



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

January 31, 2016

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

COLOMBIAN MINES CORPORATION**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	January 31, 2016	April 30, 2015
ASSETS		
Current		
Cash	\$ 345,501	\$ 21,831
Commodity tax recoverable	1,975	2,475
Other receivables	5,469	9,953
Investments (Note 4)	1,930	3,400
Prepaid expenses	4,017	15,375
	358,892	53,034
Land and equipment (Note 5)	78,137	88,457
Mineral properties (Note 6)	1,446,335	1,446,335
TOTAL ASSETS	\$ 1,883,364	\$ 1,587,826
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities (Note 12)	\$ 58,567	\$ 120,992
Income tax payable	37,834	37,834
	96,401	158,826
Loans payable (Note 7)	148,682	-
TOTAL LIABILITIES	245,083	158,826
EQUITY		
Share capital (Note 10)	18,031,231	17,989,643
Share-based payment reserve	8,177,055	8,084,655
Deficit	(24,570,005)	(24,645,298)
TOTAL EQUITY	1,638,281	1,429,000
TOTAL LIABILITIES AND EQUITY	\$ 1,883,364	\$ 1,587,826

Nature and continuance of operations (Note 1)**Contingency (Note 15)****Approved on behalf of the Board of Directors on March 28, 2016:**

Signed: "Robert G. Carrington"

Director

Signed: "Donn Burchill"

Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

COLOMBIAN MINES CORPORATION**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)**

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Three months ended		Nine months ended	
	January 31,		January 31,	
	2016	2015	2016	2015
EXPENSES				
Administration and office costs (Note 12)	\$ (16,780)	\$ 12,101	\$ 20,812	\$ 70,926
Exploration expenditures, net (Note 8 and 12)	13,998	3,006	111,499	806,373
Investor relations and shareholder information	7,928	10,445	16,110	19,709
Professional fees (Note 12)	8,098	10,000	10,938	21,762
Share-based compensation	-	43,200	22,000	169,200
Transfer agent and filing fees	1,806	8,002	12,005	17,608
	(15,050)	(86,754)	(193,364)	(1,105,578)
Change in fair value of investments (Note 4)	-	1,402	-	(7,058)
Finance charges	532	-	(71,988)	-
Foreign exchange gain (loss)	5,455	(765)	10,861	(2,270)
Interest income (loss) and other income (loss)	-	(2,844)	-	19,324
Lawsuit recovery (Note 15)	291,899	-	291,899	-
Gain on sale of equipment (Note 5)	-	1,510	-	45,372
Gain on sale of vehicle (Note 5)	1,484	-	37,885	38,445
Net income (loss) and comprehensive income (loss) for the period	\$ 284,320	\$ (87,451)	\$ 75,293	\$ (1,011,765)
Basic and diluted income (loss) per common share	\$ 0.01	\$ (0.00)	\$ 0.00	\$ (0.02)
Weighted average number of common shares outstanding, basic and diluted	43,458,392	42,383,427	43,317,744	42,383,427

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

COLOMBIAN MINES CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)
NINE MONTHS ENDED JANUARY 31,

	2016	2015
CASH FLOWS FROM (TO)		
OPERATIONS		
Net income (loss) for the period	\$ 75,293	\$ (1,011,765)
Adjustments for:		
Depreciation included in exploration expenditures	10,320	10,861
Unrealized foreign exchange	-	1,382
Change in fair value of investments	-	7,058
Accrued interest on loans payable	5,605	-
Non-cash financing costs	71,988	-
Share-based compensation	22,000	169,200
Gain on sale of investments	-	(45,372)
Write-off of mineral property	-	278
Changes in non-cash working capital items:		
Commodity tax recoverable	500	-
Other receivables	4,484	2,398
Prepaid expenses	11,358	50,189
Accounts payable and accrued liabilities	(62,425)	(68,059)
	139,123	(883,830)
INVESTING		
Purchase of land and equipment	-	(1,107)
Sale of investments	1,470	128,825
	1,470	127,718
FINANCING		
Shares issued for cash	40,000	-
Loans received	143,077	-
	183,077	-
Change in cash during the period	323,670	(756,112)
Cash at beginning of period	21,831	832,812
Cash at end of period	\$ 345,501	\$ 76,700
Supplementary cash flow information		
Interest and income taxes	\$ -	\$ -

