(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2014 AND 2013

(Expressed in Canadian Dollars)

SmytheRatcliffe
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' 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 April 30, 2014 and 2013, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards 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.

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Cordoba Minerals Corp. as at April 30, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Smythe Ratcliffe LLP
Chartered Accountants

Vancouver, British Columbia
August 26, 2014

7th Floor 355 Burrard St
Vancouver, BC V6C 2G8

Tel: 604 687 1231
Fax: 604 688 4675
smytheratcliffe.com

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

As at April 30		2014		2013
ASSETS				
Current assets				
Cash and cash equivalents (Note 14)	$	9,245,018	$	2,550,244
Other receivables		202,297		15,981
Due from related parties (Note 11)		118,194		1,875
Prepaid expenses and deposits (Note 11)		347,587		666,438
Total current assets		9,913,096		3,234,538
Non-current assets				
Property and equipment (Note 6)		218,064		26,902
Exploration and evaluation assets (Notes 2 and 7)		45,248,792		4,642,901
Total non-current assets		45,466,856		4,669,803
TOTAL ASSETS	**$**	**55,379,952**	**$**	**7,904,341**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	1,031,383	$	29,739
Due to related parties (Note 11)		60,180		36,389
Total liabilities		1,091,563		66,128
Shareholders' equity				
Share capital (Note 9)		54,557,123		10,364,992
Other equity reserves (Note 9)		8,801,222		2,663,995
Accumulated other comprehensive income		(38,359)		-
Deficit		(9,031,597)		(5,190,774)
Total shareholders’ equity		54,288,389		7,838,213
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**55,379,952**	**$**	**7,904,341**

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

”Ari Sussman”, Director
Ari Sussman

”William Katzin”, Director
William Katzin

See accompanying notes to the consolidated financial statements

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

For the years ended April 30	2014	2013
EXPLORATION EXPENDITURES (Note 8)	$ 1,699,320	$ 1,276,024
GENERAL AND ADMINISTRATIVE EXPENSES		
Amortization	12,190	3,051
Management fees (Note 11)	169,333	102,000
Office and administration (Note 11)	143,323	135,409
Professional fees	19,010	40,620
Property investigation	20,198	41,155
Regulatory fees (Note 11)	20,919	20,716
Salaries and benefits (Note 11)	208,549	121,557
Shareholder communications (Note 11)	59,129	79,473
Share-based payments (Note 10)	-	325,679
Travel (Note 11)	40,969	61,655
	693,620	931,315
	(2,392,940)	(2,207,339)
Interest and other income	41,655	11,243
Foreign exchange gain	290,234	15,983
Write-down of exploration and evaluation assets (Notes 2 and 7)	(1,779,772)	-
Net loss for the year	**(3,840,823)**	**(2,180,113)**
Other comprehensive gain		
Items that may be reclassified subsequently to profit or loss:		
Unrealized loss on foreign exchange translation	(38,359)	-
Comprehensive loss for the year	**$ (3,879,182)**	**$ (2,180,113)**
Loss per share, basic and diluted	$(0.21)	$(0.21)
Weighted average number of common shares outstanding	18,520,971	10,356,642

See accompanying notes to the consolidated financial statements

CORDOBA MINERALS CORP.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended April 30, 2014 and 2013

(Expressed in Canadian Dollars)

			Other equity reserves				
	Number of common shares	**Share capital**	**Warrants reserve**	**Share-based payments reserve**	**Accumulated other comprehensive income**	**Deficit**	**Total**
Balance, April 30, 2012	8,854,712	$ 7,457,635	$ 1,421,554	$ 190,844	$ -	$ (3,010,661)	$ 6,059,372
Net loss for the year	-	-	-	-	-	(2,180,113)	(2,180,113)
Shares issued for private placements	4,185,556	3,072,197	694,803	-	-	-	3,767,000
Share issuance costs	-	(233,329)	65,248	-	-	-	(168,081)
Exercise of share purchase warrants	70,592	42,356	-	-	-	-	42,356
Repurchase of stock options	-	-	-	(8,000)	-	-	(8,000)
Transfer of warrant reserve on exercise of warrants	-	26,133	(26,133)	-	-	-	-
Share-based payments	-	-	-	325,679	-	-	325,679
Balance, April 30, 2013	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**

