



CORDOBA MINERALS CORP.

Audited Consolidated Financial Statements

As at and for the period ended

December 31, 2014

TSX-V: CDB

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Cordoba Minerals Corp. (the "Company" or "Cordoba") were prepared by management in accordance with the International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in notes 2 and 3 to the consolidated financial statements.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

PricewaterhouseCoopers LLP, the Company's independent auditors, conduct an audit of the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. As well, they make an assessment of the accounting principles used and significant estimates made by management and they evaluate the overall financial statement presentation.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The members of the Audit Committee are independent. The Audit Committee meets with management to review the internal controls over the financial reporting process, the consolidated financial statements and the auditors' report. The Audit Committee also reviews the Company's Management's Discussion and Analysis to ensure that the financial information reported therein is consistent with the information presented in the consolidated financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(Signed) "*Mario Stifano*"

Chief Executive Officer

(Signed) "*Cybill Tsung*"

Chief Financial Officer

April 13, 2015



April 13, 2015

Independent Auditor's Report

To the Shareholders of Cordoba Minerals Corp.

We have audited the accompanying consolidated financial statements of Cordoba Minerals Corp. which comprise the consolidated statements of financial position as at December 31, 2014 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the eight month period then ended and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Cordoba Minerals Corp. as at December 31, 2014 and its financial performance and its cash flows for the eight month period then ended, in accordance with IFRS.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about Cordoba Minerals Corp's ability to continue as a going concern

Comparative information

The consolidated financial statements of Cordoba Minerals Corp. as at April 30, 2014 and for the year then ended were audited by another auditor who expressed an opinion without reservation in its report dated August 26, 2014.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

As at:	December 31, 2014	April 30, 2014
ASSETS		
Current assets		
Cash and cash equivalents (Note 6)	\$ 3,679,154	\$ 9,245,018
Other receivables	211,142	202,297
Due from related parties (Note 11)	103,033	118,194
Prepaid expenses and deposits	225,672	347,587
	4,219,001	9,913,096
Non-current assets		
Property, plant and equipment (Notes 7)	210,523	218,064
Exploration and evaluation assets (Note 8)	45,193,847	45,248,792
	45,404,370	45,466,856
TOTAL ASSETS	\$ 49,623,371	\$ 55,379,952
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 315,523	\$ 1,031,383
Due to related parties (Note 11)	30,886	60,180
	346,409	1,091,563
Shareholders' equity		
Share capital (Note 9)	54,557,123	54,557,123
Other equity reserves (Note 9)	10,184,972	8,801,222
Accumulated other comprehensive income (loss)	(227,577)	(38,359)
Deficit	(15,237,556)	(9,031,597)
	49,276,962	54,288,389
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 49,623,371	\$ 55,379,952

Nature of operations and going concern (Note 1)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

(signed) "Ari Sussman" _____, Director
Ari Sussman

(signed) "William Katzin" _____, Director
William Katzin

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

For the periods	From May 1, 2014 to December 31, 2014	From May 1, 2013 to April 30, 2014
Operating expenses		
Exploration and evaluation expenditures	\$ 3,699,463	\$ 1,699,320
Corporate administration	1,091,238	681,430
Share-based payments (Note 10)	1,383,750	-
Amortization	46,566	12,190
	6,221,017	2,392,940
Other income (expense)		
Interest and other income	67,985	41,655
Foreign exchange gain	142,343	290,234
Write-off of property, plant and equipment	(22,131)	-
Write-off of exploration and evaluation assets (Note 8)	(54,945)	(1,779,772)
Write-off of due from related party (Note 11)	(118,194)	-
	15,058	(1,447,883)
Net loss for the period	\$ (6,205,959)	\$ (3,840,823)
Other comprehensive gain (loss)		
Items that may be reclassified subsequently to profit or loss:		
Unrealized loss on foreign exchange translation	(189,218)	(38,359)
Comprehensive loss for the period	\$ (6,395,177)	\$ (3,879,182)
Loss per share, basic and diluted	\$ (0.11)	\$ (0.21)
Weighted average number of common shares outstanding	58,812,103	18,520,971

