CORDOBA

MINERALS CORP.

(An Exploration Stage Company)

FINANCIAL STATEMENTS

APRIL 30, 2013 AND 2012

(Expressed in Canadian Dollars)

SmytheRatcliffe
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF CORDOBA MINERALS CORP.

We have audited the accompanying financial statements of Cordoba Minerals Corp., which comprise the statements of financial position as at April 30, 2013 and 2012, and the statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, 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, 2013 and 2012, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to note 2 in the financial statements, which describes matters and conditions that indicate the existence of material uncertainties 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 13, 2013

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

As at April 30		**2013**		**2012**
ASSETS				
Current assets				
Cash and cash equivalents (Note 14)	$	2,550,244	$	1,337,889
Other receivables		15,981		40,890
Due from related parties (Note 11)		1,875		1,579
Prepaid expenses and deposits (Notes 6 and 11)		666,438		194,917
Total current assets		3,234,538		1,575,275
Non-current assets				
Property and equipment (Notes 5 and 11)		26,902		16,550
Exploration and evaluation assets (Note 6)		4,642,901		4,631,048
Total non-current assets		4,669,803		4,647,598
TOTAL ASSETS	**$**	**7,904,341**	**$**	**6,222,873**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	29,739	$	74,559
Due to related parties (Note 11)		36,389		88,942
Total liabilities		66,128		163,501
Shareholders' equity				
Share capital (Note 9)		10,364,992		7,457,635
Other equity reserves (Note 9)		2,663,995		1,612,398
Deficit		(5,190,774)		(3,010,661)
Total shareholders' equity		7,838,213		6,059,372
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**7,904,341**	**$**	**6,222,873**

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"Simon Ridgway", Director
Simon Ridgway

"Peter Thiersch", Director
Peter Thiersch

See accompanying notes to the financial statements

CORDOBA MINERALS CORP.
(An Exploration Stage Company)
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

For the years ended April 30	2013	2012
EXPLORATION EXPENDITURES (Note 7)	$ 1,276,024	$ 1,108,919
GENERAL AND ADMINISTRATIVE EXPENSES		
Amortization	3,051	1,165
Finance costs (Note 8)	-	500,000
Interest (Note 8)	-	56,860
Management fees (Note 11)	102,000	30,000
Office and administration (Note 11)	135,409	39,026
Professional fees	40,620	35,641
Property investigation	41,155	9,488
Regulatory fees (Note 11)	20,716	27,619
Salaries and benefits (Note 11)	121,557	100,528
Shareholder communications (Note 11)	79,473	37,845
Share-based payments (Note 10)	325,679	26,436
Travel (Note 11)	61,655	76,249
	931,315	940,857
	(2,207,339)	(2,049,776)
Interest and other income	11,243	-
Foreign exchange gain (loss)	15,983	(14,344)
Write-off of exploration and evaluation assets (Note 6)	-	(191,000)
Net loss and comprehensive loss for the year	**$ (2,180,113)**	**$ (2,255,120)**
Loss per share, basic and diluted	$(0.11)	$(0.27)
Weighted average number of common shares outstanding	20,713,283	8,227,593

See accompanying notes to the financial statements

CORDOBA MINERALS CORP.
(An Exploration Stage Company)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended April 30, 2013 and 2012
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Warrants reserve	Share-based payment reserve	Equity portion of convertible debenture reserve	Deficit	Total
Balance, April 30, 2011	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	-	-	-	-	71,429	-	71,429
Shares issued for convertible debentures	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 warrant 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
Net loss for the year	-	-	-	-	-	(2,180,113)	(2,180,113)
Shares issued for private placements	8,371,112	3,072,197	694,803	-	-	-	3,767,000
Share issuance costs	-	(233,329)	65,248	-	-	-	(168,081)
Exercise of share purchase warrants	141,185	42,356	-	-	-	-	42,356
Repurchase of stock options	-	-	-	(8,000)	-	-	(8,000)
Transfer of warrant reserve on exercise of warrants	-	26,133	(26,133)	-	-	-	-
Share-based payments	-	-	-	325,679	-	-	325,679
Balance, April 30, 2013	**26,221,722**	**$ 10,364,992**	**$ 2,155,472**	**$ 508,523**	**$ -**	**$ (5,190,774)**	**$ 7,838,213**