See accompanying notes to the consolidated financial statements

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

For the years ended April 30		2014		2013
Cash provided by (used in):				
OPERATING ACTIVITIES				
Net loss for the year	$	(3,840,823)	$	(2,180,113)
Items not involving cash:				
Share-based payments		-		325,679
Write-down of exploration and evaluation assets		1,779,772		-
Unrealized foreign exchange		(295,273)		-
Amortization		12,190		3,051
Changes in non-cash working capital balances:				
Other receivables		(37,566)		24,909
Due from related parties		(23,650)		(296)
Prepaid expenses and deposits		318,851		(471,521)
Accounts payable and accrued liabilities		(340,615)		(44,820)
Due to related parties		167,630		(52,553)
		(2,259,484)		(2,395,664)
FINANCING ACTIVITIES				
Issuance of shares for cash, net		17,071,825		3,641,275
Repurchase of stock options		-		(8,000)
Repayment of loans		(2,000,000)		-
		15,071,825		3,633,275
INVESTING ACTIVITIES				
Purchase of property and equipment		(3,200)		(13,403)
Asset acquisition		(5,483,670)		-
Expenditures on exploration and evaluation assets		(635,854)		(11,853)
Net cash acquired from asset acquisition		39,026		-
		(6,083,698)		(25,256)
Effect of changes in exchange rates on cash		(33,869)		-
Net inflow of cash		**6,694,774**		**1,212,355**
Cash and cash equivalents, beginning of year		2,550,244		1,337,889
Cash and cash equivalents, end of year	**$**	**9,245,018**	**$**	**2,550,244**

SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the year for:				
Interest	$	-	$	-
Income taxes	$	-	$	-
Non-cash transactions during the year:				
Common shares issued for asset acquisition	$	31,761,061	$	-
Warrants issued for asset acquisition	$	1,440,400	$	-

See accompanying notes to the consolidated financial statements

(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

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 181 University Avenue, Suite 1413, Toronto, ON, M5H 3M7. The Company's registered address is 650 – 200 Burrard Street, Vancouver, BC, V6C 3L6.

These consolidated 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. Realizable values may be substantially different from the carrying values shown, and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At April 30, 2014, the Company had no revenue-producing operations, has an accumulated deficit of $9,031,597 (2013: $5,190,774) since inception and is expected to incur further losses in the development of its business, 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. ASSET ACQUISITIONS

On March 28, 2014, the Company acquired 89% of the issued and outstanding shares of Cordoba Holdings Corp. ("CHC"), to bring the Company's initial 11% ownership of CHC to 100%, and acquired 100% of the issued and outstanding shares of Sabre Metals Inc. ("Sabre") (together, the "Acquisition"). As consideration, the Company issued 14,749,719 post consolidation common shares to CHC's shareholders in proportion to their respective shareholdings in CHC and paid $5,532,000 (US$5,000,000) in cash to Minatura International LLC ("Minatura"), one of the shareholders of CHC, and issued 13,110,861 post consolidation common shares to Sabre's shareholders in proportion to their respective shareholdings in Sabre. The Company also issued 1,058,824 and 941,176 post consolidation share purchase warrants to the shareholders of CHC and Sabre, respectively, with each warrant exercisable at $0.60 and expiring March 28, 2016. Certain of the common shares are subject to an escrow agreement (Note 9). As part of the Acquisition, the original shareholders of the Company retained 15,939,131 post consolidation common shares of the Company.

The Acquisition is considered to be outside the scope of IFRS 3 *Business Combinations* since CHC and Sabre operations do not meet the definition of a business, and as such, the Acquisition was accounted for as an asset acquisition.

Acquisition of CHC

Common shares' fair value	$ 16,814,679
Warrants' fair value	762,565
Converted option's fair value	56,072
Cash	5,532,000
Total consideration	$ 23,165,316

(Expressed in Canadian Dollars)

2. ASSET ACQUISITION *(cont'd…)*

Acquisition of CHC (cont'd…)

Identifiable fair value of net assets of CHC acquired:	
Cash	$ 30,046
Other receivables	32,529
Due from related parties	6,872
Property and equipment	30,457
Exploration and evaluation assets	23,267,444
Accounts payable and accrued liabilities	(159,786)
Due to related parties	(42,246)
	$ 23,165,316

The fair value of the Company's common shares issued to Minatura was $16,814,679 based on the quoted pre-consolidation share price of $0.57 per common share as at March 28, 2014. The carrying value of $3,265,141 of CHC's exploration and evaluation assets was reduced to $nil due to the elimination of transactions between CHC and the Company. The Company recorded a write-down of $1,779,772 on the 11% interest of the Cordoba property based on the estimated fair value consideration to acquire the remaining 89% of CHC.

