	(2,487,250)	-
Convertible debentures	2,000,000	-
Net cash provided by financing activities	7,059,192	589,572
INVESTING ACTIVITIES		
Purchases of property and equipment	(17,715)	-
Exploration and evaluation assets	(4,231,048)	-
Net cash used in investing activities	(4,248,763)	-
Net inflow of cash	**1,221,805**	**54,359**
Cash, beginning of year	116,084	61,725
Cash, end of year	**$ 1,337,889**	**$ 116,084**

SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION:

	2012	2011
Cash paid during the year for:		
Interest	$ -	$ -
Income taxes	$ -	$ -
Non-cash transaction during the year:		
Common shares issued for finance charges (Note 8)	$ 500,000	$ -
Common shares issued upon conversion of debentures	$ 2,000,000	$ -
Common shares issued for acquisition of exploration and evaluation assets (Note 6)	$ -	$ 180,000
Warrants issued for acquisition of exploration and evaluation assets	$ 400,000	$ -

See accompanying notes to the financial statements

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Cordoba Minerals Corp., formerly called Wesgold Minerals Inc., (the “Company”) was incorporated under the *Business Corporations Act* of British Columbia on October 20, 2009. The Company’s principal business activities are directed towards the acquisition and exploration of mineral properties.

The address of the Company’s corporate office and principal place of business is #650 – 200 Burrard Street, Vancouver, BC, Canada V6C 3L6.

These financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Realization values may be substantially different from the carrying values shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At April 30, 2012, the Company had no revenue producing operations, has an accumulated deficit of $3,010,661 since inception and is expected to incur further losses in the development of its business pending the issuance of the drilling permits on its Cordoba property and the required exploration expenditure commitments (Note 7), all of which may cast substantial doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due and ultimately to generate future profitable operations. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

2. BASIS OF PREPARATION

Transition to International Financial Reporting Standards (“IFRS”)

These financial statements of the Company have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board (“IASB”). This is the first time that the Company has prepared its annual financial statements in accordance with IFRS, accordingly, IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied. Previously the Company prepared its financial statements in accordance with pre-changeover Canadian generally accepted accounting principles (“GAAP”).

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 17.

Basis of Measurement

These financial statements have been prepared on the historical cost basis.

The financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Approval of the Financial Statements

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on August 16, 2012.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these financial statements and in preparing the opening IFRS statement of financial position at May 1, 2010 for the purposes of the transition to IFRS, unless otherwise indicated.

(a) Loss Per Share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflects the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive equity instruments are excluded from the loss per share calculation, as the effect would be anti-dilutive. Basic and diluted loss per share is the same for the years presented.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(b) Income Taxes

Income tax expense comprises current and deferred tax. Current and deferred taxes are recognized in net income, except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for those taxable temporary differences arising on the initial recognition of goodwill or on the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year, the Company reassesses unrecognized deferred tax assets.

(c) Flow-through Shares

The Company finances a portion of its exploration programs through the issuance of flow-through securities. Under the terms of the flow-through agreements, the tax attributes of the related exploration expenditures are renounced to subscribers. Proceeds pursuant to flow-through financings are credited to share capital.

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through arrangements are renounced to investors in accordance with Canadian income tax legislation. The increase to share capital when flow-through securities are issued is measured based on the current market price of common shares. The incremental proceeds are recorded as a flow-through share premium. When expenditures are renounced, a deferred tax liability is recognized and the flow-through share premium is reversed. The net amount is recognized as deferred tax expense. The benefit of previously unrecorded deferred tax assets will be recognized in operations at the same time and amount, to the extent they are available to offset the deferred tax liability, and to the extent that their realization is probable.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

(d) Foreign Currency Translation

The functional currency of the Company is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the statement of financial position date. Non-monetary items are translated at the rate of exchange in effect when the amounts were acquired or obligations incurred. Non-monetary items measured at fair value are reported at the exchange rates in effect at the time of the transaction. Exchange differences arising from the translations are recorded as a gain or loss on foreign currency translation in profit or loss.

(e) Property and Equipment

Recognition and Measurement

Property and equipment are recorded at cost less accumulated amortization and any impairment losses.

Amortization

Amortization is recognized in profit or loss and property and equipment are amortized over their estimated useful lives using the following rates and methods:

Computer equipment	30% declining-balance
Leasehold improvements	8 year straight-line

Additions during the year are amortized on a pro-rated basis.

(f) Exploration and Evaluation Assets and Expenditures

Acquisition costs for exploration and evaluation assets, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs may include cash consideration, the value of common shares issued based on fair values, and the fair value of share purchase warrants and options issued based on amounts determined using the Black-Scholes option pricing model, for mineral property interests pursuant to the terms of the agreement.

Exploration and evaluation assets acquired under an option agreement where payments are made at the sole discretion of the Company are capitalized at the time of payment. Property interests granted to others under an option agreement where payments to be made to the Company are at the sole discretion of the optionee, are recorded as recoveries at the time of receipt. Where recoveries exceed costs, such amounts are recognized in profit or loss.