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

For the periods	From May 1, 2014 to December 31, 2014	From May 1, 2013 to April 30, 2014
Operating activities		
Loss for the period	\$ (6,205,959)	\$ (3,840,823)
Items not affecting cash:		
Amortization	46,566	12,190
Share-based payments	1,383,750	-
Write-off of property, plant and equipment	22,131	-
Write-off of due from related party	118,194	-
Write-off of exploration and evaluation assets (Note 8)	54,945	1,779,772
Unrealized foreign exchange	(209,744)	(295,273)
Changes in non-cash working capital balances:		
Other receivables	(8,845)	(37,566)
Due from related parties	(103,033)	(23,650)
Prepaid expenses and deposits	121,915	318,851
Accounts payable and accrued liabilities	(715,860)	(340,615)
Due to related parties	(29,294)	167,630
	(5,525,234)	(2,259,484)
Financing activities		
Issuance of shares for cash, net	-	17,071,825
Repayment of loans	-	(2,000,000)
	-	15,071,825
Investing activities		
Acquisition of property, plant and equipment	(36,889)	(3,200)
Asset acquisition	-	(5,483,670)
Asset disposition	1,297	-
Expenditures on exploration and evaluation assets	-	(635,854)
Net cash acquired from asset acquisition	-	39,026
	(35,592)	(6,083,698)
Decrease in cash and cash equivalents	(5,560,826)	6,728,643
Effect of changes in exchange rates on cash	(5,038)	(33,869)
Cash and cash equivalents, beginning of period	9,245,018	2,550,244
Cash and cash equivalents, end of period	\$ 3,679,154	\$ 9,245,018

See accompanying notes to the consolidated financial statement

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Other equity reserves		Accumulated other comprehensive loss	Deficit	Total
			Warrants reserve	Share-based payments reserve			
Balance, April 30, 2013	13,110,860	\$ 10,364,992	\$ 2,155,472	\$ 508,523	\$ -	\$ (5,190,774)	\$ 7,838,213
Net loss for the year	-	-	-	-	-	(3,840,823)	(3,840,823)
Shares issued for private placements	15,000,000	9,830,908	5,169,092	-	-	-	15,000,000
Shares issued for asset acquisition	27,860,580	31,761,061	-	-	-	-	31,761,061
Share issuance costs	-	(1,401,267)	633,557	-	-	-	(767,710)
Stock options granted upon asset acquisition	-	-	-	56,072	-	-	56,072
Warrants issued upon asset acquisition	-	-	1,440,400	-	-	-	1,440,400
Exercise of stock options	34,500	34,530	-	-	-	-	34,530
Exercise of share purchase warrants	2,806,163	2,805,005	-	-	-	-	2,805,005
Transfer of share-based payments reserve on exercise of stock options	-	31,463	-	(31,463)	-	-	-
Transfer of warrant reserve on exercise of warrants	-	1,130,431	(1,130,431)	-	-	-	-
Unrealized foreign exchange loss	-	-	-	-	(38,359)	-	(38,359)
Balance, April 30, 2014	58,812,103	\$ 54,557,123	\$ 8,268,090	\$ 533,132	\$ (38,359)	\$ (9,031,597)	\$ 54,288,389
Net loss for the period	-	-	-	-	-	(6,205,959)	(6,205,959)
Share-based payments	-	-	-	1,383,750	-	-	1,383,750
Unrealized foreign exchange loss	-	-	-	-	(189,218)	-	(189,218)
Balance, December 31, 2014	58,812,103	\$ 54,557,123	\$ 8,268,090	\$ 1,916,882	\$ (227,577)	\$ (15,237,556)	\$ 49,276,962

See accompanying notes to the condensed interim consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Cordoba Minerals Corp. (the "Company" or "Cordoba") is a Canadian based exploration and development company with exploration projects in Colombia. The principal business of the Company is the acquisition, exploration and development of precious and base metal properties. The Company was incorporated under the *Business Corporations Act* of British Columbia on October 20, 2009. The address of the Company's corporate office and principal place of business is 181 University Avenue, Suite 1413, Toronto, ON, M5H 3M7. The Company's registered address is 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC, V6C 3E8.