A fair value of $762,565 was included in total consideration to CHC for the 1,058,824 post consolidation share purchase warrants issued upon closing of the Acquisition to the shareholders of CHC. The fair value was estimated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	1.07%
Expected option life	2 years
Expected stock price volatility	86%
Expected dividend yield	-

Upon closing of the Acquisition, each outstanding stock option of CHC was converted to 0.996075 of an option of the Company with a corresponding adjustment in exercise price, but otherwise on the same terms and conditions as the original option. As a result, the Company granted to holders of CHC share purchase options to acquire up to 156,882 post consolidation common shares of the Company as follows:

Expiry date	**Number of options**	**Exercise price**
March 17, 2016	78,441	$2.00
April 23, 2016	78,441	$2.00
	156,882	

The fair value of incentive stock options granted is estimated at $56,072 using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	1.07%
Expected option life	2.02 years
Expected stock price volatility	86%
Expected dividend yield	-

(Expressed in Canadian Dollars)

2. ASSET ACQUISITION *(cont'd…)*

Acquisition of Sabre

Common shares' fair value	$ 14,946,382
Warrants' fair value	677,835
Total consideration	$ 15,624,217

Identifiable fair value of net assets of Sabre acquired:	
Cash	$ 8,980
Other receivables	119,671
Due from related parties	85,797
Property and equipment	188,262
Exploration and evaluation assets	18,482,365
Accounts payable and accrued liabilities	(1,082,473)
Due to related parties	(31,854)
Due to the Company	(146,531)
Promissory note payable	(2,000,000)
	$ 15,624,217

The fair value of the Company's common shares issued to Sabre's shareholders was $14,946,382 based on the quoted pre-consolidation share price of $0.57 per common share as at March 28, 2014.

A fair value of $677,835 was included in total consideration to Sabre for the 941,176 post consolidation share purchase warrants issued upon closing of the Acquisition to the shareholders of Sabre. The fair value was estimated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	1.07%
Expected option life	2 years
Expected stock price volatility	86%
Expected dividend yield	-

Upon closing of the Acquisition, each outstanding stock option and warrant of Sabre was converted to 0.700958 of an option or warrant of the Company with a corresponding adjustment in exercise price, but otherwise on the same terms and conditions as the original option or warrant. As a result, the Company granted to holders of Sabre stock options to acquire up to 539,738 post consolidation common shares of the Company and issued share purchase warrants to acquire up to 172,962 post consolidation common shares of the Company as follows:

Expiry date	Number of options	Exercise price
January 14, 2017	175,240	$0.72
January 14, 2017	35,048	$1.06
October 9, 2017	175,240	$1.06
March 20, 2018	119,162	$1.42
July 30, 2018	35,048	$1.42
	539,738	

2. ASSET ACQUISITION *(cont'd…)*

Acquisition of Sabre (cont'd…)

Expiry date	Number of warrants	Exercise price
March 28, 2016	122,668	$1.42
January 20, 2019	50,294	$0.86
	172,962	

The fair value of incentive stock options granted is estimated at $Nil as the estimated value of the Company's replacement incentive stock options not exceeding the estimated value of the original Sabre incentive stock options.

The fair value of the brokers' warrants is estimated at $Nil as the estimated value of the Company's replacement brokers' warrants did not exceed the estimated value of the original Sabre brokers' warrants.

3. BASIS OF PREPARATION

Statement of Compliance

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

Basis of Measurement

These 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 consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiaries.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

Approval of the Consolidated Financial Statements

These consolidated financial statements were approved and authorized for issue by the Board of Directors on August 26, 2014.

4. SIGNIFICANT ACCOUNTING POLICIES

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

(a) 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 April 30, 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
Sabre Metals Sur S.A.S.	Colombia	100%	Exploration company
Minerales Cordoba S.A.S.	Colombia	100%	Exploration company

(b) Foreign Currency Translation

The functional and presentation currency of the Company is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The Company has determined that the functional currency of its foreign exploration subsidiaries 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.

(c) 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.

(d) Cash and Cash Equivalents

Cash includes cash on hand, demand deposits and readily redeemable guaranteed investment certificates ("GICs") with financial institutions.

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

(e) Income Taxes

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

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

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

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

(f) Property and Equipment

Recognition and Measurement

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

Amortization

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

Computer equipment	30% declining-balance
Furniture and equipment	20% - 50% declining-balance
Vehicles	20% declining-balance
Leasehold improvements	1 - 8 years straight-line

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

(g) 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.

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

(g) Exploration and Evaluation Assets and Expenditures *(cont'd…)*

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 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.

