



CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

April 30, 2012

July 23, 2012

Independent Auditor's Report

To the Shareholders of Colombian Mines Corporation

We have audited the accompanying consolidated financial statements of Colombian Mines Corporation, which comprise the consolidated statements of financial position as at April 30, 2012, April 30, 2011, and May 1, 2010, and the consolidated statements of comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended April 30, 2012 and April 30, 2011, 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.

Auditor's 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Colombian Mines Corporation as at April 30, 2012, April 30, 2011 and May 1, 2010, and its financial performance and its cash flows for the years ended April 30, 2012 and April 31, 2011 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company has incurred cumulative losses of \$18,632,275 as of April 30, 2012, and a net loss for the year ended April 30, 2012 of \$4,508,468. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Deloitte & Touche LLP

Chartered Accountants
July 23, 2012
Vancouver, BC

COLOMBIAN MINES CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	April 30, 2012	April 30, 2011	May 1, 2010
ASSETS		(Note 16)	(Note 16)
Current			
Cash and cash equivalents (Note 4)	\$ 1,020,514	\$ 5,487,374	\$ 4,225,970
Receivables	261,102	30,286	27,445
Prepaid expenses	146,904	317,979	161,241
	1,428,520	5,835,639	4,414,656
Investment in securities (Note 5)	114,611	143,901	-
Land and equipment (Note 6)	123,279	170,970	198,224
Mineral properties (Note 7)	1,768,568	1,362,143	453,958
TOTAL ASSETS	\$ 3,434,978	\$ 7,512,653	\$ 5,066,838
LIABILITIES AND EQUITY			
Current			
Accounts payable and accrued liabilities (Note 12)	\$ 320,825	\$ 433,443	\$ 244,162
Income tax payable (Note 13)	37,834	37,834	-
	358,659	471,277	244,162
Non-current			
Accrued liabilities	104,081	137,864	-
EQUITY			
Share capital (Note 10)	14,359,597	14,359,597	9,873,655
Warrant reserve (Note 10c)	4,988,949	4,988,949	3,232,461
Share based payment reserve (Note 10b)	2,320,430	1,697,661	1,257,462
Investment revaluation reserve	(64,463)	(18,888)	-
Deficit	(18,632,275)	(14,123,807)	(9,540,902)
TOTAL EQUITY	2,972,238	6,903,512	4,822,676
TOTAL LIABILITIES AND EQUITY	\$ 3,434,978	\$ 7,512,653	\$ 5,066,838

Nature and continuance of operations (Note 1)

Events after the balance sheet date (Note 17)

Approved on behalf of the Board of Directors on July 20, 2012:

Signed: "Robert Carrington"

Director

Signed: "Donn Burchill"

Director

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

COLOMBIAN MINES CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
YEARS ENDED APRIL 30, 2012 AND 2011

	2012	2011
		(Note 16)
EXPLORATION EXPENDITURES (Note 8)	\$ 3,162,118	\$ 3,791,071
ADMINISTRATIVE EXPENSES		
Administration and office costs	297,278	295,790
Depreciation	2,055	-
Investor relations and shareholder information	345,983	235,895
Professional fees	126,548	74,872
Share based compensation (Note 10b)	622,769	463,531
Transfer agent and filing fees	40,205	37,692
Travel	3,132	8,205
	1,437,970	1,115,985
Loss before other income (expense)	(4,600,088)	(4,907,056)
OTHER INCOME (EXPENSE)		
Change in fair value of investments in securities (Note 5)	(15,968)	(5,213)
Foreign exchange (loss) gain	(41,575)	6,499
Interest income	37,936	30,573
Other income (Note 9)	111,227	330,126
	91,620	361,985
Net loss before income tax expense	(4,508,468)	(4,545,071)
Current income tax expense (Note 13)	-	(37,834)
Net loss for the year	\$ (4,508,468)	\$ (4,582,905)
OTHER COMPREHENSIVE LOSS		
Net loss for the year	(4,508,468)	(4,582,905)
Change in fair value of investments in securities (Note 5)	(45,575)	(18,888)
Comprehensive loss	\$ (4,554,043)	\$ (4,601,793)
Basic and diluted loss per share	\$ (0.14)	\$ (0.19)
Weighted average number of common shares		
Outstanding, basic and diluted	32,591,761	24,450,013

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

COLOMBIAN MINES CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
YEARS ENDED APRIL 30, 2012 AND 2011