The Company has interests in resource properties which it is in the process of exploring and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of resource properties, including capitalized exploration and evaluation expenditures, is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of the resource properties, and upon future profitable production or proceeds from the disposition thereof.

The Company's consolidated financial statements are prepared using International Financial Reporting Standards applicable to a going concern, which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. For the period ended December 31, 2014, the Company incurred a net loss of \$6,205,959 (April 30, 2014 - \$3,840,823), a negative operating cash flow of \$5,525,234 (April 30, 2014 - \$2,259,484), had a working capital balance of \$3,872,592 as at December 31, 2014 (April 30, 2014 - \$8,821,533), and an accumulated deficit of \$15,237,556 as at December 31, 2014 (April 30, 2014 - \$9,031,597). These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company will continue to pursue opportunities to raise additional capital through equity markets to fund its exploration and operating activities; however there can be no assurance that such financing will be available on a timely basis and under terms which are acceptable to the Company. These financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustment could be material.

2. BASIS OF PREPARATION

Statement of Compliance

Effective May 1, 2014 the Company changed its year end to December 31 from April 30. The 2014 consolidated financial statements are for the eight month period ended December 31, 2014. These consolidated financial statements of the Company as at and for the period ended December 31, 2014, with comparative information as at and for the year ended April 30, 2014, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

issued by the International Accounting Standards Board (“IASB”), and with interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook – Accounting.

These consolidated financial statements were approved and authorized for issue by the Board of Directors on April 13, 2015.

Basis of Measurement

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

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. Actual results may differ from these estimates. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. A subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. All material intercompany transactions and balances have been eliminated on consolidation.

Details of the Company’s principal subsidiaries at December 31, 2014 are as follows:

Name	Place of incorporation	Ownership %	Principal activity
Cordoba Holdings Corp.	Canada	100%	Holding company
Sabre Metals Master Ltd.	Bermuda	100%	Holding company
Sabre Metals Ltd.	Bermuda	100%	Holding company
Cordoba Mineral Holdings Ltd.	Barbados	100%	Holding company
Minerales Cordoba S.A.S.	Colombia	100%	Exploration company

Functional and Presentation Currency

Items included in the financial statements of each of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The functional currency of Cordoba is the Canadian dollar. The functional currency of its foreign exploration subsidiary is the US dollar.

The presentation currency of the group is the Canadian dollar. All financial information has been presented in Canadian dollars in these consolidated financial statements, except when otherwise indicated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

Segment Reporting

An operating segment is a component of an entity (i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), (ii) whose operating results are regularly reviewed by the entity's management, and (iii) for which discrete financial information is available. The Company has one operating segment being the acquisition, exploration and development of mineral properties in Colombia. The Company's head office is located in Toronto, Canada.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of operating segments, has been identified as the Chief Executive Officer of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

Foreign Currency Translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities are translated at the rate of exchange prevailing when the assets were acquired or the liabilities incurred. Revenue, expense items and capitalized exploration and evaluation expenditures are translated using the average rate of exchange during the financial statement periods, except for depreciation and amortization, which are translated at historic rates.

Foreign exchange gains and losses resulting from the translation of transactions and balances denominated in foreign currencies are included in the consolidated statement of operations and comprehensive loss.

The Company has determined that the functional currency of its foreign exploration subsidiary is the US dollar. Assets and liabilities are translated to the presentation currency at the year-end rates of exchange, and the results of their operations are translated at average rates of exchange for the year. The resulting translation adjustments are included in the consolidated statements of comprehensive loss.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and readily redeemable guaranteed investment certificates ("GICs") with financial institutions. The majority of the Company's cash and cash equivalents are held in banks in Canada and Colombia.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial Assets

Financial assets are classified into one of four categories:

- i) Fair value through profit or loss ("FVTPL");
- ii) Held-to-maturity ("HTM");
- iii) Available-for-sale ("AFS"); and
- iv) Loans and receivables.

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

- i) FVTPL

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

- ii) HTM

HTM 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 HTM 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

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

Financial assets are assessed for indicators of impairment at each financial position reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flow of the investment have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default of delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. When an amount receivable is considered uncollectable, it is written off against the allowance account.