(h) 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.

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

(i) 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.

At April 30, 2014 and 2013, the fair value of the exploration and evaluation rehabilitation costs is not considered significant.

Other Provisions

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

(j) Share Capital

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

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

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

(k) Share-based Payments

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

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

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

(l) Share-based Payments

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

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received or at the fair value of the equity instruments issued (if it is determined the fair value of goods or services cannot be reliably measured), and are recorded at the date the goods or services are received.

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.

(m) Financial Instruments

<u>Financial Assets</u>

Financial assets are classified into one of four categories:

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

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

i) FVTPL

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

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

(m) Financial Instruments *(cont'd…)*

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 amortized cost using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transactions costs. Gains or losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Impairment of Financial Assets

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

<u>Financial liabilities</u>

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.

(Expressed in Canadian Dollars)

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

(m) Financial Instruments *(cont'd…)*

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

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

(n) 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 consolidated financial statements for the current or prior years 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 consolidated statement of comprehensive loss in these consolidated 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. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

(o) Standards, Amendments and Interpretations Not Yet Effective

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

IFRS 9 Financial Instruments

IFRS 9 is part of the IASB's wider project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. In response to delays to the completion of the remaining phases of the project, the IASB issued amendments to IFRS 9 and has indefinitely postponed the adoption of this standard. The amendments also provided relief from the requirement to restate comparative financial statements for the effects of applying IFRS 9. IFRS 9 is effective for annual periods beginning on or after May 1, 2018. The Company is in the process of evaluating the impact of the new standard.

IAS 36 Impairment of Assets

The IASB amended IAS 36 *Impairment of Assets* to reduce the circumstances in which the recoverable amount of assets or CGUs is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. The Company has not early-adopted the revised standards and is currently assessing the impact that the standards will have on the consolidated financial statements.

IFRIC 21 Accounting for Levies Imposed by Governments,

IFRIC 21 Accounting for Levies Imposed by Governments clarifies the obligating event giving rise to a liability to pay a levy. This obligating event is the activity described in the relevant legislation that triggers payment of the levy. This standard is effective for annual periods beginning on or after May 1, 2014. 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 consolidated 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 and its subsidiaries' functional currency

The functional currency of the Company and its subsidiaries 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 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.

iii) The assessment of the Acquisition as an asset acquisition or business combination

Management has had to apply judgments relating to its acquisition during the year with respect to whether the Acquisition was a business combination or an asset acquisition. Management applied a three-element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs of the acquisition in order to reach a conclusion.

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 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.

iv) The fair value of the total consideration in the Acquisition.

v) The fair value of net assets of Sabre and CHC acquired during the year.

(Expressed in Canadian Dollars)

6. PROPERTY AND EQUIPMENT

	Furniture and equipment	Computer equipment	Vehicles	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	48,288	37,476	103,161	14,427	203,352
Balance, April 30, 2014	**$ 57,913**	**$ 39,909**	**$ 103,161**	**$ 33,487**	**$ 234,470**
Accumulated amortization					
Balance, April 30, 2012	$ -	$ 365	$ -	$ 800	$ 1,165
Charge for the year	241	620	-	2,190	3,051
Balance, April 30, 2013	241	985	-	2,990	4,216
Charge for the year	4,276	1,998	2,743	3,173	12,190
Balance, April 30, 2014	**$ 4,517**	**$ 2,983**	**$ 2,743**	**$ 6,163**	**$ 16,406**
Carrying amounts					
At April 30, 2013	$ 9,384	$ 1,448	$ -	$ 16,070	$ 26,902
At April 30, 2014	**$ 53,396**	**$ 36,926**	**$ 100,418**	**$ 27,324**	**$ 218,064**

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS

The Company has capitalized the following acquisition costs of its mineral property interests during the years ended April 30, 2014 and 2013:

	Colombia San Matias Project	Colombia Guadalajara Project	Total
Balance, April 30, 2012	$ 4,631,048	$ -	$ 4,631,048
Acquisition costs - cash	11,853	-	11,853
Balance, April 30, 2013	4,642,901	-	4,642,901
Acquisition costs - cash	580,909	54,945	635,854
Acquisition of Sabre	18,482,365		18,482,365
Acquisition of 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**

San Matias Project – Colombia

Pursuant to an agreement signed in June 2011 and re-stated in July 2011, the Company acquired from Minatura an initial 11% interest in CHC, a private company that holds indirect title to the Cordoba Property in Colombia, 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 pre-consolidation 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 had the option to increase its ownership to a 51% interest by incurring $15,000,000 in exploration expenditures no later than September 30, 2015.

