CORDOBA

MINERALS CORP.

(An Exploration Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS

NINE MONTHS ENDED JANUARY 31, 2014

(Unaudited)

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed interim financial statements for the nine months ended January 31, 2014. These financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

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

As at:	January 31, 2014	April 30, 2013
ASSETS		
Current assets		
Cash and cash equivalents (Note 13)	$ 2,837,693	$ 2,550,244
Other receivables	17,884	15,981
Due from related parties (Note 11)	-	1,875
Prepaid expenses and deposits (Notes 7 and 11)	367,916	666,438
Total current assets	3,223,493	3,234,538
Non-current assets		
Deferred acquisition costs (Note 7)	1,282,592	-
Property and equipment (Note 6)	23,324	26,902
Exploration and evaluation assets (Note 7)	4,642,901	4,642,901
Total non-current assets	5,948,817	4,669,803
TOTAL ASSETS	**$ 9,172,310**	**$ 7,904,341**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 27,180	$ 29,739
Due to related parties (Note 11)	45,943	36,389
Total Liabilities	73,123	66,128
Shareholders' equity		
Share capital (Note 9)	14,348,925	10,364,992
Other equity reserves (Note 9)	1,510,831	2,663,995
Deficit	(6,760,569)	(5,190,774)
Total shareholders' equity	9,099,187	7,838,213
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 9,172,310**	**$ 7,904,341**

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"Simon Ridgway", Director — Simon Ridgway

"Ralph Rushton", Director — Ralph Rushton

See accompanying notes to the condensed interim financial statements

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

	Three months ended January 31, 2014	Three months ended January 31, 2013	Nine months ended January 31, 2014	Nine months ended January 31, 2013
EXPLORATION EXPENDITURES (Note 8)	$ 369,662	$ 301,258	$ 1,152,076	$ 961,420
GENERAL AND ADMINISTRATIVE EXPENSES				
Amortization	1,192	770	3,578	2,040
Management fees (Note 11)	90,000	25,500	133,500	76,500
Office and administration (Note 11)	34,478	35,769	97,904	91,089
Professional fees	696	7,103	37,735	38,233
Property investigation	-	17,887	20,272	21,895
Regulatory fees (Note 11)	1,880	6,059	7,927	13,442
Salaries and benefits (Note 11)	37,600	35,072	102,562	90,690
Shareholder communications (Note 11)	5,249	21,490	19,172	52,828
Share-based payments (Note 10)	-	-	-	325,679
Travel (Note 11)	13,384	23,117	27,838	40,915
	184,479	172,767	450,488	753,311
	(554,141)	(474,025)	(1,602,564)	(1,714,731)
Interest and other income	1,289	3,235	10,781	3,235
Foreign exchange gain (loss)	13,858	(6,310)	21,988	670
Net loss and comprehensive loss for the period	**$ (538,994)**	**$ (477,100)**	**$ (1,569,795)**	**$ (1,710,826)**
Loss per share, basic and diluted	$(0.02)	$(0.02)	$(0.06)	$(0.09)
Weighted average number of common shares outstanding	31,871,196	21,363,026	28,449,802	18,937,011

See accompanying notes to the condensed interim financial statements

CORDOBA MINERALS CORP.
(An Exploration Stage Company)
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
For the nine month periods ended January 31, 2014 and 2013
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Warrants reserve	Share-based payment reserve	Deficit	Total
Balance, April 30, 2012	17,709,425	$ 7,457,635	$ 1,421,554	$ 190,844	$ (3,010,661)	$ 6,059,372
Loss for the period	-	-	-	-	(1,710,826)	(1,710,826)
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, January 31, 2013	**26,221,722**	**10,364,992**	**2,155,472**	**508,523**	**(4,721,487)**	**8,307,500**
Loss for the period	-	-	-	-	(469,287)	(469,287)
Balance, April 30, 2013	26,221,722	10,364,992	2,155,472	508,523	(5,190,774)	7,838,213
Loss for the period	-	-	-	-	(1,569,795)	(1,569,795)
Exercise of stock options	50,000	27,500	-	-	-	27,500
Exercise of share purchase warrants	5,606,539	2,803,269	-	-	-	2,803,269
Transfer of share-based compensation reserve on exercise of stock options	-	24,817	-	(24,817)	-	-
Transfer of warrant reserve on exercise of warrants	-	1,128,347	(1,128,347)	-	-	-
Balance, January 31, 2014	**31,878,261**	**$ 14,348,925**	**$ 1,027,125**	**$ 483,706**	**$ (6,760,569)**	**$ 9,099,187**