	2012	2011
CASH FLOWS FROM (TO)		(Note 16)
OPERATIONS		
Net loss for the year	\$ (4,508,468)	\$ (4,582,905)
Items not affecting cash:		
Depreciation (Note 6)	2,055	-
Depreciation included in exploration expense (Note 6)	122,182	121,251
Write-off of equipment (Note 6)	782	-
Change in fair value of investment in securities (Note 5)	(16,285)	5,213
Gain on optioning of mineral properties	-	(168,002)
Share based compensation (Note 10)	622,769	463,531
Changes in non-cash working capital items:		
Receivables	(230,816)	(2,841)
Prepaid expenses	171,075	(156,738)
Accounts payable and accrued liabilities	(146,401)	364,979
	(3,983,107)	(3,955,512)
INVESTING		
Mineral properties	(406,425)	(908,185)
Purchase of land and equipment	(77,328)	(93,997)
	(483,753)	(1,002,182)
FINANCING		
Shares issued for cash	-	6,219,098
	-	6,219,098
Change in cash and cash equivalents during the year	(4,466,860)	1,261,404
Cash and cash equivalents at beginning of year	5,487,374	4,225,970
Cash and cash equivalents at end of year	\$ 1,020,514	\$ 5,487,374
Supplementary cash flow information		
Interest received	\$ 35,033	\$ 28,476
Exchange gain (loss) on exchange rate changes on cash and cash equivalents denominated in a foreign currency	2,772	11,270

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

COLOMBIAN MINES CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian Dollars)

YEARS ENDED APRIL 30, 2012 and 2011

	Share Number of shares	Capital Amount \$	Warrant Reserve \$	Share Based Payment Reserve \$	Investment Revaluation Reserve \$	Deficit \$	Total \$
Balance May 1, 2010 (Note 16)	22,826,061	9,873,655	3,232,461	1,257,462	-	(9,540,902)	4,822,676
Shares issued for cash	9,660,000	5,225,182	1,536,818	-	-	-	6,762,000
Shares issued as finder's fees	50,000	15,400	(15,400)	-	-	-	-
Broker's warrants granted on March 2011 private placement	-	(364,182)	364,182	-	-	-	-
Shares issued costs	-	(438,986)	(129,112)	-	-	-	(568,098)
Shares issued on exercise of options	55,700	25,196	-	-	-	-	25,196
Reclassify share based payment reserve on exercise of options	-	23,332	-	(23,332)	-	-	-
Share based compensation (Note 10b)	-	-	-	463,531	-	-	463,531
Change in fair value of investment in securities	-	-	-	-	(18,888)	-	(18,888)
Loss for the year	-	-	-	-	-	(4,582,905)	(4,582,905)
Balance April 30, 2011	<u>32,591,761</u>	<u>14,359,597</u>	<u>4,988,949</u>	<u>1,697,661</u>	<u>(18,888)</u>	<u>(14,123,807)</u>	<u>6,903,512</u>
Share based compensation (Note 10b)	-	-	-	622,769	-	-	622,769
Change in fair value of investment in securities	-	-	-	-	(45,575)	-	(45,575)
Loss for the year	-	-	-	-	-	(4,508,468)	(4,508,468)
Balance April 30, 2012	<u>32,591,761</u>	<u>14,359,597</u>	<u>4,988,949</u>	<u>2,320,430</u>	<u>(64,463)</u>	<u>(18,632,275)</u>	<u>2,972,238</u>

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Colombian Mines Corporation (the “Company” or “Colombian”) was incorporated under the Business Corporation 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 address of the Company’s head office is #501 – 543 Granville Street, Vancouver, BC, Canada V6C 1X8.

These consolidated financial statements are prepared on the basis of a going concern which assumes the realization of assets and satisfaction of liabilities in the normal course of business. During the year-ended April 30, 2012, the Company incurred a net loss for the year of \$4,508,468 and had an accumulated deficit of \$18,632,275. The continuation of the Company as a going concern is dependent on its ability to obtain necessary financing as required, to complete exploration and development activities on the mineral properties. These material uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance and Conversion to International Financial Reporting Standards (IFRS)

These consolidated financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board (“IASB”). These are Colombian’s first annual consolidated financial statements presented in accordance with IFRS. Previously the Company prepared its statements in accordance with Canadian generally accepted accounting principles (“GAAP”).

Basis of Presentation

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as available-for-sale (“AFS”) and fair value through profit or loss (“FVTPL”), which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of the policies and reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates. The preparation of these consolidated financial statements resulted in changes to the accounting policies as compared to the annual financial statements prepared under GAAP for the year ended April 30, 2011.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. They also have been used in preparing an opening IFRS balance sheet at May 1, 2010 for the purposes of the transition to IFRS, as required by IFRS 1, “First Time Adoption of International Financial Reporting Standards (IFRS 1)”. The impact of the transition from Canadian GAAP to IFRS is explained in Note 16.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Consolidation

These consolidated 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 consolidated financial statements.

Business Combinations

Acquisitions of businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity investments issued by the Company in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 (2008), Business Combinations are recognized at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, which are recognized and measured at fair value less costs to sell.

Business combinations that involve companies in the exploration stage are treated as asset acquisitions. The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

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 statements 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, 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. FVTPL has two categories: designated and held for trading. The Company’s investments in securities includes 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, cash equivalents and other receivables are classified as loans-and receivables.

The Company has investments in common shares which are classified as available-for-sale 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.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as 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 trade and other payables 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 comprehensive loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and Cash Equivalents

Cash and cash equivalents 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.

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 comprehensive loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 date of the statement of financial position, 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.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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, net of any tax effects.

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. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 balance sheet 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 balance sheet 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.

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 year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method 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.

Significant Accounting 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:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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;
- 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 annual consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated 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.