Upon completion of the Acquisition (Note 2), the Company acquired the remaining 89% interest in CHC from Minatura and a 100% interest in Sabre, thereby gaining a 100% interest in the Cordoba Property and the San Matias Property, which combined are referred to as the San Matias Project. At the same time, the 2012 option agreement with Minatura and the 5,000,000 pre-consolidation warrants previously issued to Minatura were cancelled.

Guadalajara Project – Colombia

Pursuant to an agreement signed in April 2014, the Company acquired the rights to the Guadalajara Project located in the Department of Cordoba, Colombia, by making a cash payment of $54,945 (US$50,000) to the property optionor (the “Optionor”) and committing to spent US$250,000 on exploration within one year. After completion of the exploration expenditures, the Company will be granted the option to acquire a 98% interest in the Guadalajara Project, which may be exercised by completing the following:

i) a US$150,000 payment to the Optionor on signing of a formal option agreement (the “Option Agreement”) with minimum exploration expenditures of US$500,000 including 1,000 metres of drilling in the first year;

ii) a US$250,000 payment to the Optionor 12 months after the signing of the Option Agreement with minimum exploration expenditures of US$1,000,000 including at least 2,500 metres of drilling during the second year; and

iii) a US$350,000 payment to the Optionor 24 months after the signing of the Option Agreement with minimum exploration expenditures of US$2,000,000 including at least 5,000 metres of drilling during the third year and completion of a NI 43-101 *Standards of Disclosure for Mineral Projects* resource calculation by the end of the third year.

(Expressed in Canadian Dollars)

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

Guadalajara Project – Colombia *(cont'd…)*

On the completion of a feasibility study, the Optionor will have the right to sell their remaining 2% stake in the Guadalajara Project for US$5.00 per ounce of gold and US$0.035 per pound of copper for such metals that are in the Measured and Indicated category of the NI 43-101 resource calculation. The Optionor will maintain 100% of the coal rights on the property.

8. EXPLORATION EXPENDITURES

During the years ended April 30, 2014 and 2013, the Company incurred the following exploration expenditures, which were expensed as incurred:

San Matias Project - Colombia	**2014**	**2013**
Assaying	$ 32,828	$ 65,360
Community relations	43,876	-
Contractors	-	7,735
Drilling	132,438	-
Field expenses	303,941	307,517
Geological fees	321,429	381,449
Geophysics	67,273	45,529
Mapping	30,993	-
Office and administration	69,803	-
Professional fees	73,692	-
Property maintenance	54,707	-
Salaries and wages	463,185	291,157
Sampling	7,901	-
Transportation and accommodation	97,254	177,277
Total	**$ 1,699,320**	**$ 1,276,024**

9. SHARE CAPITAL AND RESERVES

(a) Common Shares

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

Subsequent to the year ended April 30, 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 compensation 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 post consolidation 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 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 post consolidation 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 post consolidation 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 totalling $111,310.

ii) The Company issued 27,860,580 post consolidation common shares with a fair value of $31,761,061 pursuant to the Acquisition (Note 2).

iii) 2,806,163 post consolidation 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 post consolidation 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.

Activity for the year ended April 30, 2013:

i) The Company closed a private placement of 3,604,445 post consolidation units at $0.90 per unit for gross proceeds of $3,244,000. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of $1.00 until October 23, 2013, accelerated from December 19, 2014. The proceeds of the private placement have been bifurcated using the relative fair value method resulting in $2,650,087 recorded as share capital and $593,913 recorded as warrant reserve. The fair value of each warrant issued in the private placement has been estimated as of the date of the issuance using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.13%, dividend yield of 0%, volatility of 73% and expected life of two years.

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

(a) Common Shares *(cont'd…)*

Activity for the year ended April 30, 2013:

i) *(cont'd...)*

Finders' fees associated with the private placement and recorded as share issuance costs consisted of $11,700 cash, 136,667 post consolidation units (consisting of one common share and one-half of one common share purchase warrant) and 149,667 post consolidation share purchase warrants. Each warrant entitles the holder thereof to purchase one common share at a price of $1.00 until October 23, 2013, accelerated from December 19, 2014. The value of the 136,667 post consolidation 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 149,667 post consolidation warrants was calculated to be $60,375, using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.13%, dividend yield of 0%, volatility of 73% and expected life of two years.

ii) The Company closed a private placement of 444,445 post consolidation units at $0.90 per unit for gross proceeds of $400,000. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of $1.00 until October 23, 2013, accelerated from January 20, 2015. The proceeds of the private placement have been bifurcated using the relative fair value method resulting in $321,629 recorded as share capital and $78,371 recorded as warrant reserve. The fair value of each warrant issued in the private placement has been estimated as of the date of the issuance using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.19%, dividend yield of 0%, volatility of 72% and expected life of two years.