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

COLOMBIAN MINES CORPORATION

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NINE MONTHS ENDED JANUARY 31, 2016 and 2015

	Number of shares	Share Capital \$	Share-Based Payment Reserve \$	Deficit \$	Total \$
Balance at April 30, 2014	42,383,427	17,925,713	7,915,455	(23,546,449)	2,294,719
Share-based compensation	-	-	169,200	-	169,200
Loss for the period	-	-	-	(1,011,765)	(1,011,765)
Balance at January 31, 2015	42,383,427	17,925,713	8,084,655	(24,558,214)	1,452,154
Shares issued for cash	639,300	63,930	-	-	63,930
Loss for the period	-	-	-	(87,084)	(87,084)
Balance at April 30, 2015	43,022,727	17,989,643	8,084,655	(24,645,298)	1,429,000
Shares issued for cash	400,000	40,000	-	-	40,000
Shares issued pursuant to loans payable	52,922	1,588	-	-	1,588
Warrants issued pursuant to loans payable	-	-	70,400	-	70,400
Share-based compensation	-	-	22,000	-	22,000
Income for the period	-	-	-	75,293	75,293
Balance at January 31, 2016	43,475,649	18,031,231	8,177,055	(24,570,005)	1,638,281

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

COLOMBIAN MINES CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

FOR THE NINE MONTHS ENDED JANUARY 31, 2016 AND 2015

1. NATURE AND CONTINUANCE OF OPERATIONS

Colombian Mines Corporation (the “Company” or “Colombian”) was incorporated under the *Business Corporations Act* (B.C.) on May 16, 2006. The Company acquired all of the outstanding shares of Corporacion Minera de Colombia S.A. (“Minera Colombia”) on September 16, 2006 by way of a share exchange agreement. The condensed consolidated interim financial statements of Colombian as at and for the nine months ended January 31, 2016 comprise the Company and its subsidiaries. Colombian is the ultimate parent of the consolidated group. The Company’s corporate and head office address is #510 – 580 Hornby Street, Vancouver, British Columbia, Canada, V6C 3B6.

The Company is an exploration stage company focused on acquiring and exploring exploration and evaluation assets in Colombia.

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation for the foreseeable future. The operations of the Company were primarily funded by the issue of share capital and loans. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties and lenders, complete sufficient public equity financing, or generate profitable operations in the future. These condensed consolidated interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the company be unable to continue in business.

The Company is in the business of exploring for minerals that by its nature involves a high degree of risk. There can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the mineral properties and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to obtain financing or, alternatively, upon the Company’s ability to dispose of its interest on an advantageous basis. Additionally the Company estimates that it will need additional capital to operate for the upcoming year. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. The financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The policies applied in the condensed consolidated interim financial statements are presented below and are based on IFRS’ issued and effective as of March 28, 2016, the date the Board of Directors approved the condensed consolidated interim financial statements. Any subsequent changes to IFRS that are given effect in the Company’s audited annual consolidated financial statements for the year ending April 30, 2016, could result in restatements of these condensed consolidated interim financial statements. These condensed consolidated interim financial statements should be read in conjunction with the Company’s audited annual consolidated financial statements for the year ended April 30, 2015.

COLOMBIAN MINES CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

FOR THE NINE MONTHS ENDED JANUARY 31, 2016 AND 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**Basis of Consolidation**

These condensed consolidated interim financial statements include the accounts of the Company and the following subsidiaries:

Name	Place of Incorporation	Principal Activity	Ownership
Colombian Mines Corporation	British Columbia, Canada	Exploration company	100%
0766888 BC Ltd.	British Columbia, Canada	Holding company	100%
Colombian Investments (BVI) Corp.	British Virgin Islands	Holding company	100%
Colombia Holdings (BVI) Ltd.	British Virgin Islands	Holding company	100%
Colombian Resources (BVI) Inc.	British Virgin Islands	Holding company	100%
Corporacion Minera de Colombia S.A.	Colombia	Exploration company	100%

Inter-company balances and transactions, including any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the condensed consolidated interim financial statements.

Foreign Currencies

The Company's functional and presentation currency is the Canadian dollar. The individual financial statements of each group entity are measured in the currency of the primary economic environment in which the entity operates (its functional currency).