Exploration expenditures, net of recoveries, are charged to operations as incurred. After a property is determined by management to be commercially feasible, development expenditures on the property are capitalized.

The costs related to a property from which there is production, together with the costs of production equipment, will be depleted and amortized using the unit-of-production method.

(g) Convertible debenture

The Company's convertible debentures are allocated into corresponding debt and equity components at the date of issue. The Company uses the residual value method, which allocates value first to the debt component, based on fair value and then the residual value, to the equity component. The debt component is subsequently accreted to face value of the convertible debenture at the effective interest rate.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

(h) Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds it recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in other comprehensive loss.

(i) Provisions

Rehabilitation Provision

The Company recognizes statutory, contractual or other legal obligations related to the retirement of tangible long-lived assets when such obligations are incurred, if a reliable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations using the unit-of-production method.

At April 30, 2012 and 2011, the fair value of the exploration and evaluation rehabilitation costs is $nil.

Other Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as accretion expense.

(j) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

Warrants issued by the Company typically accompany an issuance of shares in the Company (a "unit"), and entitle the warrant holder to exercise the warrants for a stated price for a stated number of common shares in the Company. The fair value of the components of the units sold are measured using the relative fair value approach, based on the calculated fair value of the stand-alone shares through reference to the quoted market price at the completion of the financing and the fair value of the stand-alone warrant, using the Black-Scholes option pricing model.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

(k) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to employees or others providing similar services, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss.

(l) Financial Instruments

Financial Assets

Financial assets are classified into one of four categories:

- Fair value through profit or loss ("FVTPL");
- Held-to-maturity investments ("HTMI");
- Available-for-sale ("AFS"); and
- Loans and receivables.

All transactions related to financial instruments are recorded on a trade-date basis. The Company's accounting policy for each category is as follows:

i) FVTPL

Financial assets are classified as FVTPL when they are either held-for-trading for the purpose of short-term profit-taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii) HTMI

HTMI are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

(l) Financial Instruments *(cont'd…)*

iii) AFS

AFS financial assets are non-derivative financial assets that are not suitable to be classified as financial assets at FVTPL, loans and receivables or HTMI and are subsequently measured at fair value. These are included in non-current assets if it is management's intent to hold the instrument for a period in excess of twelve months. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

iv) Loans and receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transactions costs. Gains or losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Impairment of Financial Assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise accounts payable and accrued liabilities and due to related parties. These liabilities are initially recognized at fair value, net of any transaction costs directly attributable to the issuance of the instrument, and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period of repayment is at a constant rate on the balance of the liability carried in the statements of financial position. Interest expense, in this context, includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Accounts payable represent liabilities for goods and services provided to the Company prior to the end of the period that are unpaid. Accounts payable amounts are unsecured and are usually paid within 45 days of recognition.

The Company has made the following designations of its financial instruments:

Cash	FVTPL
Accounts payable and accrued liabilities	Other financial liabilities
Due to related parties	Other financial liabilities
Convertible debenture	Other financial liabilities
Loan payable	Other financial liabilities

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

(m) Standards, Amendments and Interpretations Not Yet Effective

The following new standards and interpretations have been issued by the IASB, but are not yet effective:

IFRS 9 Financial Instruments

IFRS 9 is part of the IASB's wider project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 retains, but simplifies, the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for the Company beginning on May 1, 2015. The Company is in the process of evaluating the impact of the new standard.

IFRS 10 Consolidated Financial Statements

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation - Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements.* The Company is yet to assess the full impact of IFRS 10 and intends to adopt the standard beginning on May 1, 2013.

IFRS 11 Joint Arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-monetary Contributions by Venturers*. The Company is yet to assess the full impact of IFRS 11 and intends to adopt the standard beginning on May 1, 2013.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off-balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. The Company is yet to assess the full impact of IFRS 12 and intends to adopt the standard beginning on May 1, 2013.

IFRS 13 Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. The Company is yet to assess the full impact of IFRS 13 and intends to adopt the standard beginning on May 1, 2013.

(Expressed in Canadian Dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The recoverability of other receivables and prepaid expenses and deposits;

ii) The carrying value of the investment in exploration and evaluation costs and the recoverability of the carrying value;

iii) The inputs and probabilities used in accounting for the fair value of share-based payment transactions;

iv) The provision for income taxes and recognition of deferred income tax assets and liabilities;

v) The completeness of accounts payable and accrued liabilities;

vi) The inputs in determining the bifurcation of unit offerings into the different equity components; and

vii) The inputs in determining the bifurcation of convertible debenture instruments into its liability and equity components.