See accompanying notes to the condensed interim financial statements

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

	Three months ended January 31, 2014	Three months ended January 31, 2013	Nine months ended January 31, 2014	Nine months ended January 31, 2013
Cash provided by (used in):				
OPERATING ACTIVITIES				
Net loss for the period	$ (538,994)	$ (477,100)	$ (1,569,795)	$ (1,710,826)
Items not involving cash:				
Share-based payments	-	-	-	325,679
Amortization	1,192	770	3,578	2,040
Changes in non-cash working capital balances:				
Other receivables	(2,797)	(17,149)	(1,903)	18,217
Due from related parties	1,875	1,875	1,875	(2,171)
Prepaid expenses and deposits	(128,356)	(276,928)	298,522	(221,166)
Accounts payable and accrued liabilities	(103,549)	(8,124)	(2,559)	(57,025)
Due to related parties	252	(25,602)	9,554	(51,367)
	(770,377)	(802,258)	(1,260,728)	(1,696,619)
FINANCING ACTIVITIES				
Issuance of shares	27,500	3,598,919	2,830,769	3,641,275
Repurchase of stock options	-	(8,000)	-	(8,000)
	27,500	3,590,919	2,830,769	3,633,275
INVESTING ACTIVITIES				
Deferred acquisition costs	(75,520)	-	(1,282,592)	-
Purchase of property and equipment	-	(3,778)	-	(3,778)
Expenditures on exploration and evaluation assets	-	-	-	(11,853)
	(75,520)	(3,778)	(1,282,592)	(15,631)
Net inflow (outflow) of cash	**(818,397)**	**2,784,883**	**287,449**	**1,921,025**
Cash and cash equivalents, beginning of period	3,656,090	474,031	2,550,244	1,337,889
Cash and cash equivalents, end of period	**$ 2,837,693**	**$ 3,258,914**	**$ 2,837,693**	**$ 3,258,914**

Supplemental disclosure with respect to cash flows (Note 15)

See accompanying notes to the condensed interim 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 condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB") on a basis consistent with the significant accounting policies disclosed in note 3 of the audited financial statements of the Company for the year ended April 30, 2013. These condensed interim financial statements do not include all of the information required for full annual financial statements.

Basis of Measurement

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

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

The preparation of condensed interim 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 condensed interim financial statements are disclosed in Note 5.

Ability to Continue as a Going Concern

These condensed interim 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 condensed interim 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 January 31, 2014, the Company had no revenue-producing operations, has an accumulated deficit of $6,760,569 since inception and is expected to incur further losses in the development of its business and fulfilling required exploration expenditure commitments (Note 7), 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.

2. BASIS OF PRESENTATION *(cont'd…)*

Approval of the Financial Statements

These condensed interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 27, 2014.

3. ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS

The mandatory adoption of the following new and revised accounting standards and interpretations on May 1, 2013 had no significant impact on the Company's condensed interim financial statements for the current or prior periods presented:

IAS 1 Presentation of Financial Statements (Amendment)

The amendments to IAS 1 require the grouping of items within other comprehensive income that may be reclassified to profit or loss and those that will not be reclassified. The statement of comprehensive loss in these condensed interim financial statements did not need to be amended to reflect the presentation requirements under the amended IAS 1.

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 are accounted for using the equity method of accounting whereas for a joint operation the venturer recognizes its share of the assets, liabilities, revenue and expenses of the joint operation. Under previous IFRS, entities had 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*.

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.

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 previous IFRS, guidance on measuring and disclosing fair value was dispersed among the specific standards requiring fair value measurements and in many cases did not reflect a clear measurement basis or consistent disclosures.

4. STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

The following new standard has been issued by the IASB, but is 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.