See accompanying notes to the financial statements

CORDOBA MINERALS CORP.
(An Exploration Stage Company)
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

For the years ended April 30		2013		2012
Cash provided by (used in):				
OPERATING ACTIVITIES				
Net loss for the year	$	(2,180,113)	$	(2,255,120)
Items not involving cash:				
Share-based payments		325,679		26,436
Write-off of exploration and evaluation assets		-		191,000
Finance costs		-		500,000
Amortization		3,051		1,165
Changes in non-cash working capital balances:				
Other receivables		24,909		(8,158)
Due from related parties		(296)		(1,579)
Prepaid expenses and deposits		(471,521)		(174,917)
Accounts payable and accrued liabilities		(44,820)		69,332
Due to related parties		(52,553)		63,217
		(2,395,664)		(1,588,624)
FINANCING ACTIVITIES				
Issuance of shares for cash, net		3,641,275		5,059,192
Repurchase of stock options		(8,000)		-
Proceeds from loans		-		2,487,250
Repayment of loans		-		(2,487,250)
Proceeds from convertible debentures		-		2,000,000
		3,633,275		7,059,192
INVESTING ACTIVITIES				
Purchase of property and equipment		(13,403)		(17,715)
Expenditures on exploration and evaluation assets		(11,853)		(4,231,048)
		(25,256)		(4,248,763)
Net inflow of cash		**1,212,355**		**1,221,805**
Cash and cash equivalents, beginning of year		1,337,889		116,084
Cash and cash equivalents, end of year	**$**	**2,550,244**	**$**	**1,337,889**

SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION:

		2013		2012
Cash paid during the year for:				
Interest	$	-	$	-
Income taxes	$	-	$	-
Non-cash transactions during the year:				
Common shares issued for finance charges (Note 8)	$	-	$	500,000
Common shares issued upon conversion of debentures	$	-	$	2,000,000
Warrants issued for acquisition of exploration and evaluation assets	$	-	$	400,000

See accompanying notes to the financial statements

1. CORPORATE INFORMATION

Cordoba Minerals Corp. (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.

2. BASIS OF PREPARATION

Statement of Compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Basis of Measurement

These financial statements have been prepared on the historical cost basis, except for certain financial instruments carried at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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.

Ability to Continue as a Going Concern

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, 2013, the Company had no revenue-producing operations, has an accumulated deficit of $5,190,774 since inception and is expected to incur further losses in the development of its business and fulfilling required exploration expenditure commitments (Note 6), all of which may cast significant 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.

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 13, 2013.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(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 reflect 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) Cash and Cash Equivalents

Cash and cash equivalents comprises cash, bank deposits or highly-liquid temporary investments that are readily convertible into known amounts of cash with original maturities of three months or less.

(c) 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.

(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.

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

(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; property and equipment are amortized over their estimated useful lives using the following rates and methods:

Computer equipment	30% declining-balance
Furniture and equipment	20% 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 Debentures

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.

(h) Impairment of Non-Financial Assets

Impairment tests on non-financial assets, including exploration and evaluation assets, are undertaken annually at the financial year-end and whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

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

(h) Impairment of Non-Financial Assets *(cont'd…)*

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 ("CGU"), 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 over the life of the asset.

At April 30, 2013 and 2012, the fair value of the exploration and evaluation rehabilitation costs is not material.

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 using the graded vesting method. 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 or at the fair value of the equity instruments issued (if it is determined the fair value of goods or services cannot be reliably measured), and are recorded at the date the goods or services are received.

(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.

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

(l) Financial Instruments *(cont'd…)*

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.

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

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

(l) Financial Instruments *(cont'd…)*

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

Cash and cash equivalents	FVTPL
Due from related parties	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities
Due to related parties	Other financial liabilities

(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 May 1, 2015. The Company is in the process of evaluating the impact of the new standard.

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 standard is effective for the Company beginning 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 standard is effective for the Company beginning 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 standard is effective for the Company beginning May 1, 2013.

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 profit or loss 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.