5. PROPERTY AND EQUIPMENT

	Leasehold improvements	Computer equipment	Total
Cost			
Balance, May 1, 2010 and April 30, 2011	$ -	$ -	$ -
Additions	15,282	2,433	17,715
Balance, April 30, 2012	**$ 15,282**	**$ 2,433**	**$ 17,715**
Accumulated amortization			
Balance, May 1, 2010 and April 30, 2011	$ -	$ -	$ -
Charge for year	800	365	1,165
Balance, April 30, 2012	**$ 800**	**$ 365**	**$ 1,165**
Carrying amounts			
At May 1, 2010 and April 30, 2011	$ -	$ -	$ -
At April 30, 2012	**$ 14,482**	**$ 2,068**	**$ 16,550**

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

The Company has capitalized the following acquisition costs of its mineral property interests during the years ended April 30, 2012 and 2011:

	Colombia	Yukon, Canada	
	Cordoba Property	**Snowcap Property**	**Total**
Balance, May 1, 2010	$ -	$ 11,000	$ 11,000
Acquisition costs - shares	-	180,000	180,000
Balance, April 30, 2011	-	191,000	191,000
Acquisition costs - cash	4,231,048	-	4,231,048
Acquisition costs - warrants	400,000	-	400,000
Write-off of acquisition costs	-	(191,000)	(191,000)
Balance, April 30, 2012	**$ 4,631,048**	**$ -**	**$ 4,631,048**

Cordoba Property – Colombia

Pursuant to an agreement signed in June 2011 and revised in July 2011, the Company has been granted the option to acquire up to a 51% interest in a Colombian mineral target known as the Cordoba Property from Minatura International LLC (“Minatura”). The Cordoba Property consists of four granted mining concessions, four pending concession agreements and five concession applications in the Department of Cordoba, Colombia.

The terms of the transaction are as follows:

i) The Company loaned $2,000,000 (the “Loan”) to Minatura, the Loan being secured by the Cordoba Property.

ii) On March 30, 2012, the Company acquired an initial 11% interest in the Cordoba Property (through the purchase of shares in a wholly-owned subsidiary of Minatura) by paying $2,030,000 to Minatura and forgiving the Loan (for a total cash cost of $4,030,000), and issuing to Minatura warrants to purchase up to 5,000,000 common shares of the Company at a price of $0.40 per share with a fair value of $400,000.

iii) As of completion of the acquisition of the 11% interest, the Company was granted an option (the “Option”) to acquire an additional 40% interest (for a total of 51%) in the Cordoba Property by expending $15,000,000 on exploration of the Cordoba Property and paying to Minatura an additional $2,000,000 within 2.5 years from the date of issuance of certain drilling permits for the Cordoba Property (the “Drilling Permits”). If and when the Drilling Permits are issued, $5,000,000 of the $15,000,000 exploration expenditures will become a firm commitment, and must be incurred within twelve months of the issuance of the Drilling Permits. Upon the Company incurring the $5,000,000 of exploration expenditures and agreeing to continue with the Option, the 5,000,000 warrants become exercisable with an expiry date being the later of September 15, 2015 and thirty months following the receipt of the Drilling Permits.

iv) If the Company acquires the 51% interest, Minatura will have a one-time right to sell its remaining 49% interest in the Cordoba Property to the Company in consideration for shares in the Company. The issuance of these shares would be subject to approval by the Company’s shareholders at that time.

6. EXPLORATION AND EVALUATION ASSETS *(cont'd…)*

Cordoba Property – Colombia *(cont'd)*

v) If the sale of the remaining 49% interest to the Company is not completed within 120 days after Minatura has agreed to sell such interest, Minatura will have a one-time right to purchase a 2% interest from the Company for $1,000, resulting in the Company holding a 49% interest and Minatura holding a 51% interest in the Cordoba Property.

As at April 30, 2012, the Company has recorded acquisition costs totalling $4,631,048 in connection to the Cordoba Property agreement.

Snowcap Property – Yukon Territory, Canada

By an agreement dated November 6, 2009, as amended April 30, 2010 and September 16, 2010, the Company was granted an option by Radius Gold Inc. ("Radius") to earn a 60% interest in Radius' 100% owned Snowcap Property, which consists of 198 mineral claims in central Yukon Territory.

In order to exercise the option, the Company had to incur an aggregate $1,000,000 in exploration expenditures on the property and issue to Radius a total of 1,000,000 common shares of the Company. The Company had issued 600,000 common shares to Radius as at April 30, 2012. In September 2011, prior to the next scheduled issuance of common shares, the Company terminated the option agreement as it decided to shift its exploration efforts to Colombia and has written-off its acquisition costs totaling $191,000 during the year ended April 30, 2012.