In preparing the financial statements of the individual entities, transactions in currencies other than an entity's functional currency (foreign currencies) are recorded at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the exchange rates prevailing at the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences are recognized in the statements of comprehensive loss, unless the difference relates to an item that is recognized in other comprehensive income or loss, whereby the exchange difference would be recognized in other comprehensive income or loss and reclassified from equity to the statements of comprehensive loss on disposal or partial disposal of the net investment. For the purpose of presenting consolidated financial statements, the assets and liabilities of entities whose functional currency is not the Canadian dollar are translated using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period.

Financial Instruments

The Company is required to classify its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate fair values:

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

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss ("FVTPL") or other financial liabilities. Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of loss and comprehensive loss.

COLOMBIAN MINES CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

FOR THE NINE MONTHS ENDED JANUARY 31, 2016 AND 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale (“AFS”), loans and receivables or at FVTPL.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company’s investments in securities include shares and warrants which are classified as FVTPL.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost. The Company’s cash and other receivables are classified as loans and receivables.

The Company has investments in common shares which are classified as AFS and are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

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 flows of the investment have been impacted.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or 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 and pre-payments, assets that are assessed not to be impaired indirectly are subsequently assessed for impairment on a collective basis. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit and loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of AFS financial instruments, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Cash

Cash in the statement of financial position are comprised of cash at banks and on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

COLOMBIAN MINES CORPORATION**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

FOR THE NINE MONTHS ENDED JANUARY 31, 2016 AND 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**Land and Equipment**

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is provided at rates calculated to write off the cost of equipment, less their estimated residual value, using the straight-line method over three to five years. Land is carried at cost less accumulated impairment losses.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of loss and comprehensive loss.

Mineral Properties and Exploration and Evaluation Expenditures

Acquisition costs for mineral properties, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs include cash consideration and the value of common shares, based on recent issue prices, issued for mineral properties 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 viable, exploration and evaluation expenditures on the property are capitalized.

A mineral property acquired under an option agreement where payments are made at the sole discretion of the Company, is capitalized at the time of payment. Option payments received are treated as a reduction of the carrying value of the related acquisition cost for the mineral property until the payments are in excess of acquisition costs, at which time they are then credited to operations. Option payments are at the discretion of the optionee and, accordingly, are accounted for when receipt is reasonably assured. Capitalized acquisition costs are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. When there is little prospect of further work on a property being carried out by the Company or its partners, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount.

Impairment of Non-Financial Assets

At each statement of financial position reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of loss and comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

COLOMBIAN MINES CORPORATION**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

FOR THE NINE MONTHS ENDED JANUARY 31, 2016 AND 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**Restoration, Rehabilitation and Environmental Obligations**

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded to reserves.

COLOMBIAN MINES CORPORATION**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

FOR THE NINE MONTHS ENDED JANUARY 31, 2016 AND 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**Share-based Payment Transactions**

The share option plan allows Company employees and consultants to acquire shares of the Company. Under IFRS the definition of employees has been broadened to include consultants who do work that would normally be done by employees. Under this definition, all of the Company's consultants are considered to be employees for the purposes of determining the value of share based payments.

Share-based payments to employees are measured at the fair value of the instruments issued and are amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to other reserves. When options are exercised the consideration received is recorded as share capital. In addition, the related share-based payments originally recorded in reserves are transferred to share capital. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized over the period the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Income Taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to the offset of current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

COLOMBIAN MINES CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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FOR THE NINE MONTHS ENDED JANUARY 31, 2016 AND 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Earnings (Loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Segment Reporting

The Company's head office is in Canada and it has operations in Colombia. The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

Judgments and Estimates

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period.

The Company has to make judgments which include but are not limited to the following:

- a) Whether facts or circumstances suggest that the carrying value of assets such as its receivables, investments in securities or mineral properties exceed the recoverable amount and if so the asset is tested for impairment; and
- b) The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency when changes in circumstances may affect the primary economic environment.

These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

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

- a) the recoverability of amounts receivable and prepayments;
- b) the estimated fair value of investments in securities;
- c) the carrying value of the investment in mineral properties and the recoverability of the carrying value;
- d) the estimated useful lives of equipment and the related depreciation;
- e) the inputs used in accounting for share-based payments expensed; and
- f) the provision for deferred income tax expense and deferred income tax assets and liabilities.