3. CHANGES IN ACCOUNTING STANDARDS

All of the new and revised standards described below may be early-adopted. However, the Company is still assessing the impact of these standards and has not determined whether it will early-adopt them.

(i) IFRS 9 *Financial Instruments* (2010)

A revised version of IFRS 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing de-recognition requirements from IAS 39 *Financial Instruments: Recognition and Measurement*.

The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at FVTPL; in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in OCI rather than within profit or loss.

Applicable to annual periods beginning on or after January 1, 2015. This standard supersedes IFRS 9 (2009). However, for annual reporting periods beginning before January 1, 2015, an entity may early-adopt IFRS 9 (2009) instead of applying this standard.

(ii) IFRS 11 *Joint Arrangements*

Replaces IAS 31 *Interests in Joint Ventures*. Requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement.

3. CHANGES IN ACCOUNTING STANDARDS (continued)

Joint arrangements are either joint operations or joint ventures:

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operators recognize their assets, liabilities, revenue and expenses in relation to its interest in a joint operation (including their share of any such items arising jointly).

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (joint venturers) have rights to the net assets of the arrangement. A joint venturer applies the equity method of accounting for its investment in a joint venture in accordance with IAS 28 *Investments in Associates and Joint Ventures* (2011). Unlike IAS 31, the use of "proportionate consolidation" to account for joint ventures is not permitted.

Applicable to annual reporting periods beginning on or after January 1, 2013. If early-adopted, must be adopted together with IFRS 10, IFRS 12, IAS 27 (2011) and IAS 28 (2011).

(iii) IFRS 12 Disclosure of Interests in Other Entities

Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

In high-level terms, the required disclosures are grouped into the following broad categories:

Significant judgments and assumptions - such as how control, joint control, significant influence has been determined

Interests in subsidiaries - including details of the structure of the group, risks associated with structured entities, changes in control, and so on

Interests in joint arrangements and associates - the nature, extent and financial effects of interests in joint arrangements and associates (including names, details and summarized financial information)

Interests in unconsolidated structured entities - information to allow an understanding of the nature and extent of interests in unconsolidated structured entities and to evaluate the nature of, and changes in, the risks associated with its interests in unconsolidated structured entities.

IFRS 12 lists specific examples and additional disclosures, which further expand upon each of these disclosure objectives, and includes other guidance on the extensive disclosures required.

Applicable to annual reporting periods beginning on or after January 1, 2013. If early-adopted, must be adopted together with IFRS 10, IFRS 11, IAS 27 (2011) and IAS 28 (2011).

(iv) IFRS 13 Fair Value Measurement

Replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard.

This IFRS defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

3. CHANGES IN ACCOUNTING STANDARDS (continued)

IFRS 13 applies when another IFRS requires or permits fair value and requires disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). With some exceptions, the standard requires entities to classify these measurements into a “fair value hierarchy” based on the nature of the inputs:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g., whether it is recognized in the financial statements or merely disclosed) and the level in which it is classified.

Applicable to annual reporting periods beginning on or after January 1, 2013.

(v) *Presentation of Items of Other Comprehensive Income* (Amendments to IAS 1)

Amends IAS 1 *Presentation of Financial Statements* to revise the way OCI is presented.

The amendments:

- Preserve the amendments made to IAS 1 in 2007 to require profit or loss and OCI to be presented together, i.e., either as a single “statement of profit or loss and comprehensive income”, or a separate “statement of profit or loss” and a “statement of comprehensive income” – rather than requiring a single continuous statement as was proposed in the exposure draft.
- Require entities to group items presented in OCI based on whether they are potentially reclassifiable to profit or loss subsequently, i.e., those that might be reclassified and those that will not be reclassified.
- Require tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax).

Applicable to annual reporting periods beginning on or after July 1, 2012.

4. CASH AND CASH EQUIVALENTS

	April 30, 2012	April 30, 2011	May 1, 2010
Cash	\$ 255,652	\$ 755,045	\$ 4,163,404
Short-term bank deposits	764,862	4,732,329	62,566
	\$ 1,020,514	\$ 5,487,374	\$ 4,225,970

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5. INVESTMENTS IN SECURITIES

	April 30, 2012		
	Cost	Fair value	Accumulated Loss
Available-for-sale investments	\$ 161,109	\$ 96,646	\$ (64,463)
Fair value through profit and loss	39,146	17,965	(21,181)
	\$ 200,255	\$ 114,611	\$ (85,644)

	April 30, 2011		
	Cost	Fair value	Accumulated Loss
Available-for-sale investments	\$ 134,859	\$ 115,971	\$ (18,888)
Fair value through profit and loss	33,143	27,930	(5,213)
	\$ 168,002	\$ 143,901	\$ (24,101)

During the year ended April 30, 2012 the Company received 125,000 common shares and 125,000 share purchase warrants from Colombia Crest Gold Corp. as consideration for option payments. The warrants were valued using a Black-Scholes option pricing model (Note 9).