(Expressed in Canadian Dollars)

7. EXPLORATION EXPENDITURES

During the year ended April 30, 2012, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Colombia	Yukon, Canada	
	Cordoba Property	**Snowcap Property**	**Total**
Assaying	$ 18,032	$ -	$ 18,032
Contractors	87,059	-	87,059
Environmental	68,320	-	68,320
Field expenses	131,975	23,891	155,866
Geological fees	273,552	227	273,779
Geophysical	118,720	-	118,720
Mapping	1,330	-	1,330
Office and administration	156,315	-	156,315
Property maintenance	921	-	921
Salaries and wages	130,079	-	130,079
Transportation and accommodation	98,498	-	98,498
Total	**$ 1,084,801**	**$ 24,118**	**$ 1,108,919**

During the year ended April 30, 2011, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Yukon, Canada
	Snowcap Property
Assaying	$ 1,870
Drilling	231,414
Field expenses	92,902
Geological fees	24,793
Office and administration	2,255
Property maintenance	1,980
Salaries and wages	1,454
Transportation and accommodation	20,291
Total	**$ 376,959**

8. SHORT-TERM DEBT TRANSACTIONS

(a) On August 18, 2011, the Company closed a $2,000,000 private placement of convertible debentures. The debentures were convertible into a maximum of 4,255,318 common shares of the Company at the rate of $0.47 per share on or before July 31, 2012, and bore interest at the rate of 8% per annum.

Debentures totalling $915,000 were issued to individuals who were directors or who are related to directors of the Company at the time of issuance.

Upon the issuance of the convertible debentures, the fair value was separated into a liability component of $1,928,571 and an equity component of $71,429 included in other equity reserve. The equity component was calculated as the difference between the gross proceeds received of $2,000,000 and the discounted cash flows associated with the debt using an estimated market rate for non-convertible instruments of 12% per annum.

During the year ended April 30, 2012, all debentures were converted and 4,255,318 common shares issued. Upon the conversion, $2,000,000 was recorded to share capital and other equity reserve reduced by $71,429.

Finance fees and transactions costs had been included in the carrying value of the convertible debentures and accreted to their face value over the term of the debt through a charge to interest expense using the effective interest method. During the year ended April 30, 2012, accretion of interest on the convertible debentures of $56,860 was charged to profit or loss.

(b) On October 17, 2011, the Company received a bridge loan of $1,000,000 to provide funding for general working capital requirements while the Company arranged for the necessary financing related to the Company's option agreement on the Cordoba Property, Colombia. The loan was non-interest-bearing and repayable on the earlier of twelve months from the date of the agreement and the completion of a public offering or private placement of the Company's securities, the gross proceeds of which equaled at least $5,000,000. The loan was settled in April 2012 upon the completion of a private placement.

In consideration for the loan, the Company issued 200,000 common shares of the Company to the lender. The fair value of the 200,000 common shares was $200,000 and was charged to profit and loss as a finance cost.

(c) On March 13, 2012, the Company received a bridge loan of US$1,500,000. The loan was non-interest-bearing and repayable on the earlier of 90 days from the date of the agreement and the completion of a public offering or private placement of the Company's securities, the gross proceeds of which equaled at least $5,000,000. The loan was settled in April 2012 upon the completion of a private placement.

In consideration for the loan, the Company issued 400,000 common shares of the Company to the lender. The fair value of the 400,000 common shares was $300,000 and was charged to profit and loss as a finance cost.

9. SHARE CAPITAL AND RESERVES

(a) Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

Activity for the year ended April 30, 2012:

i) The Company closed a private placement of 2,399,999 units at $0.75 per unit for gross proceeds of $1,799,999. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of $1.00 until March 15, 2014. The proceeds of the private placement have been bifurcated using the relative fair value method resulting in $1,461,730 recorded as share capital and $338,269 recorded as warrant reserve. The relative fair value of each warrant issued in the private placement has been estimated as of the date of the issuance using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.28%, dividend yield of 0%, volatility of 87% and expected life of two years.

   Finders' fees associated with the private placement and recorded as share issuance costs consisted of $12,500 cash, 62,500 units (consisting of one common share and one-half of one common share purchase warrant) and 100,000 share purchase warrants. Each warrant entitles the holder thereof to purchase one common share at a price of $1.00 until March 15, 2014. The value of the 62,500 units issued have been bifurcated using the relative fair value method resulting in $38,066 recorded as share capital and $8,809 recorded as warrant reserve. The fair value of the 100,000 warrants was calculated to be $34,040, using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.28%, dividend yield of 0%, volatility of 87% and expected life of two years.

ii) The Company closed a private placement of 4,466,668 units at $0.75 per unit for gross proceeds of $3,350,001. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of $1.00 until April 10, 2014. The proceeds of the private placement have been bifurcated using the relative fair value method resulting in $2,796,172 recorded as share capital and $553,829 recorded as warrant reserve. The relative fair value of each warrant issued in the private placement has been estimated as of the date of the issuance using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.21%, dividend yield of 0%, volatility of 88% and expected life of two years.