Finders' fees associated with the private placement and recorded as share issuance costs consisted of $10,000 cash and 11,111 post consolidation share purchase warrants. Each warrant entitles the holder thereof to purchase one common share at a price of $1.00 until January 20, 2015. The fair value of the 11,111 post consolidation warrants was calculated to be $4,873, using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.19%, dividend yield of 0%, volatility of 72% and expected life of two years.

iii) 70,592 post consolidation share purchase warrants were exercised for gross proceeds of $42,356. The Company reallocated the fair value of these share purchase warrants previously recorded in the amount of $26,133 from warrant reserve to share capital.

<u>Escrow Securities</u>

As at April 30, 2014, there were 19,645,683 (2013: 76,364) post consolidation common shares, 1,367,922 (2013: Nil) post consolidation share purchase warrants, and 37,500 (2013: Nil) post consolidation options held in escrow. Of these securities:

i) A total of 7,718,155 post consolidation common shares, 69,362 post consolidation share purchase warrants and 50,000 post consolidation 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 post consolidation common shares, 17,341 post consolidation share purchase warrants and 12,500 post consolidation options; and

(Expressed in Canadian Dollars)

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

(a) Common Shares *(cont'd…)*

Escrow Securities *(cont'd...)*

ii) A total of 15,396,741 common shares and 1,462,112 post consolidation 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 post consolidation common shares and 219,317 post consolidation share purchase warrants.

(b) Share Purchase Warrants

A summary of post consolidation share purchase warrants activity for the years ended April 30, 2014 and 2013 is as follows:

	Number of warrants	Weighted average exercise price
Balance, on April 30, 2012	4,459,333	$1.30
Issued	2,253,554	$1.00
Exercised	(70,593)	$0.60
Balance, on April 30, 2013	6,642,294	$1.04
Issued	17,172,961	$1.40
Exercised	(2,806,163)	$1.00
Expired[(1)]	(750,654)	$1.22
Cancelled[(2)]	(2,500,000)	$0.80
Balance, April 30, 2014	**17,758,438**	**$1.42**

(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 $1.25 or greater. As a result and in accordance with the terms thereof, all of these share purchase warrants expired October 23, 2013, being 37 calendar days following such 10-day trading period.

(2) These warrants were cancelled pursuant to the Acquisition (Notes 2 and 7).

Details of post consolidation share purchase warrants outstanding as of April 30, 2014 are:

Original expiry date	Adjusted expiry date	Number of warrants	Exercise price
April 10, 2014	April 10, 2015[(1)]	588,369	$2.00
March 28, 2016	N/A	1,997,107	$0.60
March 28, 2016	N/A	122,668	$1.42
February 7, 2017	N/A	15,000,000	$1.50
January 20, 2019	N/A	50,294	$0.86
		17,758,438	

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

(Expressed in Canadian Dollars)

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

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

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

Expiry date	Number of warrants	Exercise price
March 15, 2014[(1)]	600,000	$1.00
March 15, 2014	65,625	$2.00
April 10, 2014[(1)]	528,299	$1.00
April 10, 2014	694,817	$2.00
December 19, 2014	2,020,220	$1.00
January 20, 2015	233,333	$1.00
September 30, 2015[(2)]	2,500,000	$0.80
	6,642,294	

(1) The exercise price of these post consolidation warrants was amended February 14, 2013 from $2.00 per share to $1.00 per share.

(2) These warrants were cancelled pursuant to the Acquisition (Note 2).

The weighted average remaining contractual life of outstanding share purchase warrants as at April 30, 2014 is 2.62 (2013: 1.73) years.