During the year ended April 30, 2011 the Company received 359,710 common shares of Arcturus Ventures Inc. and 250,000 common shares and 250,000 warrants of Colombia Crest Gold Corp. as consideration for option payments. The non-cash consideration received totaled \$168,002. The warrants have been classified as FVTPL and have been valued using the Black-Scholes option pricing model. The common shares have been classified as available-for-sale. There were no investments in securities at May 1, 2010.

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6. LAND AND EQUIPMENT

	Office	Vehicles	Field	Land	Total
Cost					
As at May 1, 2010	\$ 78,498	\$ 145,682	\$ 172,230	\$ -	\$ 396,410
Additions	55,883	31,214	8,763	-	95,860
Disposals	(2,787)	-	-	-	(2,787)
As at April 30, 2011	131,594	176,896	180,993	-	489,483
Additions	13,829	-	7,645	55,854	77,328
Write-off	(6,559)	-	(2,090)	-	(8,649)
As at April 30, 2012	138,864	176,896	186,548	55,854	558,162
Accumulated depreciation					
As at May 1, 2010	44,423	83,343	70,420	-	198,186
Additions	34,122	49,039	38,777	-	121,938
Disposals	(1,611)	-	-	-	(1,611)
As at April 30, 2011	76,934	132,382	109,197	-	318,513
Additions	35,830	44,514	43,893	-	124,237
Write-off	(5,721)	-	(2,146)	-	(7,867)
As at April 30, 2012	107,043	176,896	150,944	-	434,883
Carrying value					
As at May 1, 2010	34,075	62,339	101,810	-	198,224
As at April 30, 2011	54,660	44,514	71,796	-	170,970
As at April 30, 2012	\$ 31,821	\$ -	\$ 35,604	\$ 55,854	\$ 123,279

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7. MINERAL PROPERTIES

	April 30, 2012	April 30, 2011	May 1, 2010
Yarumalito	\$ 1,686,534	\$ 1,303,852	\$ 415,962
Gachala	82,034	58,291	37,996
	\$ 1,768,568	\$ 1,362,143	\$ 453,958

Yarumalito

During the year ended April 30, 2012 the Company made the final option payment of US\$380,000 and acquired a 100% interest in the Yarumalito property. For the year ended April 30, 2011 Colombian made two scheduled payments totaling US\$850,000 in order to maintain its option agreement in good standing. These option payments were capitalized to mineral properties on the statements of financial position.

Gachala

Colombian entered into an option agreement to acquire a 100% interest in the Gachala property located in the jurisdiction of the municipalities of Gachala and Ubala, Colombia in consideration of a cash payment of US\$20,000. In August 2009 Colombian renegotiated the option agreement. The total purchase price was reduced from US\$1,500,000 to US\$800,000 and the amount and timing of individual option payments were amended. The Company made the scheduled option payments due on the Gachala property in the amount of US\$20,000 in 2011 and US\$25,000 in 2012. These payments were capitalized to mineral properties on the statements of financial position. The following payments must be made in order to maintain the option in good standing and complete the acquisition.

Date	U.S. Dollars	Canadian equivalent outstanding at April 30, 2012
August 4, 2012	\$ 30,000	\$ 29,430
August 4, 2013	35,000	34,335
August 4, 2014 – 2026 (US\$50,000/yr.)	650,000	637,650
August 4, 2027	5,000	4,905
	\$ 720,000	\$ 706,320

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8. EXPLORATION EXPENSES

Exploration expenditures incurred for the year ended April 30, 2012 were as follows:

	Yarumalito	Nus	Anori	El Dovio	Gachala	Other	Total
Administration	\$ 574,463	\$ 3,421	\$ 6,373	\$ 299,387	\$ 39,565	\$ 67,253	\$ 990,462
Assaying	146,801	-	1,124	41,385	6,693	18,092	214,095
Consultants	205,186	-	10,309	215,228	28,079	17,579	476,381
Drilling	676,543	-	-	-	-	-	676,543
Field costs	92,896	-	2,297	226,052	15,474	36,675	373,394
Salaries	121,293	-	101	129,916	13,340	58,702	323,352
Taxes	14,539	-	-	16,133	7,844	3,259	41,775
Travel	5,614	-	342	34,823	5,582	10,119	56,480
Vehicle costs	8,772	-	10	7,292	1,816	6,088	23,978
Geophysics	5,000	-	-	-	-	-	5,000
	1,851,107	3,421	20,556	970,216	118,393	217,767	3,181,460
Exploration Cost Recovery	-	(1,007)	-	-	-	(18,335)	(19,342)
	\$ 1,851,107	\$ 2,414	\$ 20,556	\$ 970,216	\$ 118,393	\$ 199,432	\$ 3,162,118

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8. EXPLORATION EXPENSES (continued)

Exploration expenditures incurred for the year ended April 30, 2011 were as follows:

	Yarumalito	Nus	Anori	El Dovio	Gachala	Other	Total
Administration	\$ 358,967	\$ 3,053	\$ 7,767	\$ 94,111	\$ 56,632	\$ 212,832	\$ 733,362
Assaying	313,576	777	619	20,821	11,006	22,199	368,998
Consultants	199,670	339	12,258	37,909	52,323	71,336	373,835
Drilling	1,288,171	-	-	-	-	-	1,288,171
Field costs	160,600	24,009	23,149	148,838	5,620	122,433	484,649
Salaries	173,275	9	-	56,622	7,227	59,817	296,950
Taxes	119,654	7,105	4,007	18,203	13,210	40,321	202,500
Travel	16,386	125	-	6,301	1,611	10,434	34,857
Vehicle costs	11,314	58	-	2,970	870	3,587	18,799
Mapping	364	-	-	364	-	15,119	15,847
Geophysics	80,842	-	-	-	-	-	80,842
	2,722,819	35,475	47,800	386,139	148,499	558,078	3,898,810
Exploration Cost Recovery	(5,007)	(36,359)	(47,563)	-	-	(18,810)	(107,739)
	\$ 2,717,812	\$ (884)	\$ 237	\$ 386,139	\$ 148,499	\$ 539,268	\$ 3,791,071

9. OTHER INCOME

The Company recorded the following amounts for the years ended April 30, 2012 and 2011:

	April 30,	April 30,
	2012	2011
Gain on sale of options on properties	\$ 111,227	\$ 304,769
Other	-	25,357
	\$ 111,227	\$ 330,126

In March 2012 Colombian received \$79,720 (US\$80,000) in cash, 125,000 shares and 125,000 share purchase warrants from Colombia Crest for the option agreement on the Venecia property. \$78,974 of the cash payment was recorded as option revenue and \$746 was recorded as a recovery against Venecia property costs. The shares were valued at \$26,250 based on Colombia Crest's closing share price of \$0.21 on the date of issue and the full amount was recorded as option revenue. The warrants have an exercise price of \$0.4375 and an expiry date of March 26, 2014. They were valued at \$6,003 using a Black-Scholes option pricing model with the following assumptions: a stock price of \$0.21, a risk-free interest rate of 1.24%, a stock price volatility of 78% and a life of 2 years. The total value of the warrants was credited to other income. The risk-free interest rate was based on the average yield of Government of Canada one to three year bonds. The stock price volatility was based on historic weekly closing prices of Colombia Crest's shares for the past two years.

In April 2011, the Company completed an option agreement on its Venecia property (classified with other properties in Note 8), with Colombia Crest Gold Corp. ("CCGC"). Colombian received 250,000 common shares and 250,000 CCGC warrants. The shares were valued at \$0.35 each for a total of \$87,500. The warrants were valued using a Black-Scholes option pricing model with a warrant price of \$0.4375, a life of two years, a risk free interest rate of 1.71% and an expected stock price volatility of 81%. Based on these inputs the warrants were valued at \$33,143. Colombian also received US\$30,000 (\$30,426) of cash payments. The Company recorded total consideration from the option agreement of \$151,069 with \$18,800 recorded as a recovery against exploration expenditures on the property (Note 8) and \$132,269 as other income.

In September 2010, the Company completed an option agreement on its Nus property with Arcturus Ventures Inc. ("Arcturus"). The Company received 259,710 common shares of Arcturus in December of 2010 in lieu of an initial cash payment of US\$27,000 and received a further 100,000 common shares of Arcturus in February 2011 following regulatory approval of the agreement. The Company recorded total consideration from the option agreement of \$47,359 with \$36,359 recorded as a recovery against exploration expenditures on the property (Note 8) and \$11,000 as other income.

In April 2010, the Company completed an option agreement on its Anori property with Yamana Colombia ("Yamana"). The Company received US\$50,000 (\$52,852) in the year ended April 30, 2011 with \$47,563 recorded as a recovery against exploration expenditures on the property (Note 8) and \$5,289 as option revenue. In April 2011 Yamana terminated the option agreement.

In September 2010, the Company completed an option agreement on its Otu property with Carla Resources S.A. ("Carla"). Carla can earn up to 50% interest in the property by making total payments of US\$160,000 (\$156,211) over a year. The full balance was received in year ended April 30, 2011. As there were no exploration expenditures incurred by the Company on the property, the full balance was recorded as other income in the current year.

10. EQUITY

a) Share capital

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

On March 2, 2011 Colombian completed a brokered private placement of 9,660,000 units of the Company at a price of \$0.70 per unit for gross proceeds of \$6,762,000. Each unit consisted of one common share and one-half of one common share purchase warrant. Each warrant is exercisable for one common share at a price of \$1.15 for a period of two years with an Expiry date of March 2, 2013. The broker received a cash commission of 6.5% of the gross proceeds of the private placement, a corporate finance fee of 50,000 units and broker warrants to purchase 627,900 common shares of the Company at a price of \$0.70 per share, with an expiry date of March 2, 2013. The proceeds from the issue of units is allocated between common shares and common share purchase warrants on a pro-rata basis based on relative fair values as follows: the fair value of the common shares is based on the market close on the date the units are issued and the fair value of the common share purchase warrants is determined using the Black-Scholes option pricing model. 22.7% of the proceeds were allocated to the share purchase warrants. The broker warrants were valued using a Black-Scholes option pricing model with the following assumptions: a life of two years, a risk-free interest rate of 1.74%, an expected volatility of 129% and a dividend yield of 0% which resulted in a value of \$438,913. The volatility was based on two years of stock price data using the weekly closing price.