   Finders' fees associated with the private placement and recorded as share issuance costs consisted of $48,031 cash, 113,125 units (consisting of one common share and one-half of one common share purchase warrant) and 156,334 share purchase warrants. Each warrant entitles the holder thereof to purchase one common share at a price of $1.00 until March 15, 2014. The value of the 113,125 units issued have been bifurcated using the relative fair value method resulting in $70,817 recorded as share capital and $14,027 recorded as warrant reserve. The fair value of the 156,334 warrants was calculated to be $46,447, using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.21%, dividend yield of 0%, volatility of 88% and expected life of two years.

iii) 4,255,318 common shares were issued upon the conversion of $2,000,000 in convertible debentures at a conversion rate of $0.47 per share.

iv) 200,000 common shares were issued as consideration for a short-term loan of $1,000,000. A fair value of $200,000 was recorded as a finance cost with a corresponding credit to share capital.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND RESERVES *(cont'd…)*

(a) Common Shares *(cont'd…)*

Activity for the year ended April 30, 2012 *(cont'd…):*

v) 400,000 common shares were issued as consideration for a short-term loan of US$1,500,000. A fair value of $300,000 was recorded as a finance cost with a corresponding credit to share capital.

vi) 1,815 share purchase warrants were exercised for gross proceeds of $545. The Company reallocated the fair value of these share purchase warrants previously recorded in the amount of $336 from other equity reserve to share capital.

Activity for the year ended April 30, 2011:

i) The Company closed a non-brokered private placement of 200,000 flow-through shares at $0.10 each, for gross proceeds of $20,000.

ii) The Company completed its initial public offering ("IPO") whereby 1,200,000 common shares at a price of $0.30 for gross proceeds of $360,000 and 1,000,000 flow-through common shares at a price of $0.35 for gross proceeds of $350,000 were issued. The Agent's compensation for completion of the IPO was a cash commission of 6.5% of the gross proceeds of the IPO; a cash corporate finance fee of $25,000; and non-transferrable Agent's warrants to purchase up to 143,000 common shares of the Company with a fair value of $26,469, at a price of $0.30 per share exercisable until October 12, 2012.

iii) The Company issued 200,000 common shares to Radius pursuant to the Snowcap Property option agreement (Note 6). The shares had a fair value of $0.40 each, resulting in an exploration and evaluation asset cost of $80,000 being recorded.

iv) The Company issued 200,000 common shares to Radius pursuant to the Snowcap Property option agreement (Note 6). The shares had a fair value of $0.50 each resulting in an exploration and evaluation asset cost of $100,000 being recorded.

<u>Escrow Shares</u>

At April 30, 2012, the Company had 458,182 (2011: 763,637) shares held in escrow. The shares are being released from escrow every six months with each subsequent release of 15% amounting to 152,727 shares.

(b) Share Purchase Warrants

A summary of share purchase warrants activity for the years ended April 30, 2012 and 2011 is as follows:

	Number of warrants	Weighted average exercise price
Balance, on May 1, 2010	-	-
Issued	143,000	$0.30
Balance, on April 30, 2011	143,000	$0.30
Issued	8,777,481	$0.66
Exercised	(1,815)	$0.30
Balance, April 30, 2012	**8,918,666**	**$0.65**

(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND RESERVES *(cont'd…)*

(b) Share Purchase Warrants *(cont'd…)*

Details of share purchase warrants outstanding as of April 30, 2012 are:

Expiry date	Number of warrants	Exercise price
October 12, 2012	141,185	$0.30
March 15, 2014	1,331,250	$1.00
April 10, 2014	2,446,231	$1.00
*September 30, 2015	**5,000,000	$0.40
	8,918,666	

* The expiry date for the 5,000,000 warrants issued pursuant to the Cordoba Property Option agreement is the later of September 15, 2015 and the date that is thirty months following the date of the issuance of the Drilling Permits. As of April 30, 2012, the Drilling Permits had not yet been issued.

** These warrants become exercisable when certain conditions of the Cordoba Property Option agreement are met (Note 6). As of April 30, 2012, these warrants were not exercisable.

Details of share purchase warrants outstanding as of April 30, 2011 are:

Expiry date	Number of warrants	Exercise price
October 12, 2012	143,000	$0.30

(c) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's statements of financial position include "Other equity reserve".

Other equity reserve is used to recognize the value of stock option grants and share purchase warrants prior to exercise and the equity component of convertible debentures.

10. SHARE-BASED PAYMENTS

Share Purchase Options

On April 9, 2010, the Company adopted a stock option plan (the "Plan"), which allows the Company to issue options to certain directors, officers, employees and consultants of the Company. The aggregate number of securities reserved for issuance will be not more than 10% of the number of common shares issued and outstanding from time to time. The Plan provides that the number of stock options held by any one individual may not exceed 5% of the number of issued and outstanding common shares. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the market price of the Company's shares on the day prior to the grant date. Stock options granted under the Plan may be subject to vesting terms if imposed by the Board of Directors in its sole discretion.