5. 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 condensed interim 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 cash generating units (“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.

iv) The recoverability of deferred acquisition costs

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

(Expressed in Canadian Dollars)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(cont'd…)*

The key estimates applied in the preparation of the condensed interim 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.

6. PROPERTY AND EQUIPMENT

	Furniture and equipment	Computer equipment	Leasehold improvements	Total
Cost				
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
Additions	-	-	-	-
Balance, January 31, 2014	**$ 9,625**	**$ 2,433**	**$ 19,060**	**$ 31,118**
Accumulated amortization				
Balance, April 30, 2012	$ -	$ 365	$ 800	$ 1,165
Charge for period	241	620	2,190	3,051
Balance, April 30, 2013	241	985	2,990	4,216
Charge for period	1,407	326	1,845	3,578
Balance, January 31, 2014	**$ 1,648**	**$ 1,311**	**$ 4,835**	**$ 7,794**
Carrying amounts				
At April 30, 2013	$ 9,384	$ 1,448	$ 16,070	$ 26,902
At January 31, 2014	**$ 7,977**	**$ 1,122**	**$ 14,225**	**$ 23,324**

7. EXPLORATION AND EVALUATION ASSETS

The Company has capitalized the following acquisition costs of its mineral property interests during the period from May 1, 2012 to January 31, 2014:

	Colombia
	Cordoba Property
Balance, April 30, 2012	$ 4,631,048
Acquisition costs - cash	11,853
Balance, April 30, 2013 and January 31, 2014	**$ 4,642,901**

7. 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.

As at January 31, 2014, the Company has incurred a total of $3,512,901 (April 30, 2013: $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 $241,750 (April 30, 2013: $538,151) advanced to CHC for exploration expenditures to be incurred.

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

Colombia – Cordoba Property and San Matias Property Proposed Transaction

Pursuant to a binding agreement dated July 31, 2013, as amended September 17, 2013 (the "Agreement"), the Company has the right 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 owns 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, 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, such percentages based on the issued capital of the Company as at the date of the Agreement;

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;

iii) make cash payments to the Minatura Group totaling US$5,000,000 (US$1,000,000 paid during current period and US$4,000,000 due on closing of the Transaction); and

iv) raise at least $3,000,000 by way of an equity financing, the proceeds of which will be held in escrow, to be released concurrently with the Transaction closing.

On closing of the Transaction, 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, and the existing 5,000,000 share purchase warrants held by Minatura will be cancelled.

Each of the Minatura Group and Sabre is at arm's length to the Company. Completion of the Transaction is subject to customary conditions including receipt of all required approvals from the shareholders of the Company and the TSX Venture Exchange.

As of January 31, 2014, transaction costs of $1,282,592 have been incurred and are presented as deferred acquisition costs in the condensed interim statement of financial position.

(Expressed in Canadian Dollars)

8. EXPLORATION EXPENDITURES

During the nine month period ended January 31, 2014, the Company incurred the following exploration expenditures, which were expensed as incurred:

		Colombia
		Cordoba Property
Assaying	$	18,881
Community relations		36,737
Field expenses		280,376
Geological fees		258,536
Geophysics		147,760
Legal		20,050
Property maintenance		31,156
Salaries and wages		280,822
Transportation and accommodation		77,758
Total	**$**	**1,152,076**

During the nine month period ended January 31, 2013, the Company incurred the following exploration expenditures, which were expensed as incurred:

		Colombia
		Cordoba Property
Assaying	$	56,148
Contractors		7,735
Field expenses		225,185
Geological fees		297,384
Geophysics		45,529
Salaries and wages		198,138
Transportation and accommodation		131,301
Total	**$**	**961,420**

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 nine month period ended January 31, 2014:

i) 5,606,539 share purchase warrants were exercised for gross proceeds of $2,803,269. The Company reallocated the fair value of these share purchase warrants previously recorded in the amount of $1,128,347 from other equity reserve to share capital.

ii) 50,000 share purchase options were exercised for gross proceeds of $27,500. The Company reallocated the fair value of these share purchase options previously recorded in the amount of $24,817 from other equity reserve to share capital.