(c) Compensation Options

A summary of post consolidation compensation options activity for the years ended April 30, 2014 and 2013 is as follows:

	Number of compensation options	Weighted average exercise price
Balance, on April 30, 2013 and 2012	-	-
Issued	656,400	$1.00
Balance, April 30, 2014	**656,400**	**$1.00**

Details of post consolidation compensation options outstanding as of April 30, 2014 are:

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

(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 post consolidation share purchase options activity for the year ended April 30, 2014:

			During the year				
Expiry date	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**Expired**	**Closing balance**	**Vested and exercisable**
Jun 26, 2014	$2.00	-	78,441	-	-	78,441	78,441
Mar 17, 2016	$2.00	-	78,441	-	-	78,441	78,441
Jan 14, 2017	$0.72	-	175,240	-	-	175,240	175,240
Jan 14, 2017	$1.06	-	35,048	-	-	35,048	35,048
Oct 9, 2017	$1.06	-	175,240	-	-	175,240	175,240
Mar 20, 2018	$1.42	-	119,163	-	(14,019)	105,144	105,144
Jul 30, 2018	$1.42	-	35,048	-	-	35,048	35,048
Feb 28, 2021	$0.74	212,500	-	(9,500)	(10,000)	193,000	193,000
Jul 3, 2021	$1.20	12,500	-	(12,500)	-	-	-
Jul 31, 2022	$1.00	382,500	-	(12,500)	(5,000)	365,000	365,000
		607,500	**696,621**	**(34,500)**	**(29,019)**	**1,240,602**	**1,240,602**
	Weighted average exercise price	**$0.92**	**$1.26**	**$1.00**	**$1.12**	**$1.10**	**$1.10**

The following is a summary of post consolidation share purchase options activity for the year ended April 30, 2013:

			During the year				
Expiry date	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**Cancelled**	**Closing balance**	**Vested and exercisable**
Feb 28, 2021	$0.74	252,500	-	-	(40,000)	212,500	212,500
Jul 3, 2021	$1.20	12,500	-	-	-	12,500	12,500
Jul 31, 2022	$1.00	-	382,500	-	-	382,500	382,500
		265,000	**382,500**	**-**	**(40,000)**	**607,500**	**607,500**
	Weighted average exercise price	**$0.76**	**$1.00**	**-**	**$0.74**	**$0.92**	**$0.92**

During the year ended April 30, 2013, the Company repurchased 40,000 post consolidation stock options for total cash consideration of $8,000.

(Expressed in Canadian Dollars)

10. SHARE-BASED PAYMENTS *(cont'd…)*

Fair Value of Options Issued During the Year

The post consolidation fair value at grant date of options granted during the year ended April 30, 2014 was $0.36 (2013: $0.86) per option.

The weighted average remaining contractual life of the options outstanding at April 30, 2014 is 4.66 (2013: 8.74) years.

The inputs for options granted during the years ended April 30, 2014 and 2013 applied to the Black-Scholes option pricing model are:

	Risk-free interest rate	Expected life	Volatility factor	Dividend yield
Year ended April 30, 2014	1.07%	2 years	86%	0%
Year ended April 30, 2013	1.71%	10 years	121%	0%

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

Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of 0% (2013: 0%) in determining the expense recorded in the accompanying consolidated statements of operations.

Expenses Arising from Share-based Payment Transactions

Total expenses arising from the share-based payment transactions recognized during the year ended April 30, 2014 as part of share-based payments were $Nil (2013: $325,679).

As of April 30, 2014 and 2013, there were no unrecognized compensation costs related to share-based payment awards not yet exercisable.

Amounts Capitalized Arising from Share-based Payment Transactions

Total amounts arising from share-based payment transactions that were capitalized to exploration and evaluation assets during the year ended April 30, 2014 amounted to $31,761,061 (2013: $Nil).

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS

The Company had transactions during the years ended April 30, 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
Vertical Air Ltd. ("Vertical Air")	Exploration services
Thunderbolt Resources Inc. ("Thunderbolt")	Shared administration and exploration services
Continental Gold Limited ("Continental")	Shared administration and exploration services

During the years ended April 30, 2014 and 2013, the Company paid or made provision for the future payment of the following amounts to related parties:

i) $1,527 (2013: $48,319) in general and administrative costs to Radius, a company with common directors and officers, and consisting of $1,527 (2013: $21,422) for office and administration, $Nil (2013: $3,095) for regulatory fees, $Nil (2013: $13,879) for salaries and benefits, $Nil (2013: $5,864) 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.

ii) $308,763 (2013: $233,895) in general and administrative costs to Gold Group consisting of $93,367 (2013: $65,883) for office and administration, $2,693 (2013: $2,571) for regulatory fees, $187,530 (2013: $99,073) for salaries and benefits, $5,154 (2013: $36,144) for shareholder communications and $20,019 (2013: $30,224) for travel. Salary and benefits include those for the Chief Financial Officer and Corporate Secretary. Gold Group is reimbursed by the Company for these shared 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 April 30, 2014 include a prepaid expense of $340 (2013: $4,404) and deposits totalling $61,000 (2013: $61,000) paid to Gold Group.