(Expressed in Canadian Dollars)

10. SHARE-BASED PAYMENTS *(cont'd…)*

Share Purchase Options *(cont'd…)*

The following is a summary of share purchase options activity for the year ended April 30, 2012:

				During the year				
Grant date	**Expiry date**	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**Forfeited**	**Closing balance**	**Vested and exercisable**
Mar 1, 2011	Feb 28, 2021	$0.37	505,000	-	-	-	505,000	505,000
Jul 4, 2011	Jul 3, 2021	$0.60	-	25,000	-	-	25,000	25,000
			505,000	**25,000**	**-**	**-**	**530,000**	**530,000**
Weighted average exercise price			**$0.37**	**$0.60**	**-**	**-**	**$0.38**	**$0.38**

The following is a summary of share purchase options activity for the year ended April 30, 2011:

				During the year					
Grant date	**Expiry date**	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**Forfeited**	**Closing balance**	**Vested and exercisable**	**Unvested**
Mar 1, 2011	Feb 2, 2021	$0.37	-	505,000	-	-	505,000	455,000	50,000
			-	**505,000**	**-**	**-**	**505,000**	**455,000**	**50,000**
Weighted average exercise price			**-**	**$0.37**	**-**	**-**	**$0.37**	**$0.37**	**$0.37**

Fair Value of Options Issued During the Year

The fair value at grant date of options granted during the year ended April 30, 2012 was $0.57 (2011: $0.35) per option.

The weighted average remaining contractual life of the options outstanding at April 30, 2012 is 8.85 (2011: 9.84) years.

The inputs for options granted during the years ended April 30, 2012 and 2011 applied to the Black-Scholes option pricing model are:

	Risk-free interest rate	**Expected life**	**Volatility factor**	**Dividend yield**	**Forfeiture rate**
Year ended April 30, 2012	3.08%	10 years	117%	0%	0%
Year ended April 30, 2011	3.29%	10 years	117%	0%	0%

The expected volatility is based on an average of historical prices of a comparable group of companies within the same industry due to the lack of historical pricing information for the Company. The risk-free rate of return is the yield on a zero-coupon Canadian treasury bill of a term consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

(Expressed in Canadian Dollars)

10. SHARE-BASED PAYMENTS *(cont'd…)*

Expenses Arising from Share-based Payments Transactions

Total expenses arising from the share-based payment transactions recognized during the year ended April 30, 2012 as part of share-based payments were $26,436 (2011: $164,408) and as part of finance costs were $500,000 (2011: $Nil).

As of April 30, 2012, there were no unrecognized compensation costs related to share-based payment awards not yet exercisable (2011: $12,262).

Amounts Capitalized Arising from Share-based Payments Transactions

Total amounts arising from share-based payment transactions that were capitalized to exploration and evaluation assets during the year ended April 30, 2012 amounted to $400,000 (2011: $nil).

11. RELATED PARTY TRANSACTIONS

The Company had transactions during the year ended April 30, 2012 with related parties who consisted of directors, officers and the following companies with common directors:

Related party	Nature of transactions
Radius Gold Inc. ("Radius")	Shared office, administration and personnel costs
Voyager Gold Corp. ("Voyager")	Shared personnel costs
Mill Street Services Ltd. ("Mill Street")	Management services

During the year ended April 30, 2012, the Company paid or made provision for the future payment of the following amounts to related parties:

i) $193,613 (2011: $53,188) in office and administration, salaries and benefits, exploration related costs, and leasehold improvement costs to Radius, a company with common directors and officers. Radius is reimbursed by the Company for these shared costs and other business related expenses paid by Radius on behalf of the Company. Salary and benefits include those for the Chief Financial Officer and Corporate Secretary;

ii) $30,000 (2011: $Nil) in management fees to Mill Street, a company controlled by the Chief Executive Officer of the Company;

iii) $7,500 (2011: $Nil) in management fees to the President of the Company; and

iv) $Nil (2011: $17,500) in management fees to a director and former president of the Company.

Prepaid expenses and deposits as of April 30, 2012 include an amount of $1,202 (2011: $Nil) paid to Radius.

The amount due from a related party as of April 30, 2012 consists of $1,579 (2011: $Nil) due from Voyager. The balance is unsecured, due on demand and does not bear interest.

Amounts due to related parties as of April 30, 2012 consist of $37,842 (2011: $8,225) due to Radius, $17,500 (2011: $17,500) due to a director and former president of the Company and $33,600 (2011: $Nil) due to Mill Street. The balances are unsecured, due on demand and do not bear interest.

These transactions are in the normal course of operations and are measured at the fair value of the services rendered.

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS *(cont'd…)*

Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. For the years ended April 30, 2012 and 2011, key management compensation comprises:

		2012		2011
Management fees	$	30,000	$	17,500
Salaries and benefits		24,431		10,219
Share-based payments		-		52,476
	$	**54,431**	**$**	**80,195**

Total share-based payments to directors not specified as key management personnel during the year ended April 30, 2012 was $Nil (2011: $61,222).

Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the years ended April 30, 2012 and 2011.

12. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the exploration and development of mineral properties. The mineral property interests as of April 30, 2012 are located in Colombia and substantially all of the exploration expenditures for the year ended April 30, 2012 were incurred in Colombia. Substantially all of the Company's other assets are located, and expenditures were incurred, in Canada.