If, in a subsequent period, the amount of the impairment loss decreases and the decreases can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

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.

De-recognition of Financial Assets and Liabilities

Financial assets are de-recognized when the contractual rights to receive cash flows from the assets expire or when the Company no longer retains substantially all of the risks and rewards of ownership and does not retain control over the financial asset. Any interest in such de-recognized financial assets that is created or retained by the Company is recognized as a separate asset or liability. On de-recognition of a financial asset, the difference between the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in the consolidated statement of operations and comprehensive loss.

For financial liabilities, de-recognition occurs when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in the consolidated statement of operations and comprehensive loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Fair value of Financial Instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

Financial Instrument Designations

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

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

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any provision for impairment. Cost includes the purchase price, any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the present value of the estimated costs of decommissioning and restoration, if applicable. Costs relating to major upgrades are included in property, plant and equipment if it is probable that future economic benefits associated with the expenditure will flow to the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

Depreciation on property, plant and equipment is recognized on a declining balance basis to write down the cost or valuation less estimated residual value of equipment. The rates generally applicable are:

- Computer equipment 30% declining-balance
- Furniture and equipment 20%-50% declining-balance
- Vehicles 20% declining-balance
- Leasehold improvements straight-line over term of lease

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of equipment are determined as the difference between the disposal proceeds and the carrying amount of the equipment and are recognized in profit or loss within 'other income' or 'other expenses'.

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 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.

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.

The Company is in the exploration stage and is in the process of determining whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of amounts recorded as exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, maintenance of the Company's legal interests in its mineral claims, obtaining further financing for exploration and development of its mineral claims and commencement of future profitable production, or receiving proceeds from the sale of all or an interest in its mineral properties. Management reviews the carrying value of exploration and evaluation assets on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for exploration and evaluation assets represent costs

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

incurred, net of write-downs and recoveries, and are not intended to represent present or future values.

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

Impairment of Non-Financial Assets

Impairment tests on non-financial assets, including exploration and evaluation assets are performed, 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 dispose, the asset is written down accordingly. This is determined on an asset-by-asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. If this is the case, individual assets are grouped together into a cash-generating unit ("CGU") and the impairment test is carried out on the asset's 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. An assessment is made at each reporting date as to whether there is any indication of impairment or a change in events or circumstances relating to a previously recognized impairment. If such indication exists, the Company makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's or CGU's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset or CGU is increased to its newly determined recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset or CGU in prior years.

Provisions

Rehabilitation Provision

The Company recognizes constructive, 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.

As at December 31, 2014 and April 30, 2014, the exploration and evaluation rehabilitation costs is not considered significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

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.

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.

Share-based Payments

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

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

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

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received or at the fair value of the equity instruments issued (if it is

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

determined the fair value of goods or services cannot be reliably measured), and are recorded at the date the goods or services are received.

All equity-settled share-based payments are reflected in other equity reserve, until exercised. Upon exercise, shares are issued and the amount reflected in other equity reserve is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit or other current tax activities, which differs from profit or loss in the financial statements. Calculation of current tax expense is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it is not recognized in the financial statements.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

Changes in deferred tax assets or liabilities are recognized as a component of taxable income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

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.

4. CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Changes in Accounting Policies

Except for the changes noted below, the Company has consistently applied the accounting policies set out in Notes 3 to all the periods presented in these audited consolidated financial statements.

The Company has adopted the following new and revised standards, along with any consequential amendments, effective May 1, 2014. These changes were made in accordance with the applicable transitional provisions. The nature and effect of the changes are explained below:

- i) IAS 32, *Financial Instruments: Presentation* ("IAS 32") has adopted amendments to IAS 32, effective January 1, 2014, which clarifies some of the requirements for offsetting financial assets and financial liabilities on the consolidated statement of financial position.

The changes to IAS 32 did not result in any adjustments to the Company's financial statements on May 1, 2014.

- ii) IFRIC 21, *Levies* sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognized.