COLOMBIAN MINES CORPORATION**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

FOR THE NINE MONTHS ENDED JANUARY 31, 2016 AND 2015

3. CHANGES IN ACCOUNTING STANDARDS

Future accounting standards

The Company is still assessing the impact of IFRS 9 and has not determined whether it will early adopt IFRS 9. IFRS 9 replaces IAS 39 for classification and measurement of financial assets, effective for annual periods beginning on or after January 1, 2018.

4. INVESTMENTS

	January 31, 2016		
	Cost	Fair value	Accumulated Loss
Available-for-sale investments	\$ 25,610	\$ 1,930	\$ (23,680)

	April 30, 2015		
	Cost	Fair value	Accumulated Loss
Available-for-sale investments	\$ 16,820	\$ 3,400	\$ (13,420)

During the period ended January 31, 2016, the Company sold 294,000 shares of Colombia Crest Gold Corp. for cash amount of \$1,470.

During the year ended April 30, 2015, the Company:

- i) sold 11,351,722 common shares of Overland Resources Limited (“Overland”) with a book value of \$90,814 for \$126,216 resulting in a realized gain of \$35,402.
- ii) sold 71,942 common shares of Arcturus Ventures Inc. with a book value of \$1,079 for \$1,079 resulting in a realized gain of \$Nil.
- iii) 125,000 warrants of Colombia Crest Gold Corp. (“Colombia Crest”) expired with a book value of \$200 resulting in a realized loss of \$200.

During the period ended January 31, 2016 and the year ended April 30, 2015, the Company determined that the AFS investments were permanently impaired and consequently wrote them down to fair value.

At January 31, 2016, the Company had the following available-for-sale investments:

- i) 386,000 common shares of Colombia Crest with a total fair value of \$1,930.

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5. LAND AND EQUIPMENT

	Field Equipment	Land	Total
Cost			
As at April 30, 2014	\$ 248,358	\$ 55,854	\$ 304,212
Additions	4,363	-	4,363
As at April 30, 2015	252,721	55,854	308,575
Additions	1,616	-	1,616
As at January 31, 2016	\$ 254,337	\$ 55,854	\$ 310,191
Accumulated depreciation			
As at April 30, 2014	\$ 200,805	\$ -	\$ 200,805
Additions	19,313	-	19,313
As at April 30, 2015	220,118	-	220,118
Additions	11,936	-	11,936
As at January 31, 2016	\$ 232,054	\$ -	\$ 232,054
Net book value			
As at April 30, 2015	\$ 32,603	\$ 55,854	\$ 88,457
As at January 31, 2016	\$ 22,283	\$ 55,854	\$ 78,137

During the period ended January 31, 2016, the Company sold vehicles with a net book value of \$Nil for \$37,885 (COP 83,394,977) in cash which resulted in a gain on the sale of vehicles.

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6. MINERAL PROPERTIES

	April 30, 2015	Additions	Reductions	Write-offs	January 31, 2016
Yarumalito	\$ 1,321,740	\$ -	\$ -	\$ -	\$ 1,321,740
El Dovio	124,595	-	-	-	124,595
	\$ 1,446,335	\$ -	\$ -	\$ -	\$ 1,446,335

	April 30, 2014	Additions	Reductions	Write-offs	April 30, 2015
Yarumalito	\$ 1,321,740	\$ -	\$ -	\$ -	\$ 1,321,740
El Dovio	124,595	-	-	-	124,595
	\$ 1,446,335	\$ -	\$ -	\$ -	\$ 1,446,335

Yarumalito

On July 18, 2012, the Company entered into an option agreement with Teck Resources Limited (“Teck”) whereby Teck’s local Colombian subsidiary (“TLS”) could earn up to a 70% Joint Venture Interest in the Yarumalito project by spending not less than US\$10,000,000 on exploration and making cash payments and private placements amounting to US\$4,380,000. The Company will remain manager of the Project during the initial earn-in phase through its wholly owned Colombian subsidiary Corporacion Minera de Colombia (“CMC”) and will receive an administration fee equal to 10% of all exploration expenditures (Note 8).

During the year ended April 30, 2013, the Company received an option payment of \$376,656 (US\$380,000) with respect to the Yarumalito option agreement. As well Teck subscribed to a private placement related to the agreement.