The key areas of judgment applied in the preparation of the financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

i) The determination of the Company's functional currency

The functional currency of the Company is the currency of the primary economic environment and the Company reconsiders the functional currency if there is a change in events and conditions, which determined the primary economic environment.

ii) The recoverability of prepaid expenses and deposits

The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment.

iii) The carrying value of the exploration and evaluation assets and the recoverability of the carrying value

Assets or CGUs are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

In respect of costs incurred for its investment in exploration and evaluation assets, management has determined the acquisition costs that have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, economics assessment/ studies, accessible facilities and existing permits.

The key estimates applied in the preparation of the financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

i) The provision for income taxes and recognition of deferred income tax assets and liabilities.

ii) The inputs used in accounting for the fair value of share-based payment transactions.

iii) The inputs in determining the bifurcation of unit offerings into the different equity components.

5. PROPERTY AND EQUIPMENT

	Furniture and equipment	Computer equipment	Leasehold improvements	Total
Cost				
Balance, April 30, 2011	$ -	$ -	$ -	$ -
Additions	-	2,433	15,282	17,715
Balance, April 30, 2012	-	2,433	15,282	17,715
Additions	9,625	-	3,778	13,403
Balance, April 30, 2013	**$ 9,625**	**$ 2,433**	**$ 19,060**	**$ 31,118**
Accumulated amortization				
Balance, April 30, 2011	$ -	$ -	$ -	$ -
Charge for the year	-	365	800	1,165
Balance, April 30, 2012	-	365	800	1,165
Charge for the year	241	620	2,190	3,051
Balance, April 30, 2013	**$ 241**	**$ 985**	**$ 2,990**	**$ 4,216**
Carrying amounts				
At April 30, 2012	$ -	$ 2,068	$ 14,482	$ 16,550
At April 30, 2013	**$ 9,384**	**$ 1,448**	**$ 16,070**	**$ 26,902**

6. EXPLORATION AND EVALUATION ASSETS

The Company has capitalized the following acquisition costs of its mineral property interests during the years ended April 30, 2013 and 2012:

	Colombia	Yukon, Canada	
	Cordoba Property	**Snowcap Property**	**Total**
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
Acquisition costs – cash	11,853	-	11,853
Balance, April 30, 2013	**$ 4,642,901**	**$ -**	**$ 4,642,901**

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

Cordoba Property – Colombia

Pursuant to an agreement signed in June 2011 and re-stated in July 2011, the Company acquired from Minatura International LLC ("Minatura") an initial 11% interest in Cordoba Holdings Corp. ("CHC"), a private company which holds indirect title to a Colombian mineral property known as the Cordoba Property, in consideration of the payment to Minatura of $2,030,000 cash and forgiveness of a $2,000,000 loan (for a total cash cost of $4,030,000) plus warrants to purchase up to 5,000,000 shares of the Company exercisable until September 30, 2015 at $0.40 per share with a fair value of $400,000.

Pursuant to a further agreement with Minatura signed in March 2012, the Company has the option (the "Option") to increase its ownership to a 51% interest by making the exploration expenditures described in paragraph i) below. However, in accordance with the terms of the proposed Transaction described below, such deadlines have been extended by such numbers of days comprising the period of time from July 31, 2013 and ending, if the Transaction will not close, the date the proposed Transaction is cancelled (the "Extension Period"). During such Extension Period, the right to exercise the Option and the deadlines for incurring exploration expenditures will be suspended. All exploration expenditures incurred by the Company during the Extension Period will be credited towards any expenditure commitments under the Option if the Transaction does not close.

Option Agreement

Pursuant to the Option, the Company has the right to acquire an additional 40% interest (for a total of 51%) by making expenditures on the Cordoba Property and cash payments to Minatura, the deadlines for which are based on the issuance of certain drilling permits for the Cordoba Property (the "Drilling Permits"). The Drilling Permits were issued January 11, 2013. The terms of the Option are:

i) The Company may exercise the Option by expending $15,000,000 on exploration of the Cordoba Property no later than September 30, 2015, of which $5,000,000 is a firm commitment, which must be incurred no later than January 10, 2014.

ii) Upon the Company incurring the $5,000,000 of exploration expenditures and agreeing to continue with the Option, the Company must pay $2,000,000 cash to Minatura. As well, the 5,000,000 warrants held by Minatura become exercisable.

iii) 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 such number of shares in the Company that will equal 57.5% of the fully diluted capital of the Company at that time. The issuance of these shares would be subject to approval by the Company's shareholders.

iv) 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.