The Company adopted IFRIC 21 on May 1, 2014. The change did not result in any adjustments to the Company's financial statements on May 1, 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

Standards, Amendments and Interpretations Not Yet Effective

The following revised standards and amendments, unless otherwise stated, are effective on or after January 1, 2015 with early adoption permitted and have not been applied in preparing these unaudited condensed interim consolidated financial statements. Management has not yet considered the potential impact of their adoption and does not plan to adopt these standards early.

- i) IFRS 9, *Financial Instruments* ("IFRS 9"), replaces IAS 39, *Financial Instruments – Recognition and Measurement* ("IAS 39") and some of the requirements of IFRS 7, *Financial Instruments: Disclosures* ("IFRS 7"). The objective of IFRS 9 is to establish principles for reporting of financial assets and financial liabilities in respect of the assessment of the amounts, timing and uncertainty of an entity's future cash flows.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

- ii) IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") replaces IAS 11, *Construction Contracts* ("IAS 11"), IAS 18, *Revenue* ("IAS 18") and some revenue-related interpretations. The objective of IFRS 15 is to provide a single comprehensive revenue recognition model that applies to contracts with customers using two approaches to recognizing revenue – at one point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of the revenue recognized.

IFRS 15 is effective for annual periods beginning on or after January 1, 2017 with early adoption permitted.

- iii) Amendments to IAS 16, *Property, Plant and Equipment* ("IAS 16") and IAS 38, *Intangible Assets* ("IAS 38") – Clarification of Acceptable Methods of Depreciation and Amortization.

The amendments to IAS 16 and IAS 38 are effective for annual periods beginning on or after January 1, 2016 with early adoption permitted.

There are no other IFRS or IFRS Interpretations Committee ("IFRIC") interpretations that are not yet effective that would be expected to have a material impact on the Company.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

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 consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- i) Going concern presentation of the financial statements which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.
- ii) 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 consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- i) The estimated useful lives of property, plant and equipment and the related depreciation.
- ii) The provision for income taxes and recognition of deferred income tax assets and liabilities.
- iii) The inputs used in accounting for the fair value of share-based payment transactions.

6. CASH AND CASH EQUIVALENTS

As of	December 31, 2014	April 30, 2014
Cash held in bank accounts	\$ 308,517	\$ 731,621
Term deposits	3,370,637	8,513,397
	\$ 3,679,154	\$ 9,245,018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

7. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment	Furniture and equipment	Vehicles	Leasehold improvements	Total
Cost					
Balance - April 30, 2013	\$ 2,433	\$ 9,625	\$ -	\$ 19,060	\$ 31,118
Additions	37,476	48,288	103,161	14,427	203,352
Balance - April 30, 2014	39,909	57,913	103,161	33,487	234,470
Additions	3,922	15,957	17,010	-	36,889
Write-offs	(2,433)	(9,625)	-	(19,060)	(31,118)
Disposals	-	-	(2,432)	-	(2,432)
Foreign exchange	5,494	5,321	17,236	-	28,051
Balance - December 31, 2014	\$ 46,892	\$ 69,566	\$134,975	\$ 14,427	\$265,860
Accumulated amortization					
Balance - April 30, 2013	\$ 985	\$ 241	\$ -	\$ 2,990	\$ 4,216
Charge for the year	1,998	4,276	2,743	3,173	12,190
Balance - April 30, 2014	2,983	4,517	2,743	6,163	16,406
Charge for the period	8,369	9,644	22,852	5,701	46,566
Write-off	(1,420)	(2,117)	-	(5,450)	(8,987)
Disposals	-	-	(1,135)	-	(1,135)
Foreign exchange	515	599	1,373	-	2,487
Balance - December 31, 2014	\$ 10,447	\$ 12,643	\$ 25,833	\$ 6,414	\$ 55,337
Net book value					
As of April 30, 2014	\$ 36,926	\$ 53,396	\$100,418	\$ 27,324	\$218,064
As of December 31, 2014	\$ 36,445	\$ 56,923	\$109,142	\$ 8,013	\$210,523

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS

The Company has capitalized the following acquisition costs of its mineral property interests:

	San Matias Project	Guadalajara Project	Total
Balance, April 30, 2013	\$ 4,642,901	\$ -	\$ 4,642,901
Acquisition costs - transaction costs	580,909	-	580,909
Acquisition costs - Guadalajara	-	54,945	54,945
Acquisition costs - Sabre	18,482,365	-	18,482,365
Acquisition costs - CHC	23,267,444	-	23,267,444
Write-down of acquisition costs	(1,779,772)	-	(1,779,772)
Balance, April 30, 2014	45,193,847	54,945	45,248,792
Write-off of exploration and evaluation assets	-	(54,945)	(54,945)
Balance, December 31, 2014	\$ 45,193,847	\$ -	\$ 45,193,847

For the eight month period ended December 31, 2014, the Company recorded an impairment charge of \$54,945 representing the carrying value of capitalized exploration expenditure attributed to the Guadalajara project in Colombia. Management determined that based on the results of exploration activity completed during the period, the carrying amount of the expenditure carried forward as an asset will not be fully recoverable and that further exploration and evaluation activities in the area is neither budgeted nor planned.

For the year ended April 30, 2014, the Company recorded a \$1,779,772 write-down of exploration and evaluation asset costs relating to the Company's 11% interest in the San Matias Project held prior to the March 28, 2014 Acquisition (the "Acquisition").

9. SHARE CAPITAL

(a) Common Shares

The Company is authorized to issue an unlimited number of common shares without par value. In May 2014, the shareholders of the Company approved a consolidation of the issued shares, stock options, warrants and compensation options outstanding at May 22, 2014 on a one new for two old basis. As a result, the Company's issued shares were reduced to 58,812,103. All references to common shares, warrants and stock options in these consolidated financial statements reflect the share consolidation.

Activity for the year ended April 30, 2014:

- i) The Company closed a private placement of 15,000,000 units at \$1.00 per unit for gross proceeds of \$15,000,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at a price of \$1.50 until February 7, 2017. The proceeds of the private placement have been bifurcated using the relative fair value method resulting in \$9,830,908 recorded as share capital and \$5,169,092 recorded as warrant reserve. The

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

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 1.24%, dividend yield of 0%, volatility of 83% and expected life of 2.87 years.

Agents' fees associated with the private placement and recorded as share issuance costs consisted of \$656,400 cash and 656,400 compensation options. Each compensation option entitles the holder thereof to purchase a unit, consisting of one common share and one share purchase warrant, at a price of \$1.00 until September 28, 2015. The fair value of the 656,400 compensation options was calculated to be \$633,557, using option pricing models with the following assumptions: risk-free interest rate of 1.07%, dividend yield of 0%, volatility of 95% and expected life of 1.5 years. Additional share issuance costs consisted of agent expenses totaling \$111,310.

- ii) The Company issued 27,860,580 common shares with a fair value of \$31,761,061 pursuant to the Acquisition.
- iii) 2,806,163 share purchase warrants were exercised for gross proceeds of \$2,805,005. The Company reallocated the fair value of these share purchase warrants previously recorded in the amount of \$1,130,431 from other equity reserve to share capital.
- iv) 34,500 share purchase options were exercised for gross proceeds of \$34,530. The Company reallocated the fair value of these share purchase options previously recorded in the amount of \$31,463 from other equity reserve to share capital.

Escrow Securities

As at December 31, 2014, there were 15,406,645 common shares (April 30, 2014 - 19,645,683), 1,131,265 share purchase warrants (April 30, 2014 - 1,367,922), and 25,000 options (April 30, 2014 - 37,500) held in escrow. Of the securities subject to escrow:

- i) A total of 7,718,155 common shares, 69,362 share purchase warrants and 50,000 options will be released from escrow every six months over a period of eighteen months. The first release on March 28, 2014 was 25% with each subsequent release of 25% equal to 1,929,539 common shares, 17,341 share purchase warrants and 12,500 options; and
- ii) A total of 15,396,741 common shares and 1,462,112 share purchase warrants will be released from escrow every six months over a period of three years. The first release on March 28, 2014 was 10% with each subsequent release of 15% equal to 2,309,511 common shares and 219,317 share purchase warrants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

(b) Share Purchase Warrants

A summary of share purchase warrants activity for the periods from May 1, 2013 to December 31, 2014 is as follows:

	Number of warrants	Weighted average exercise price
Balance, on April 30, 2013	6,642,294	\$1.04
Issued	17,172,961	\$1.40
Exercised	(2,806,163)	\$1.00
Cancelled	(2,500,000)	\$0.80
Expired	(750,654)	\$1.22
Balance, April 30, 2014 and December 31, 2014	17,758,438	\$1.42

Details of share purchase warrants outstanding as of April 30 and December 31, 2014 are:

Expiry date	Number of warrants	Exercise price
April 10, 2015	588,369	\$2.00
March 28, 2016	1,997,107	\$0.60
March 28, 2016	122,668	\$1.42
February 7, 2017	15,000,000	\$1.50
January 20, 2019	50,294	\$0.86
Balance, April 30, 2014 and December 31, 2014	17,758,438	

(c) Compensation Options

A summary of compensation options activity for the periods from May 1, 2013 to December 31, 2014 is as follows:

	Number of compensation options	Weighted average exercise price
Balance, on April 30, 2013	-	-
Issued	656,400	\$1.00
Balance, April 30, 2014 and December 31, 2014	656,400	\$1.00

Details of compensation options outstanding as of April 30, 2014 and December 31, 2014 are:

Expiry date	Number of compensation options	Exercise price
September 28, 2015	656,400	\$1.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

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 period ended December 31, 2014:

Grant date	Expiry date	Exercise price	Opening balance	During the period			Closing balance	Vested and exercisable
				Granted	Exercised	Expired		
3-1-11	2-28-21	\$0.74	193,000	-	-	(193,000)	-	-
8-1-12	7-31-22	\$1.00	365,000	-	-	(177,500)	187,500	187,500
3-28-14	6-26-14	\$2.00	78,441	-	-	(78,441)	-	-
3-28-14	3-17-16	\$2.00	78,441	-	-	-	78,441	78,441
3-28-14	1-14-17	\$0.72	175,240	-	-	(175,240)	-	-
3-28-14	1-14-17	\$1.06	35,048	-	-	-	35,048	35,048
3-28-14	10-9-17	\$1.06	175,240	-	-	-	175,240	175,240
3-28-14	3-20-18	\$1.42	105,145	-	-	-	105,145	105,145
3-28-14	7-30-18	\$1.42	35,048	-	-	-	35,048	35,048
6-27-14	6-26-24	\$0.80	-	1,845,000	-	(25,000)	1,820,000	1,820,000
			1,240,603	1,845,000	-	(649,181)	2,436,422	2,436,422
Weighted ave. exercise price			\$ 1.10	\$ 0.80	\$ -	\$ 0.96	\$ 0.91	\$ 0.91

As at December 31, 2014, the unamortized stock option value was \$Nil (April 30, 2014 - \$Nil).

The weighted average remaining contractual life of the options outstanding at December 31, 2014 is 8.13 years (April 30, 2014 - 4.66 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

Fair Value of Options Issued During the Period

For purposes of the options granted, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions and a forfeiture rate of 0%:

Current year grant	Number of options	Exercise price	Dividend yield	Black-Scholes Option Pricing Parameters		
				Risk-free interest rate	Expected life (years)	Volatility factor
27-Jun-14	1,845,000	\$ 0.80	0%	2.25%	10	129%

The options granted in June 2014 vested upon grant.

11. RELATED PARTY TRANSACTIONS

The Company had transactions during the eight month period ended December 31, 2014 and the year ended April 30, 2014 with related parties who consisted of directors, officers and the following companies with common directors and/or officers:

During the eight months ended December 31, 2014, the Company incurred \$211,000 (year ended April 30, 2014 - \$308,763) in corporate administration costs to Gold Group Management Inc. ("Gold Group"), a company controlled by a former director of the Company, consisting of salaries and benefits, office, other general administrative costs and a one-time service termination fee. 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. The service agreement was terminated on August 31, 2014.

During the period ended December 31, 2014, the Company wrote off \$118,194 due from Thunderbolt Resources Inc., a company with common directors and officers, as the amount is deemed unrecoverable from the related party.