During March 2014, the Company was notified that Teck wished to discontinue the joint venture option agreement at Yarumalito.

El Dovio

During the year ended April 30, 2014, the Company acquired land known as the El Dovio property in Colombia for total costs of \$124,595.

Rio Negro

During the year ended April 30, 2014, the Company entered into an option agreement with Overland Resources Limited (“Overland”). The Company received the following option payments from Overland:

- (i) US\$75,000 cash on September 16, 2013 (received Cdn\$77,420);
- (ii) received 11,351,722 shares during the year ended April 30, 2014 at a value of \$79,462 (Note 4));

During the year ended April 30, 2015, the Company received US\$12,959 from Overland which was recorded as other income (Note 8).

During September 2014, the Company was notified that Overland wished to discontinue the option agreement at Rio Negro.

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7. LOANS PAYABLE

During the period ended January 31, 2016, the Company entered loan agreements with arms length and non-arms length individuals for an aggregate of \$143,077. The loans have a term of 15 months and an interest rate of 10% per annum. During the period ended January 31, 2016, the Company also issued 52,992 bonus shares (valued at \$1,558) and 2,599,142 bonus warrants at an exercise price of \$0.05 for a period of 15 months (valued at \$70,400) to the lenders. The bonus warrants were valued using volatility of 172.69%, a discount rate of 0.40%, and a term of 15 months. The Company has recorded the bonus securities as a commitment on the statement of financial position.

8. EXPLORATION EXPENSES

Exploration expenditures incurred during the nine month period ended January 31, 2016 were as follows:

2016	Yarumalito	Anori	El Dovio	Other	Total
Administration, consultants and salaries	\$ 28,376	\$ 322	\$ 19,460	\$ 8,167	\$ 56,325
Field costs	25,230	723	8,536	18,358	52,847
Taxes	1,377	-	-	-	1,377
Vehicle costs	785	-	165	-	950
	\$ 55,768	\$ 1,045	\$ 28,161	\$ 26,525	\$ 111,499

Exploration expenditures incurred during the nine month period ended January 31, 2015 were as follows:

2015	Yarumalito	Anori	El Dovio	Other	Total
Administration, consultants, and salaries	\$ 51,891	\$ 169	\$ 240,290	\$ 82,709	\$ 375,059
Assaying	1,470	-	17,891	3,242	22,603
Drilling	-	-	145,702	-	145,702
Field costs	59,738	282	154,205	47,472	261,697
Taxes	-	-	82	35	117
Vehicle costs	2,231	-	8,031	1,688	11,950
	115,330	451	566,201	135,146	817,128
Exploration Cost Recovery	-	-	(10,755)	-	(10,755)
	\$ 115,330	\$ 451	\$ 555,446	\$ 135,146	\$ 806,373

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9. OTHER INCOME

The Company recorded the following amounts for the nine months ended January 31, 2016 and the year ended April 30, 2015:

	Nine months ended January 31, 2016	Year ended April 30, 2015
Other, including interest	\$ -	\$ 9,580
Total	\$ -	\$ 9,580

During the year ended April 30, 2015, the Company received \$14,213 (US\$12,959) from Overland for the option agreement on the Rio Negro property as described in Note 6 and the full amount was recorded as option income

10. EQUITY

(a) Share capital

Authorized share capital consists of an unlimited number of common shares without par value.

(b) Private Placements

During the year ended April 30, 2015, the Company completed a private placement for a total of 639,300 units at \$0.10 per unit for gross proceeds of \$63,930. Each unit consists of one common share of stock and one share purchase warrant. Each warrant is for 24 months at a price of (i) \$0.12 per common share for the first six months; and (ii) \$0.20 per common share thereafter until the expiry date being 24 months after closing. The warrants are subject to an accelerated expiry if, at any time after an initial 4 month hold period expires, the closing price of the Company's common shares on the TSX Venture Exchange exceeds \$0.30 for any 10 consecutive trading days, in which event the holder will be given notice that the warrants will expire 30 days following the date of such notice. The warrants may be exercised by the holder during the 30-day period between the notice and the expiration of the warrants. No value was assigned to the warrants issued under the residual value method of unit bifurcation.