During the year ended April 30, 2013, the Company has recorded additional acquisition costs totalling $11,853 (2012: $4,631,048) in relation to the Cordoba Property agreement.

As at April 30, 2013, the Company has incurred a total of $2,360,825 of its $5,000,000 commitment in exploration expenditures on the Cordoba Property; and the Company's prepaid expenses and deposits include an amount of $538,151 advanced to Minatura for exploration expenditures to be incurred.

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

Colombia – Cordoba Property and San Matias Property Proposed Transaction

Subsequent to April 30, 2013, the Company entered into a binding agreement (the "Agreement") to acquire a 100% interest in the Cordoba Property from Minatura, Minatura Gold and certain minority shareholders of CHC (collectively, the "Minatura Group") and the adjacent San Matias Property from Sabre Metals Inc. ("Sabre").

Pursuant to the Agreement, the Company will acquire from the Minatura Group the remaining 89% interest in CHC, and will also acquire all of the outstanding shares of Sabre, a private company, which has the right to acquire a 100% interest in the San Matias Property (the "Transaction").

In consideration thereof, the Company has agreed to:

i) issue common shares in its share capital to the Minatura Group and Sabre's shareholders, so that the Company's resulting issued capital will be 81,942,881 shares, of which the Minatura Group will own 29,499,437 shares, or 36% of the Company, and the Sabre shareholders will own 26,221,722 shares, or 32% of the Company;

ii) issue 2,117,647 warrants to the Minatura Group and 1,882,353 warrants to the Sabre shareholders; each warrant exercisable at $0.30 for two years from closing of the Transaction; and

iii) make cash payments to the Minatura Group totaling US$5,000,000 (US$1,000,000 paid on signing of the Agreement and US$4,000,000 due on closing of the Transaction).

Upon completion of the Transaction, the Company will have seven directors, two of which are to be nominated by the Minatura Group, two by Sabre, two by the Company, and the seventh by mutual agreement of the parties. Mario Stifano, CEO of Sabre, will be appointed President and CEO of the Company. As well, the Option, whereby the Company has the right to increase its ownership of the Cordoba Property from 11% to 100%, will no longer be in effect.

Each of the Minatura Group and Sabre is at arm's length to the Company, and none of the directors or officers of the Company are directors, officers or shareholders of the Minatura Group or Sabre, other than Tod Turley who is Chief Operating Officer of Minatura and a director of the Company.

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 certain mineral claims in central Yukon Territory.

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 wrote-off its acquisition costs totaling $191,000 during the year ended April 30, 2012. The Company had issued 600,000 common shares to Radius as at the date the option agreement was terminated.

7. EXPLORATION EXPENDITURES

During the year ended April 30, 2013, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Colombia
	Cordoba Property
Assaying	$ 65,360
Contractors	7,735
Field expenses	307,517
Geological fees	381,449
Geophysics	45,529
Salaries and wages	291,157
Transportation and accommodation	177,277
Total	**$ 1,276,024**

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
Field expenses	358,861	23,891	382,752
Geological fees	273,552	227	273,779
Geophysics	118,720	-	118,720
Salaries and wages	130,079	-	130,079
Transportation and accommodation	98,498	-	98,498
Total	**$ 1,084,801**	**$ 24,118**	**$ 1,108,919**

8. SHORT-TERM DEBT TRANSACTIONS

There was no short-term debt transactions during the year ended April 30, 2013.

During the year ended April 30, 2012, the following transactions occurred:

i) 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 reserves. 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 reserves 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.

ii) In October 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 or loss as a finance cost.

iii) In March 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 or 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, 2013:

i) The Company closed a private placement of 7,208,890 units at $0.45 per unit for gross proceeds of $3,244,000. Each unit consisted 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 $0.50 until December 19, 2014. The proceeds of the private placement have been bifurcated using the relative fair value method resulting in $2,650,087 recorded as share capital and $593,913 recorded as warrant reserve. The 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 1.13%, dividend yield of 0%, volatility of 73% and expected life of two years.