b) Share options

The Company adopted a share option plan (“the Plan”) pursuant to the policies of the TSX Venture Exchange (“the Exchange”). The maximum aggregate number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company. The maximum term of the options is five years and the vesting requirements are determined at the time of each grant. The Plan has been approved by the Exchange and is approved by the shareholders of the Company each year at its annual general meeting. The continuity of share purchase options for the years ended April 30, 2012 and 2011 is as follows:

	April 30 2012		April 30 2011	
	Number of stock options	Weighted average exercise price (\$/option)	Number of stock options	Weighted average exercise price (\$/option)
Outstanding, beginning of period	1,687,500	0.89	1,389,700	0.98
Granted	2,061,000	0.53	712,000	0.69
Exercised	-	-	(55,700)	0.45
Expired	(231,000)	1.15	(45,000)	1.00
Forfeited	(350,000)	0.71	(313,500)	0.92
Outstanding, end of period	3,167,500	0.65	1,687,500	0.89

10. EQUITY (continued)

The following table summarizes information about share options outstanding and exercisable at April 30, 2012:

Exercise prices (\$)	Stock options outstanding		Stock options exercisable	
	Number	Weighted average remaining life (years)	Number	Weighted average exercise price (\$/option)
0.38 – 0.69	2,486,500	1.88	1,934,834	0.57
0.88 – 1.21	681,000	1.11	681,000	1.00
	3,167,500	1.72	2,615,834	0.68

Share-based compensation

For the year ending April 30, 2012, the Company granted 2,061,000 stock options to certain directors, officers, employees and consultants with an exercise price ranging from \$0.50 to \$0.55 per option. For the year ending April 30, 2011, the Company granted 712,000 stock options to certain directors, officers, employees and consultants with an exercise price of \$0.69 per option. These options were valued using a Black-Scholes option pricing model with the following weighted average grant date assumptions:

	2012	2011
Weighted average stock price	\$0.53	\$0.69
Weighted average risk-free interest rate	0.94%	1.41%
Expected dividend yield	0%	0%
Weighted average expected stock price volatility	134%	137%
Weighted average forfeiture rate	5.0%	5.0%
Weighted average expected life of options in years	2.8	2.6
Grant date fair value	\$0.36	\$0.50

The risk-free interest rate is the rate on government of Canada three to five year bonds on the date of the grant. The stock price volatility is based on historic market data for the Company over the two years prior to the grant date. The estimated forfeiture rate was based on the historical rate. The Company recorded total stock-based compensation for the year ended April 30, 2012 of \$622,769 (2011 - \$463,521) with the offsetting amount credited to share-based payment reserves.

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10. EQUITY (continued)

c) Warrants

In March 2012 the Company was granted approval to re-price and extend the expiry date of 4,100,000 share purchase warrants which were issued in connection with a March 2010 private placement. The warrants had an original exercise price of \$1.20 and an expiry date of March 23, 2012. The exercise price of these warrants was reduced to \$0.90 and the expiry date was extended to December 22, 2012. All warrant holders received the exercise price reduction and the extension of the expiry date. The continuity of share purchase warrants for the years ended April 30, 2012 and April 30, 2011 is as follows:

Expiry Date	Exercise Price	Balance, April 30 2011	Granted	Exercised	Expired / Cancelled	Balance, April 30 2012
December 22, 2012	\$0.90	4,100,000	-	-	-	4,100,000
March 2, 2013	1.15	4,855,000	-	-	-	4,855,000
March 2, 2013	0.70	627,900	-	-	-	627,900
Total		9,582,900	-	-	-	9,582,900
Weighted average						
Exercise price		\$ 1.14	-	-	-	\$ 1.14

Expiry Date	Exercise Price	Balance, May 1 2010	Granted	Exercised	Expired / Cancelled	Balance, April 30 2011
May 27, 2010	\$1.20	950,000			(950,000)	-
March 23, 2012	1.20	4,100,000				4,100,000
March 23, 2011	1.20	122,562			(122,562)	-
March 23, 2012	1.15	-	4,855,000	-	-	4,855,000
March 2, 2013	0.70	-	627,900	-	-	627,900
Total		5,172,562	5,482,900	-	(1,072,562)	9,582,900
Weighted average						
Exercise price		\$ 1.20	\$ 1.10	-	\$1.20	\$ 1.14

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11. SEGMENTED INFORMATION

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

	Canada	Colombia	Total
2012			
Non-current assets	\$ 118,550	\$ 1,887,908	\$ 2,006,458
2011			
Non-current assets	\$ 149,896	\$ 1,527,118	\$ 1,677,014

12. RELATED PARTY TRANSACTIONS

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

For the year ended April 30, 2012	Fees	Share-Based Payment	Total
Management Compensation	340,872	184,409	525,281

For the year ended April 30, 2011	Fees	Share-Based Payment	Total
Management Compensation	387,533	21,808	\$ 409,341

Related party assets and liabilities	Service or item	April 30, 2012	April 30, 2011	May 1, 2010
Amounts due to:				
Management	Management fees & Expenses	\$ 51,698	\$ 90,469	\$ 25,239

Seabord Services Corp., (“Seabord”) is a management services company which has two officers in common. Seabord provides a chief financial officer, a corporate secretary, accounting staff, administration staff and office space to Colombian Mines. The Chief Financial Officer is an employee of Seabord and is not paid directly by Colombian Mines. These transactions are measured at the exchange amount which is the amount agreed to by related parties. During the year ended April 30, 2012 the Company incurred \$155,600 (2011 - \$150,000) for these services.