During the period ended January 31, 2016, the Company:

- i. completed the second tranche of its non-brokered private placement for a total of 400,000 units at \$0.10 per unit for gross proceeds of \$40,000. Each unit consists of one common share of stock and one full share purchase warrant. Each full warrant is exercisable for one additional share of the Company's common stock for 24 months at a price of: \$0.12 per common share for the first six (6) months; and (ii) \$0.20 per common share thereafter until May 19, 2017. The warrants are subject to an accelerated expiry if, at any time after an initial 4 month hold period expires, the closing price of the Company's common shares on the TSXV exceeds \$0.30 for any 10 consecutive trading days, in which event the holder will be given notice that the warrants will expire 30 days following the date of such notice. The warrants may be exercised by the holder during the 30-day period between the notice and the expiration of the warrants.
- ii. issued 52,992 shares valued at \$1,588 pursuant to bonus shares for the financing of loans payable (Note 7).

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10. EQUITY (continued)

(c) Share options

The continuity of share purchase options for the nine months ended January 31, 2016 and year ended April 30, 2015 is as follows:

	January 31, 2016		April 30, 2015	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding, beginning of period	3,643,343	\$ 0.18	4,238,343	\$ 0.40
Granted	1,034,930	0.05	2,411,676	0.12
Cancelled/Expired	(336,000)	0.33	(3,006,676)	0.44
Outstanding, end of period	4,342,273	\$ 0.21	3,643,343	\$ 0.18

The following table summarizes information about share options outstanding and exercisable at January 31, 2016:

Exercise prices	Number outstanding	Expiry date	Number exercisable
\$0.280	925,667	11-April-16	925,667
\$0.170	1,235,000	26-August-16	1,235,000
\$0.075	505,000	21-November-16	505,000
\$0.050	641,676	8-January-17	641,676
\$0.050	1,034,930	28-October-17	1,034,930
	4,342,273		4,342,273

(d) Share-Based Compensation

During the period ended January 31, 2016, the Company granted 1,034,930 stock options to directors, officers, employees and consultants of the Company. The options are exercisable at \$0.05 per option for two years. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of \$22,000 using the following inputs (term of 2 years; volatility of 169.79%; discount rate of 0.54%; forfeiture rate of Nil). The options were fully vested on the grant date.

During the year ended April 30, 2015, the Company granted 2,411,676 stock options to directors, officers, employees and consultants of the Company. The options are exercisable at a weighted average price of \$0.12 per option for two years. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of \$169,200. The options were fully vested on the grant date.

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10. EQUITY (continued)

(e) Warrants

The continuity of share purchase warrants for the nine months period ended January 31, 2016 is as follows:

Expiry Date	Exercise Price	Balance, April 30, 2015	Issued	Expired/Cancelled	Balance, January 31, 2016
February 28, 2017	\$ 0.05	-	2,599,142	-	2,599,142
April 8, 2017	\$ 0.12	639,300	-	-	639,300
May 19, 2017	\$ 0.12	-	400,000	-	400,000
November 14, 2018	\$ 0.45	3,383,333	-	-	3,383,333
January 8, 2019	\$ 0.45	225,000	-	-	225,000
January 10, 2019	\$ 0.45	3,333,333	-	-	3,333,333
		7,580,966	2,999,142	-	10,580,108
<i>Weighted average exercise price</i>		\$ 0.42	\$ 0.06	\$ -	\$ 0.32

11. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the exploration and development of mineral properties. Summarized financial information for the geographic segments the Company operates in are as follows:

	Canada	Colombia	Total
January 31, 2016			
Non-current assets	\$ -	\$ 1,524,472	\$ 1,524,472
April 30, 2015			
Non-current assets	\$ -	\$ 1,534,792	\$ 1,534,792

12. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

For the nine months ended January 31, 2016	Share-Based		
	Salary or Fees	Payment	Total
Management Compensation	\$ -	\$ 29,413	\$ 29,413
Director Compensation	-	6,631	6,631
Cross Davis & Company LLP	40,500	936	41,436
	\$ 40,500	\$ 36,980	\$ 77,480
For the nine months ended January 31, 2015	Share-Based		
	Salary or Fees	Payment	Total
Management Compensation	\$ 75,345	\$ 44,315	\$ 119,660
Director Compensation	-	31,682	31,682
Cross Davis & Company LLP	40,500	2,865	43,365
	\$ 115,845	\$ 78,862	\$ 194,707

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12. RELATED PARTY TRANSACTIONS (continued)

Related party assets and liabilities	January 31, 2016	April 30, 2015
Due to Management	\$ 10,884	\$ 30,369

Cross Davis & Company LLP provided management services including a chief financial officer, a corporate secretary, accounting staff, administration staff and office space to Colombian. During the period ended January 31, 2016, Cross Davis & Company LLP forgave \$ 41,465 in debt, resulting in a recovery of admin and office expenses.