   Finders' fees associated with the private placement and recorded as share issuance costs consisted of $11,700 cash, 273,333 units (consisting of one common share and one-half of one common share purchase warrant) and 299,333 share purchase warrants. Each warrant entitles the holder thereof to purchase one common share at a price of $0.50 until December 19, 2014. The value of the 273,333 units issued has been bifurcated using the relative fair value method resulting in $100,481 recorded as share capital and $22,519 recorded as warrant reserve. The fair value of the 299,333 warrants was calculated to be $60,375, using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.13%, dividend yield of 0%, volatility of 73% and expected life of two years.

ii) The Company closed a private placement of 888,889 units at $0.45 per unit for gross proceeds of $400,000. Each unit consisted 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 $0.50 until January 20, 2015. The proceeds of the private placement have been bifurcated using the relative fair value method resulting in $321,629 recorded as share capital and $78,371 recorded as warrant reserve. The 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 1.19%, dividend yield of 0%, volatility of 72% and expected life of two years.

   Finders' fees associated with the private placement and recorded as share issuance costs consisted of $10,000 cash and 22,222 share purchase warrants. Each warrant entitles the holder thereof to purchase one common share at a price of $0.50 until January 20, 2015. The fair value of the 22,222 warrants was calculated to be $4,873, using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.19%, dividend yield of 0%, volatility of 72% and expected life of two years.

iii) 141,185 share purchase warrants were exercised for gross proceeds of $42,356. The Company reallocated the fair value of these share purchase warrants previously recorded in the amount of $26,133 from warrant reserve to share capital.

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

(a) Common Shares *(cont'd…)*

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 consisted 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 were bifurcated using the relative fair value method resulting in $1,461,730 recorded as share capital and $338,269 recorded as warrant reserve. The fair value of each warrant issued in the private placement was 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 has 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 consisted 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 were bifurcated using the relative fair value method resulting in $2,796,172 recorded as share capital and $553,829 recorded as warrant reserve. The fair value of each warrant issued in the private placement was 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 was 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.

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.

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

(a) Common Shares *(cont'd…)*

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

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 warrants reserve to share capital.

Escrow Shares

At April 30, 2013, the Company had 152,727 (2012: 458,182) shares held in escrow. The shares are being released from escrow every six months with the final 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, 2013 and 2012 is as follows:

	Number of warrants	Weighted average exercise price
Balance, on April 30, 2011	143,000	$0.30
Issued	8,777,481	$0.66
Exercised	(1,815)	$0.30
Balance, on April 30, 2012	8,918,666	$0.65
Issued	4,507,107	$0.50
Exercised	(141,185)	$0.30
Balance, April 30, 2013	**13,284,588**	**$0.30**

Details of share purchase warrants outstanding as of April 30, 2013 are:

Expiry date	Number of warrants	Exercise price
(1)March 15, 2014	1,200,000	$0.50
March 15, 2014	131,250	$1.00
(1)April 10, 2014	1,056,597	$0.50
April 10, 2014	1,389,634	$1.00
December 19, 2014	4,040,441	$0.50
January 20, 2015	466,666	$0.50
(2)September 30, 2015	5,000,000	$0.40
	13,284,588	

(1) The exercise price of these warrants was amended February 14, 2013 from a price of $1.00 per share to $0.50 per share.

(2) The expiry date for these warrants issued pursuant to the Cordoba Property Option agreement was fixed at September 30, 2015 based on the issuance of the Drilling Permits on January 11, 2013. These warrants become exercisable when certain conditions of the Cordoba Property Option agreement are met (Note 6) and as of April 30, 2013, these warrants were not exercisable. If the proposed Transaction closes (Note 6), these warrants will be cancelled.

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 dates	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 weighted average remaining contractual life of outstanding share purchase warrants as at April 30, 2013 is 1.73 (2012: 2.18) years.

(c) Nature and Purpose of Equity and Reserves

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

Other equity reserves 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

The Company has in place 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 or required by the TSX Venture Exchange.