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13. INCOME TAX

The Canadian statutory federal income tax rate for the year ended April 30, 2012 was 26.0% (2011 – 27.8%). The Company's effective tax rate differs from the amount obtained by applying statutory rates due to the following:

	2012		2011	
Net loss before income tax expense	\$	(4,508,468)	\$	(4,545,071)
Expected income tax recovery		(1,172,202)		(1,265,211)
Non-deductible expenses		259,286		1,304,277
Other		(428,228)		(1,332,157)
Deferred tax assets not recognized		1,341,144		1,330,925
Total income tax expense	\$	-	\$	37,834

Income tax payable for the year ended April 30, 2011 relates to capital gains tax outstanding on sale of mineral properties in Colombia.

As at April 30, 2012 and 2011 no deferred tax assets were recognized on the following temporary differences as it is not probable that sufficient future taxable profit will be available to realize such assets.

	2012		2011	
Deferred income tax assets:				
Equipment	\$	65,670	\$	46,124
Non-capital loss carry forwards		1,853,441		1,425,433
Mineral properties		2,456,569		1,499,122
Share issuance costs		108,513		181,653
Other		10,706		1,424
Deferred income tax assets not recognized	\$	4,494,899	\$	3,153,756

The Company has available non-capital losses in Canada and in Colombia, for deduction against future taxable income, of approximately \$4,055,000 and 4.5 billion pesos (\$2,520,000) respectively. The Canadian losses, if not utilized, will expire starting in 2027 to 2032. The Colombian losses can be carried forward indefinitely.

14. FINANCIAL AND CAPITAL RISK MANAGEMENT

a) 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. 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. At April 30, 2012, the Company is exposed to currency risk through the following assets and liabilities denominated in Colombian pesos:

14. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

	2012	2011
Cash and cash equivalents	153,704,800	526,387,900
Receivables	443,902,400	4,508,200
Accounts payable and accrued liabilities	(286,256,000)	(303,620,500)
Net exposure	311,351,200	227,275,600
Canadian dollar equivalent	\$ 171,283	\$ 120,956

Based on the above net exposures as at April 30, 2012 and assuming that all other variables remain constant, a 10% change in the value of the Canadian dollars against the above foreign currency would result in an increase / decrease of approximately \$17,100 (2011 - \$12,100) to the net loss for the year.

Credit Risk

The Company's cash and cash equivalents are mainly held through large Canadian institutions and at April 30, 2012 are mainly held in savings accounts 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 as outlined in note 14 (b).

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 term deposits and therefore there is currently minimal interest rate risk.

b) 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 exploration and development of its mineral properties. Colombian 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 penalty. The Company currently does not have sufficient capital to fund its exploration programs and to cover its administrative costs for the next twelve months and will need to raise additional funds (Note 17).

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15. FINANCIAL INSTRUMENTS

The Company has classified its financial assets as follows:

April 30, 2012					
Financial assets	FVTPL	Available- for-sale	Loans-and- receivables	Total	
Cash and cash equivalents	\$ -	\$ -	\$ 1,020,514	\$	1,020,514
Receivables	-	-	261,102		261,102
Investment in securities	17,965	96,646	-		114,611
	\$ 17,965	\$ 96,646	\$ 1,281,616	\$	1,396,227

April 30, 2011					
Financial assets	FVTPL	Available- for-sale	Loans-and- receivables	Total	
Cash and cash equivalents	\$ -	\$ -	\$ 5,487,374	\$	5,487,374
Receivables	-	-	30,286		30,286
Investments in securities	27,930	115,971	-		143,901
	\$ 27,930	\$ 115,971	\$ 5,517,660	\$	5,661,561

May 1, 2010					
Financial assets	FVTPL	Available- for-sale	Loans-and- receivables	Total	
Cash and cash equivalents	\$ -	\$ -	\$ 4,225,970	\$	4,225,970
Receivables	-	-	27,445		27,445
Investments in securities	-	-	-		-
	\$ -	\$ -	\$ 4,253,415	\$	4,253,415

The carrying value of its financial assets approximates their fair value as at April 30, 2012 due to their short term maturity except for investments in securities which are carried at fair value. The Company classifies its only financial liability, accounts payable and accrued liabilities as other financial liabilities. The total other liabilities outstanding at April 30, 2012 was \$462,740 (April 30, 2011 - \$609,141; May 1, 2010 - \$244,162). The carrying value of its financial liabilities approximates their fair value as at April 30, 2012 due to their short term maturity except for a patrimonial tax invoked by the Colombian government based on total assets held in Colombia as at January 1, 2011.