Activity for the nine month period ended January 31, 2013:

i) On December 20, 2012 the Company closed the first tranche of a private placement of 7,208,890 units at $0.45 per unit for gross proceeds of $3,244,000. 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 $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 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 1.13%, 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) On January 21, 2012 the Company closed the second tranche of a private placement of 888,889 units at $0.45 per unit for gross proceeds of $400,000. 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 $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 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 1.19%, 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.

(Expressed in Canadian Dollars)

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

(a) Common Shares *(cont'd…)*

Activity for the nine month period ended January 31, 2013: *(cont'd…)*

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 other equity reserve to share capital.

Escrow Shares

At January 31, 2014, the Company had no shares held in escrow (April 30, 2013: 152,727). The final release of 152,727 shares took place during the current period.

(b) Share Purchase Warrants

A summary of share purchase warrants activity for the period from May 1, 2012 to January 31, 2014 is as follows:

	Number of warrants	Weighted average exercise price
Balance, on April 30, 2012	8,918,666	$0.65
Issued	4,507,107	$0.50
Exercised	(141,185)	$0.30
Balance, on April 30, 2013	13,284,588	$0.52
Exercised	(5,606,539)	$0.50
Expired[1]	(1,157,165)	$0.50
Balance, January 31, 2014	**6,520,884**	**$0.54**

[1] Effective following the market close on September 17, 2013, the closing price of the Company's common shares on the TSX Venture Exchange for 10 consecutive trading days was $0.625 or greater. As a result and in accordance with the terms thereof, all of these share purchase warrants expired on October 23, 2013, being 37 calendar days following such 10-day trading period.

Details of share purchase warrants outstanding as of January 31, 2014 are:

Original expiry date	Adjusted expiry date	Number of warrants	Exercise price
March 15, 2014	March 15, 2014	131,250	$1.00
April 10, 2014	April 10, 2014	212,896	$1.00
April 10, 2014	[1]April 10, 2015	1,176,738	$1.00
[2]September 30, 2015	September 30, 2015	5,000,000	$0.40
		6,520,884	

(Expressed in Canadian Dollars)

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

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

(1) In October 2013, the Company extended the expiry date of these warrants by one year to April 10, 2015.

(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 7) and as of January 31, 2014, these warrants were not exercisable. If the proposed Transaction closes (Note 7), these warrants will be cancelled.

(c) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's condensed interim 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.

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.

The following is a summary of share purchase options activity for the nine month period ended January 31, 2014:

			During the period				
Expiry date	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**Expired/ forfeited**	**Closing balance**	**Vested and exercisable**
February 28, 2021	$0.37	425,000	-	-	(20,000)	405,000	405,000
July 3, 2021	$0.60	25,000	-	(25,000)	-	-	-
July 31, 2022	$0.50	765,000	-	(25,000)	(10,000)	730,000	730,000
		1,215,000	**-**	**(50,000)**	**(30,000)**	**1,135,000**	**1,135,000**
Weighted average exercise price		**$0.46**	**-**	**$0.55**	**$0.41**	**$0.45**	**$0.45**

Fair Value of Options Issued During the Period

There were no options granted during the period ended January 31, 2014.

The weighted average remaining contractual life of the options outstanding at January 31, 2014 is 7.99 (April 30, 2013: 8.74) years.

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS

The Company had transactions during the nine month periods ended January 31, 2014 and 2013 with related parties who consisted of directors, officers and the following companies with common directors and/or officers:

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

During the nine month periods ended January 31, 2014 and 2013, the Company paid or made provision for the future payment of the following amounts to related parties:

i) $190,022 (2013: $159,180) in general and administrative expenses to Gold Group, a company controlled by the Chief Executive Officer of the Company, consisting of $69,088 (2013: $44,825) for office and administration, $2,671 (2013: $2,301) for regulatory fees, $97,804 (2013: $70,734) for salaries and benefits, $4,408 (2013: $18,534) for shareholder communications, and $16,051 (2013: $22,786) for travel. Salary and benefits include those for the Chief Financial Officer and Corporate Secretary. Gold Group was reimbursed by the Company for these shared costs and other business related expenses paid by Gold Group on behalf of the Company.