13. FINANCIAL AND CAPITAL RISK MANAGEMENT**Financial Risk Management**

The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

Foreign currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and Colombia. The Company funds cash calls to its subsidiary company outside of Canada in US dollars and a portion of its expenditures are also incurred in Colombian pesos ("COP"). The greatest risk is the exchange rate of the Canadian dollar relative to the Colombian peso and a significant change in this rate could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

	January 31, 2016 ("COP")	April 30, 2015 ("COP")
Cash	754,116,659	5,851,375
Receivables	12,835,665	19,649,148
Accounts payable and accrued liabilities	(3,334,462)	(27,423,109)
Net exposure	763,617,862	(1,922,586)
Canadian dollar equivalent	\$ 325,365	\$ (961)

Based on the above net exposures as at January 31, 2016 and assuming that all other variables remain constant, a 10% change in the value of the Canadian dollar against the above foreign currency would result in an increase / decrease of approximately \$32,537 to net loss for the period.

Credit Risk

The Company's cash is mainly held through large Canadian financial institutions and at January 31, 2016 are mainly held in short term deposits and accordingly, credit risk is minimized.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital resources.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held mainly in short term deposits and therefore there is currently minimal interest rate risk.

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13. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)**Management of Capital**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties. The Company relies mainly on equity issuances to raise new capital and on entering into joint venture agreements on certain properties which enables it to conserve capital and to reduce risk. In the management of capital, the Company includes the components of equity as well as cash. The Company prepares annual estimates of exploration and administrative expenditures and monitors actual expenditures compared to the estimates to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest or penalty. The Company will have to raise additional financing to cover its exploration and administrative costs for the next twelve months. The Company's approach to the management of capital did not change during the period ended January 31, 2016.

14. FINANCIAL INSTRUMENTS

The Company has classified its financial assets as follows:

January 31, 2016				
Financial assets	AFS & FVTPL	Loan-and receivables	Total	
Cash	\$ -	\$ 345,501	\$	345,501
Other receivables	-	5,469		5,469
Investment in securities	1,930	-		1,930
	<u>\$ 1,930</u>	<u>\$ 350,970</u>	<u>\$</u>	<u>352,900</u>
April 30, 2015				
Financial assets	AFS & FVTPL	Loan-and receivables	Total	
Cash	\$ -	\$ 21,831	\$	21,831
Other receivables	-	9,953		9,953
Investment in securities	3,400	-		3,400
	<u>\$ 3,400</u>	<u>\$ 31,784</u>	<u>\$</u>	<u>35,184</u>

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14. FINANCIAL INSTRUMENTS (continued)

The carrying value of its financial assets approximates their fair value as at April 30, 2015 due to their short term maturity except for investments in marketable securities which are carried at fair value. The Company classifies its only financial liability, accounts payable and accrued liabilities as other financial liabilities. The carrying value of its financial liabilities approximates their fair value as at January 31, 2016 due to their short term maturity.

Fair value levels for financial assets and liabilities are as follows:

January 31, 2016	Level 1	Level 2	Total
Financial assets			
Cash	\$ 345,501	\$ -	\$ 345,501
Investment in securities	\$ 1,930	\$ -	\$ 1,930
<hr/>			
April 30, 2015	Level 1	Level 2	Total
Financial assets			
Cash	\$ 21,831	\$ -	\$ 21,831
Investment in securities	\$ 3,400	\$ -	\$ 3,400

15. CONTINGENCY

During the period ended January 31, 2016, the Company completed its previous litigation and was awarded approximately \$410,000 (COP 947,285,904) by the Colombian courts. The Company incurred approximately \$100,000 in legal fees associated with the litigation.

During the period ended January 31, 2016, a gain of \$291,899 (COP 642,469,699) was been recorded as lawsuit recovery.