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, 2013:

				During the year				
Grant date	**Expiry date**	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**Cancelled**	**Closing balance**	**Vested and exercisable**
Mar 1, 2011	Feb 28, 2021	$0.37	505,000	-	-	(80,000)	425,000	425,000
Jul 4, 2011	Jul 3, 2021	$0.60	25,000	-	-	-	25,000	25,000
Aug 1, 2012	Jul 31, 2022	$0.50	-	765,000	-	-	765,000	765,000
			530,000	**765,000**	**-**	**(80,000)**	**1,215,000**	**1,215,000**
Weighted average exercise price			**$0.38**	**$0.50**	**-**	**$0.37**	**$0.46**	**$0.46**

During the year ended April 30, 2013, the Company repurchased 80,000 stock options for total cash consideration of $8,000 (2012: $nil).

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**	**Cancelled**	**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**

Fair Value of Options Issued During the Year

The fair value at grant date of options granted during the year ended April 30, 2013 was $0.43 (2012: $0.57) per option.

The weighted average remaining contractual life of the options outstanding at April 30, 2013 is 8.74 (2012: 8.85) years.

The inputs for options granted during the years ended April 30, 2013 and 2012 applied to the Black-Scholes option pricing model are:

	Risk-free interest rate	**Expected life**	**Volatility factor**	**Dividend yield**
Year ended April 30, 2013	1.71%	10 years	121%	0%
Year ended April 30, 2012	3.08%	10 years	117%	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.

10. SHARE-BASED PAYMENTS *(cont'd…)*

Fair Value of Options Issued During the Year *(cont'd…)*

Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of 0% (2012: 0%) in determining the expense recorded in the accompanying statements of operations.

Expenses Arising from Share-based Payments Transactions

Total expenses arising from the share-based payment transactions recognized during the year ended April 30, 2013 as part of share-based payments were $325,679 (2012: $26,436) and as part of finance costs were $Nil (2012: $500,000).

As of April 30, 2013 and 2012, there were no unrecognized compensation costs related to share-based payment awards not yet exercisable.

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, 2013 amounted to $Nil (2012: $400,000).

11. RELATED PARTY TRANSACTIONS

The Company had transactions during the years ended April 30, 2013 and 2012 with related parties consisting of directors, officers and the following companies with common directors:

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

During the years ended April 30, 2013 and 2012, the Company paid or made provision for the future payment of the following amounts to related parties:

i) $48,319 (2012: $178,331) in general and administrative costs to Radius, a company with common directors and officers, and consisting of $21,422 (2012: $35,273) for office and administration, $3,095 (2012: $7,322) for regulatory fees, $13,879 (2012: $92,494) for salaries and benefits, $5,864 (2012: $21,834) for shareholder communications and $4,059 (2012: $21,408) for travel. Salary and benefits include those for the Chief Financial Officer and Corporate Secretary. Radius was reimbursed by the Company for these shared costs and other business related expenses paid by Radius on behalf of the Company. The Company also reimbursed Radius for leasehold improvement costs of $3,778 (2012: $15,282). Although Radius may continue to share some administrative expenses with the Company, effective July 1, 2012 the Company entered into an arrangement with Gold Group, a company controlled by the Chief Executive Officer of the Company, to coordinate the majority of shared administrative costs and other business related expenses paid by Gold Group on behalf of the Company.

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

ii) $233,895 (2012: $Nil) in general and administrative costs to Gold Group consisting of $65,883 (2012: $Nil) for office and administration, $2,571 (2012: $Nil) for regulatory fees, $99,073 (2012: $Nil) for salaries and benefits, $36,144 (2012: $Nil) for shareholder communications and $30,224 (2012: $Nil) for travel. Salary and benefits include those for the Chief Financial Officer and Corporate Secretary.

Prepaid expenses and deposits as of April 30, 2013 include a prepaid expense of $4,404 (2012: $Nil) and deposits totalling $61,000 (2012: $Nil) paid to Gold Group.

The amount due from related parties as of April 30, 2013 consists of $1,875 (2012: $Nil) due from Radius and $Nil (2012: $1,579) due from Voyager (a company with common directors and/or officers). The balances are unsecured, due on demand and non-interest-bearing.