The amount due from related parties as of April 30, 2014 consists of $118,194 (2013: $Nil) from Thunderbolt and $Nil (2013: $1,875) from Radius. The balances were unsecured, due on demand and non-interest-bearing.

Amounts due to related parties as of April 30, 2014 consist of $15,229 (2013: $Nil) due to Continental, $21,172 (2013: $18,889) due to Gold Group, $17,500 (2013: $17,500) due to a director and former president of the Company and $6,279 (2013: $Nil) due to Thunderbolt. 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 years ended April 30, 2014 and 2013, key management compensation comprises:

		2014		**2013**
Management fees	$	169,333	$	102,000
Salaries and benefits		51,819		15,859
Geological fees		75,833		140,833
Share-based payments		-		202,220
	$	**296,985**	**$**	**460,912**

During the year ended April 30, 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 years ended April 30, 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 April 30, 2014 and 2013 are located in Colombia and all of the exploration expenditures for the years ended April 30, 2014 and 2013 were incurred in Colombia. Substantially all of the Company's other assets are located, and expenditures were incurred, in Canada.

(Expressed in Canadian Dollars)

13. DEFERRED INCOME TAXES

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

	2014	2013
Net loss for the year	$ 3,840,823	$ 2,180,113
Canadian statutory tax rate	26.0%	25.0%
Income tax recovery computed at statutory rates	998,614	545,028
Items not deductible for income tax purposes	(1,336)	(280,019)
Effect of change in tax rate	12,826	(10,069)
Change in timing differences	962,849	(295,170)
Unused tax losses and tax offsets not recognized in tax asset	(1,972,953)	40,230
Income tax expense	**$ -**	**$ -**

The Company recognizes tax benefits on losses or other deductible amounts generated where it is probable the Company will have taxable income to utilize its deferred tax assets. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	2014	2013
Non-capital losses	$ 3,247,000	$ 1,729,000
Share issue costs	706,000	147,000
Resource properties	5,086,000	153,000
Equipment and others	806,000	-
Unrecognized deferred tax assets	**$ 9,845,000**	**$ 2,029,000**

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

	Total
2030	$ 45,500
2031	131,000
2032	451,500
2033	1,128,000
2034	1,491,000
	$ 3,247,000

(Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Market risk.

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

General Objectives, Policies and Processes

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

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

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

(a) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents. The Company limits exposure to credit risk by maintaining its cash and cash equivalents with large financial institutions.

		2014		**2013**
Cash held in bank accounts	$	731,621	$	239,696
Term deposits		8,513,397		2,310,548
	$	**9,245,018**	**$**	**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 April 30, 2014, the Company had cash and cash equivalents of $9,245,018 (2013: $2,550,244) available to apply against short-term business requirements and current liabilities of $1,091,563 (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.

(Expressed in Canadian Dollars)

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

(c) Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates and other market prices. Management closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

i) Currency Risk

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 April 30, 2014, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	2014		2013	
	US dollars (CDN equivalent)	**Colombian pesos** (CDN equivalent)	**US dollars** (CDN equivalent)	**Colombian pesos** (CDN equivalent)
Cash	$ 7,011	$ 49,828	$ 68,128	$ -
Other receivables	-	73,999	-	-
Accounts payable and accrued liabilities	(74,617)	(379,479)	(9,071)	-
	$ (67,606)	**$ (255,652)**	**$ 59,057**	**$ -**

Based on the above net exposures at April 30, 2014, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in an increase or decrease of approximately $32,300 (2013: $5,900) in the Company's net loss and comprehensive loss for the year.

ii) Interest Rate Risk

Interest rate risk consists of two components:

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

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

The Company considers interest rate risk to not be significant.

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.

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

Determination of Fair Value

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

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

Fair Value Hierarchy

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

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at April 30, 2014 and 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.

15. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to advance its mineral properties. The Company defines its capital as all components of equity and short-term debt. The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral properties. The property in which the Company currently has an interest is in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and 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 year ended April 30, 2014.

16. EVENTS AFTER THE REPORTING DATE

Subsequent to April 30, 2014:

- The Company granted share purchase options to purchase up to 1,845,000 common shares of the Company, exercisable for a period of ten years at $0.80 per share; and
- Options to purchase a total of 78,441 common shares at $2.00 per share, 175,240 common shares at $0.72, 100,000 common shares at $0.74 and 12,500 common shares at $1.00 expired unexercised.