13. DEFERRED INCOME TAXES

A reconciliation of income taxes computed at Canadian statutory rates to the reported income taxes is provided as follows:

		2012		2011
Net loss for the year	$	2,255,120	$	672,821
Canadian statutory tax rate		26.00%		28.33%
Income tax recovery computed at statutory rates		586,331		190,633
Items not deductible for income tax purposes		(8,614)		(46,851)
Effect of change in tax rate		(20,618)		(5,529)
Change in timing differences		(40,710)		(63,012)
Unused tax losses and tax offsets not recognized in tax asset		(516,389)		(75,241)
Premium on issue of flow-through shares		-		50,000
Deferred income tax recovery	**$**	**-**	**$**	**50,000**

Effective January 1, 2011, the Canadian federal corporate tax rate decreased from 18.00% to 16.50% and the British Columbia provincial tax rate decreased from 10.50% to 10.00%. The overall reduction in tax rates has resulted in a decrease in the Company's statutory tax rate from 27.83% to 26.00%.

(Expressed in Canadian Dollars)

13. DEFERRED INCOME TAXES *(cont'd…)*

The Company recognizes tax benefits on losses or other deductible amounts generated where the probable criteria for the recognition of deferred tax assets has been met. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

		April 30, 2012		April 30, 2011
Non-capital losses	$	2,238,000	$	176,500
Share issue costs		157,000		112,500
Equipment and others		1,000		-
Unrecognized deferred tax assets	**$**	**2,396,000**	**$**	**289,000**

The Company's unrecognized unused non-capital losses have the following expiry dates:

		Total
2030	$	18,000
2031		158,500
2032		2,061,500
	$	**2,238,000**

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Market risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(cont'd…)*

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and other receivables. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash invested in asset-based commercial paper. For other receivables, the Company estimates, on a continuing basis, the probable losses and provides a provision for losses based on the estimated realizable value. The Company is not exposed to significant credit risk as the majority of the balance is due from government agencies.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At April 30, 2012, the Company had cash of $1,337,889 (April 30, 2011: $116,084, May 1, 2010: $61,725) available to apply against short-term business requirements and current liabilities of $163,501 (April 30, 2011: $30,952, May 1, 2010: $5,542). All of the Company's financial liabilities have contractual maturities of less than 45 days and are subject to normal trade terms.

(c) 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 financial instruments can be affected by changes in interest rates, foreign currency rates and other market prices. Management closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

i) Currency Risk

The Company is exposed to financial risk related to the fluctuation of foreign currency rates. The Company operates in Canada and Colombia. A portion of the Company's expenses are incurred in US dollars. A significant change in the exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. As at April 30, 2012, the Company had the Canadian equivalent of cash totalling $587,800 (April 30, 2011: $Nil, May 1, 2010: $Nil) held in US dollars and liabilities totalling $240 (April 30, 2011: $2,525, May 1, 2010: $Nil) owed in US dollars.

Based on the above net exposure as at April 30, 2012, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an increase/decrease of approximately $58,800 (April 30, 2011: $300, May 1, 2010: $Nil) in the Company's net loss and comprehensive loss for the year.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(cont'd…)*

ii) Interest Rate Risk

Interest rate risk consists of two components:

A. To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

B. To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company considers interest rate risk to be immaterial.

iii) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to any other price risk.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for accounts payable and accrued liabilities and due to related parties approximate fair values due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at April 30, 2012, the Company's financial instruments are comprised of cash, due from related party, accounts payable and accrued liabilities, and due to related parties. With the exception of cash, all financial instruments held by the Company are measured at amortized cost.

15. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to advance its mineral properties. The Company defines its capital as all components of equity and short-term debt. The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral properties. The property in which the Company currently has an interest is in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administrative costs, the Company will spend its existing working capital and seek to raise additional amounts as needed by way of equity financing or debt. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's investment policy is to hold cash in interest-bearing bank accounts or highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company does not expect its current capital resources to be sufficient to carry its operating costs and carry out its proposed exploration programs through the next twelve months. As such, the Company will seek to raise additional capital and believes it will be able to do so, but recognizes the uncertainty attached thereto.

There have been no changes to the Company's approach to capital management during the year ended April 30, 2012.

16. EVENTS AFTER THE REPORTING DATE

Subsequent to April 30, 2012, the following events, which have not been disclosed elsewhere in these financial statements, have occurred:

- The Company granted 765,000 share purchase options to directors, officers and employees exercisable at a price of $0.50 per share for ten years.

17. TRANSITION TO IFRS

The Company adopted IFRS on May 1, 2011 with a transition date of May 1, 2010. Under IFRS 1, the IFRS are applied retrospectively at the transition date with all adjustments to assets and liabilities as stated under pre-changeover Canadian GAAP taken to retained earnings unless certain exemptions are applied. IFRS 1 provides for certain optional exemptions and certain mandatory exceptions for first-time IFRS adopters.

(a) IFRS Exemption Options

Set forth below are the IFRS 1 applicable exemptions and exceptions applied in the conversion from pre-changeover Canadian GAAP to IFRS.