Amount due from related parties as of December 31, 2014 consists of \$103,033 (April 30, 2014 - \$Nil) from Proyecto Coco Hondo S.A.S, a company controlled by a director of the Company, and \$Nil (April 30, 2014 - \$118,194) from Thunderbolt Resources Inc.

Amount due to related parties as of December 31, 2014 consists of \$30,886 (April 30, 2014 - \$15,229) due to Continental Gold Limited, a company with a common director. The amount owing is unsecured, non-interest-bearing and payable on demand.

These transactions are in the normal course of operations and are measured at the exchange amount of the services rendered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

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 periods ended December 31, 2014 and April 30, 2014, key management compensation comprises:

For the periods	From May 1, 2014 to December 31, 2014	From May 1, 2013 to April 30, 2014
Salaries and benefits	358,333	296,985
Share-based payments	1,143,750	-
	\$ 1,502,083	\$ 296,985

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 December 31, 2014 and April 30, 2014 are located in Colombia and all of the exploration expenditures for the periods ended December 31, 2014 and April 30, 2014 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

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 consolidated financial statements.

The Company is exposed to the following financial risks: credit risk, liquidity risk and market risk.

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:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

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

As of	December 31, 2014	April 30, 2014
Cash held in bank accounts	\$ 308,517	\$ 731,621
Term deposits	3,370,637	8,513,397
	\$ 3,679,154	\$ 9,245,018

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 December 31, 2014, the Company had cash and cash equivalents of \$3,679,154 (April 30, 2014: \$9,245,018) available to apply against short-term business requirements and current liabilities of \$346,409 (April 30, 2014: \$1,091,563). All of the Company's financial liabilities have contractual maturities of less than 45 days and are subject to normal trade terms.

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.

Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to fluctuations in foreign currencies through its operations in Colombia. The Company monitors this exposure, but has no hedge positions.

As at December 31, 2014, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

	December 31, 2014		April 30, 2014	
	US Dollars (CDN equivalent)	Colombian Pesos (CDN equivalent)	US Dollars (CDN equivalent)	Colombian Pesos (CDN equivalent)
Cash	\$ 148	\$ 271,444	\$ 7,011	\$ 49,828
Other receivables	-	189,169	-	73,999
Due from related parties	-	103,033	-	-
Accounts payable and accrued liabilities	-	(156,841)	(74,617)	(379,479)
	\$ 148	\$ 406,805	\$ (67,606)	\$ (255,652)

Based on the above net exposures at December 31, 2014, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in an increase or decrease of approximately \$40,700 (April 30, 2014: \$32,300) in the Company's net loss and comprehensive loss for the period.

Interest Rate Risk

Interest rate risk consists of two components:

- 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.
- 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 not be significant.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

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 December 31, 2014 and April 30, 2014, 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 to 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. 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 period ended December 31, 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2014 and April 30, 2014

(Expressed in Canadian Dollars)

15. INCOME TAXES

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

For the periods	From May 1, 2014 to December 31, 2014	From May 1, 2013 to April 30, 2014
Net loss for the period	\$ 6,205,959	\$ 3,840,823
Canadian statutory tax rate	26.5%	26.0%
Tax at statutory Canadian rate	1,644,579	998,614
Tax at foreign tax rate (34%)	217,000	13,000
Items not deductible for income tax purposes	(540,000)	(1,000)
Unrecognized deferred income tax asset	(1,321,579)	(1,010,614)
Total	\$ -	\$ -

The statutory tax rate increased to 26.5% due to the migration of the head office to Toronto.

The Company has tax losses (expiring over the period 2028-2034) and other deductible temporary differences as listed below, the benefits of which have not been recognized in these financial statements, as management does not consider their utilization in the foreseeable future to be probable.

	December 31, 2014	April 30, 2014
Non-capital losses	\$ 5,776,000	\$ 3,247,000
Mineral properties	3,656,000	5,086,000
Share issue costs	792,000	706,000
Equipment and other	153,000	806,000
Unrecognized deferred tax assets	\$ 10,377,000	\$ 9,845,000

16. COMMITMENTS

The Company has commitments relating to an office lease ending February 2016. The minimum annual payments for the next 2 years are as follows:

	Amount
2015	\$ 51,530
2016	4,294
Total	\$ 55,824