ii) $1,527 (2013: $34,462) in general and administrative expenses to Radius, a company with common directors and officers, and consisting of $1,527 (2013: $7,680) for office and administration, $Nil (2013: $3,095) for regulatory fees, $Nil (2013: $13,879) for salaries and benefits, $Nil (2013: $5,749) for shareholder communications, and $Nil (2013: $4,059) for travel. Salary and benefits included 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. 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 to coordinate the majority of shared administrative costs and other business related expenses paid by Gold Group on behalf of the Company.

iii) $9,967 (2013: $Nil) in property investigation expenses to Vertical Air, a company controlled by a director and former president of the Company, for air transportation services.

Prepaid expenses and deposits as of January 31, 2014 include a prepaid expense amount of $500 (April 30, 2013: $4,404) paid to Gold Group and deposits totalling $61,000 (April 30, 2013: $61,000) paid to Gold Group.

The amount due from related parties as of January 31, 2014 consists of $Nil (April 30: 2013: $1,875) due from Radius. The balance was unsecured, due on demand and non-interest-bearing.

Amounts due to related parties as of January 31, 2014 consist of $26,916 (April 30: 2013: $18,889) due to Gold Group, $17,500 (April 30: 2013: $17,500) due to a director and former president of the Company, and $1,527 (April 30: 2013: $Nil) 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.

(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 nine month periods ended January 31, 2014 and 2013, key management compensation comprises:

	Nine months ended January 31, 2014	2013
Management fees	$ 133,500	$ 76,500
Salaries and benefits	26,097	13,109
Geological fees	75,833	105,833
Share-based payments	-	202,220
	$ 235,430	**$ 397,662**

There were no share-based payments to directors not specified as key management personnel during the nine month period ended January 31, 2014 (2013: $31,929).

During the period ended January 31, 2014, a severance payment of $70,000 was paid to Peter Thiersch upon his resignation as President of the Company. There were no other key management personnel that were paid post-employment benefits, termination benefits or other long-term benefits during the nine month periods ended January 31, 2014 and 2013.

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 January 31, 2014 and April 30, 2013 are located in Colombia and substantially all of the exploration expenditures for the nine month periods ended January 31, 2014 and 2013 were incurred in Colombia. Substantially all of the Company's other assets are located, and expenditures were incurred, in Canada.

13. 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 condensed interim financial statements.

(Expressed in Canadian Dollars)

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

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.

	January 31, 2014	April 30, 2013
Cash held in bank accounts	$ 2,837,693	$ 239,696
Term deposits	-	2,310,548
	$ 2,837,693	**$ 2,550,244**

(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 January 31, 2014, the Company had cash and cash equivalents of $2,837,693 (April 30, 2013: $2,550,244) available to apply against short-term business requirements and current liabilities of $73,123 (April 30, 2013: $66,128). 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 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.

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

(c) Market Risk *(cont'd…)*

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 January 31, 2014, the Company had the Canadian equivalent of cash totalling $94,778 (April 30, 2013: $68,128) held in US dollars and liabilities totalling $695 (April 30, 2013: $9,071) owed in US dollars.

Based on the above net exposure as at January 31, 2014, 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 $9,400 (April 30, 2013: $5,900) in the Company's net loss and comprehensive loss for the period.

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.

13. 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 January 31, 2014 and April 30, 2013, 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.

14. 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 expects its current capital resources to be sufficient to cover its operating costs and to carry out its exploration activities through the next twelve months. Actual funding requirements may vary from those planned due to a number of factors, including the progress of the Company's business activities and current economic and financial market conditions.

There have been no changes to the Company's approach to capital management during the period ended January 31, 2014.

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the nine month periods ended January 31, 2014 and 2013, there was no cash paid for interest or income taxes.

Non-cash transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the condensed interim statements of cash flows. During the nine month periods ended January 31, 2014 and 2013, there were no non-cash transactions completed by the Company.

16. EVENT AFTER THE REPORTING DATE

Subsequent to January 31, 2014, 131,250 share purchase warrants with an exercise price of $1.00 per share expired.