Share-based Payments

IFRS 1 permits the application of IFRS 2 *Share-based Payment* only to equity instruments granted after November 7, 2002 that had not vested by the date of transition to IFRS. The Company has applied this exemption and has applied IFRS 2 for equity instruments granted before May 1, 2010 that had not vested by May 1, 2010.

(b) IFRS Mandatory Exemption

Estimates

The estimates previously made by the Company under pre-changeover Canadian GAAP were not revised for the application of IFRS, except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result, the Company has not used hindsight to revise estimates.

(c) Reconciliations

The adoption of IFRS has resulted in changes to the Company's reported financial position and results of operations. The Company's adoption of IFRS did not have an impact on the total operating, investing or financing cash flows for the year ended April 30, 2011 and as such no reconciliation of the statement of cash flows has been prepared. In order to allow the users of the financial statements to better understand these changes, the statements of financial position as at May 1, 2010 and April 30, 2011 and the statement of operations and comprehensive loss for the year ended April 30, 2011 previously presented under pre-changeover Canadian GAAP have been reconciled to IFRS. For a description of the changes, see the discussion in Note to the IFRS Reconciliations below.

(Expressed in Canadian Dollars)

17. TRANSITION TO IFRS *(cont'd…)*

The May 1, 2010 pre-changeover Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

	Canadian GAAP	Effect of transition to IFRS	IFRS	Sub Note
ASSETS				
Current assets				
Cash	$ 61,725	$ -	$ 61,725	
Other receivables	22	-	22	
Prepaid expenses and deposits	500	-	500	
	62,247	-	62,247	
Non-current assets				
Exploration and evaluation assets	11,000	-	11,000	
TOTAL ASSETS	**$ 73,247**	**$ -**	**$ 73,247**	
LIABILITIES and SHAREHOLDERS' EQUITY				
Current liabilities				
Due to related parties	$ 5,542	$ -	$ 5,542	
Non-current liability				
Deferred income tax	1,195	(1,195)	-	(i)
	6,737	(1,195)	5,542	
Shareholders' equity				
Share capital	166,050	34,375	200,425	(i)
Deficit	(99,540)	(33,180)	(132,720)	(i)
	66,510	1,195	67,705	
TOTAL LIABILITIES and SHAREHOLDERS' EQUITY	**$ 73,247**	**$ -**	**$ 73,247**	

(Expressed in Canadian Dollars)

17. TRANSITION TO IFRS *(cont'd…)*

The April 30, 2011 pre-changeover Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

	Canadian GAAP	Effect of transition to IFRS	IFRS	Sub Note
ASSETS				
Current assets				
Cash	$ 116,084	$ -	$ 116,084	
Other receivables	32,732	-	32,732	
Prepaid expenses and deposits	20,000	-	20,000	
	168,816	-	168,816	
Non-current assets				
Exploration and evaluation assets	191,000	-	191,000	
TOTAL ASSETS	**$ 359,816**	**$ -**	**$ 359,816**	
LIABILITIES and SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$ 5,227	$ -	$ 5,227	
Due to related parties	25,725	-	25,725	
	30,952	-	30,952	
Shareholders' equity				
Share capital	816,653	76,875	893,528	(i)
Other equity reserve	190,877	-	190,877	
Deficit	(678,666)	(76,875)	(755,541)	(i)
	328,864	-	328,864	
TOTAL LIABILITIES and SHAREHOLDERS' EQUITY	**$ 359,816**	**$ -**	**$ 359,816**	

(Expressed in Canadian Dollars)

17. TRANSITION TO IFRS *(cont'd…)*

The pre-changeover Canadian GAAP statement of operations and comprehensive loss for the year ended April 30, 2011 has been reconciled to IFRS as follows:

	Canadian GAAP	Effect of transition to IFRS	IFRS	Sub Note
Exploration expenditures	$ 376,959	$ -	$ 376,959	
General and administrative expenses	295,862	-	295,862	
Loss for the year before income taxes	(672,821)	-	(672,821)	
Deferred income tax recovery	93,695	(43,695)	50,000	(i)
Net loss and comprehensive loss for the year	**$ (579,126)**	**$ (43,695)**	**$ (622,821)**	(i)

Note to the IFRS Reconciliations:

(i) Flow-through Shares

Under pre-changeover Canadian GAAP, share capital is recorded at net proceeds less the deferred tax liability related to the renounced expenditures. Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or "premium", are recorded as a deferred charge. When expenditures are renounced, a deferred tax liability is recognized and the deferred charge is reversed. The net amount is recognized as deferred tax expense or recovery. Upon the transition date of May 1, 2010, this accounting policy change resulted in an increase in share capital of $34,375, a decrease in the deferred tax liability of $1,195, and an increase in deficit of $33,180. As at April 30, 2011, and for the year then ended, this accounting policy change resulted in an increase in both share capital and deficit of $76,875 and a decrease in deferred income tax recovery of $43,695.