Amounts due to related parties as of April 30, 2013 consist of $18,889 (2012: $Nil) due to Gold Group, $17,500 (2012: $17,500) due to a director and former president of the Company, $Nil (2012: $33,600) due to Mill Street and $Nil (2012: $37,842) due to Radius. The amount owing to Gold Group is secured by a deposit and is interest-bearing if not paid within a certain period. Other amounts owing are unsecured, non-interest-bearing and payable on demand.

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

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, 2013 and 2012, key management compensation comprises:

		2013		**2012**
Management fees	$	102,000	$	30,000
Salaries and benefits		15,859		24,431
Geological fees		140,833		-
Share-based payments		202,220		-
	$	**460,912**	**$**	**54,431**

Total share-based payments to directors not specified as key management personnel during the year ended April 30, 2013 was $31,929 (2012: $Nil).

Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the years ended April 30, 2013 and 2012.

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, 2013 and 2012 are located in Colombia and substantially all of the exploration expenditures for the years ended April 30, 2013 and 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:

	2013	2012
Net loss for the year	$ 2,180,113	$ 2,255,120
Canadian statutory tax rate	25.0%	26.0%
Income tax recovery computed at statutory rates	545,028	586,331
Items not deductible for income tax purposes	(280,019)	(8,614)
Effect of change in tax rate	(10,069)	(20,618)
Change in timing differences	(295,170)	(40,710)
Unused tax losses and tax offsets not recognized in tax asset	40,230	(516,389)
Income tax expense	**$ -**	**$ -**

Effective January 1, 2012, the Canadian federal corporate tax rate decreased from 16.5% to 15.0% and the British Columbia provincial tax remained unchanged at 10.0%. The overall reduction in tax rates has resulted in a decrease in the Company's statutory tax rate from 26.0% to 25.0%.

The Company recognizes tax benefits on losses or other deductible amounts generated where it is probable the company will have taxable income to utilize its deferred tax assets. 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, 2013	April 30, 2012
Non-capital losses	$ 1,729,000	$ 2,238,000
Share issue costs	147,000	157,000
Resource properties	153,000	-
Equipment and others	-	1,000
Unrecognized deferred tax assets	**$ 2,029,000**	**$ 2,396,000**

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

	Total
2030	$ 45,500
2031	131,000
2032	451,500
2033	1,128,000
	$ 1,756,000

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.

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 cash equivalents. The Company limits exposure to credit risk by maintaining its cash and cash equivalents with large financial institutions.

	April 30, 2013	April 30, 2012
Cash held in bank accounts	$ 239,696	$ 1,337,889
Term deposits	2,310,548	-
	$ 2,550,244	**$ 1,337,889**

(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, 2013, the Company had cash and cash equivalents of $2,550,244 (2012: $1,337,889) available to apply against short-term business requirements and current liabilities of $66,128 (2012: $163,501). All of the Company's financial liabilities have contractual maturities of less than 45 days and are subject to normal trade terms.

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

(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 exchange 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 exchange rates. The Company operates in Canada and Colombia. A portion of the Company's expenses are incurred in US dollars and Colombian pesos. A significant change in the exchange rate between the Canadian dollar relative to the US dollar or Colombian peso 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, 2013, the Company had the Canadian equivalent of cash totalling $68,128 (2012: $587,800) held in US dollars and liabilities totalling $9,071 (2012: $240) owed in US dollars.

Based on the above net exposure as at April 30, 2013, 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 $5,900 (2012: $58,800) in the Company's net loss and comprehensive loss for the year.

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.

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

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, 2013 and 2012, the Company's financial instruments are comprised of cash and cash equivalents, due from related parties, accounts payable and accrued liabilities, and due to related parties. With the exception of cash and cash equivalents, 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 exploration expenditure commitment on the Cordoba Property 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, 2013.

16. EVENTS AFTER THE REPORTING DATE

Subsequent to April 30, 2013:

- The Company entered into a binding agreement to acquire a 100% interest in both the Cordoba Property from the Minatura Group and the San Matias Property from Sabre (Note 6); and
- 20,000 exercisable stock options with an exercise price of $0.37 per share were cancelled.