15. FINANCIAL INSTRUMENTS (continued)

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

April 30, 2012	Level 1	Level 2	Total
Financial assets			
Cash	\$ 1,020,514	\$ -	\$ 1,020,514
Investment in securities	96,646	17,965	114,611
<hr/>			
April 30, 2011	Level 1	Level 2	Total
Financial assets			
Cash	\$ 5,487,374	\$ -	\$ 5,487,374
Investment in securities	115,971	27,930	143,901

16. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

As stated in Note 2, these are Colombian's first annual consolidated financial statements prepared in accordance with IFRS. The accounting policies in Note 2 have been applied in preparing the consolidated financial statements for the year ended April 30, 2012, the comparative information for the year ended April 30, 2011 and the preparation of an opening IFRS statement of financial position on the Transition Date, May 1, 2010.

In preparing its opening IFRS statement of financial position, comparative information for the year ended April 30, 2012 and financial statements for the year ended April 30, 2011 the Company has adjusted amounts previously reported in financial statements prepared in accordance with Canadian GAAP. The guidance for the first time adoption of IFRS is set in IFRS 1. IFRS 1 provides for certain mandatory exceptions and optional exemptions for the first time adopters of IFRS.

Business combinations that occurred prior to May 1, 2011 were not accounted for in accordance with IFRS 3, *Business Combinations* ("IFRS 3") or IAS 27, *Consolidated and Separate Financial Statements*, in accordance with the IFRS 1 exemption.

A reconciliation of Statement of Financial Positions and Statements of Operations and Comprehensive Loss for the periods noted below.

- Consolidated Statement of Financial Position as at the transition date of May 1, 2010
- Consolidated Statement of Financial Position as at the transition date of April 30, 2011
- Consolidated Statement of Comprehensive Loss for the year ended April 30, 2011
- Consolidated Statement of Cash Flows for the year ended April 30, 2011

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16. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (continued)

Consolidated Statement of Financial Position as at the transition date of May 1, 2010:

	GAAP	IFRS Adjustments	Notes	IFRS
ASSETS				
Current				
Cash and cash equivalents	\$ 4,225,970	\$ -		\$ 4,225,970
Receivables	27,445	-		27,445
Prepaid expenses	161,241	-		161,241
	4,414,656	-		4,414,656
Equipment	198,224	-		198,224
Mineral properties	561,754	(107,796)	(a)	453,958
	\$ 5,174,634	\$ (107,796)		\$ 5,066,838
LIABILITIES AND EQUITY				
Current				
Accounts payable and accrued liabilities	\$ 244,162	\$ -		\$ 244,162
Equity				
Share capital	9,873,655	-		9,873,655
Warrant reserve	3,232,461	-		3,232,461
Share based payment reserve	1,268,468	(11,006)	(b)	1,257,462
Deficit	(9,444,112)	(96,790)	(a) (b)	(9,540,902)
	4,930,472	-		4,822,676
	\$ 5,174,634	\$ (107,796)		\$ 5,066,838

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16. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (continued)

Consolidated Statement of Financial Position as at April 30, 2011:

	GAAP	IFRS Adjustments	Notes	IFRS
ASSETS				
Current				
Cash and cash equivalents	\$ 5,487,374	\$ -		\$ 5,487,374
Receivables	30,286	-		30,286
Prepaid expenses	317,979	-		317,979
	5,835,639	-		5,835,639
Investment in securities	143,901	-		143,901
Equipment	170,970	-		170,970
Mineral properties	1,469,939	(107,796)	(a)	1,362,143
	\$ 7,620,449	\$ (107,796)		\$ 7,512,653
LIABILITIES AND EQUITY				
Current				
Accounts payable and accrued liabilities	\$ 433,443	\$ -		\$ 433,443
Income tax payable	37,834	-		37,834
	471,277	-		471,277
Non-current				
Accrued liabilities	137,864	-		137,864
Equity				
Share capital	14,360,135	(538)	(b)	14,359,597
Warrant reserve	4,988,949	-		4,988,949
Share based payment reserve	1,661,326	36,335	(b)	1,697,661
Investment revaluation reserve	(18,888)	-		(18,888)
Deficit	(13,980,214)	(143,593)	(a) (b)	(14,123,807)
	7,011,308	(107,796)		6,903,512
	\$ 7,260,449	\$ (107,796)		\$ 7,512,653

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16. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (continued)

Consolidated Statement of Comprehensive Loss for the year ended April 30, 2011:

	GAAP	IFRS Adjustments	Notes	IFRS
EXPLORATION EXPENSES	\$ 3,791,071	\$ -		\$ 3,791,071
ADMINISTRATIVE EXPENSES				
Administration and office costs	295,790	-		295,790
Investor relations and shareholder information	235,895	-		235,895
Professional fees	74,872	-		74,872
Share based payments	416,728	46,803	(b)	463,531
Transfer agent and filing fees	37,692	-		37,692
Travel	8,205	-		8,205
	1,069,182	46,803		1,115,985
Loss before other income and expense	(4,860,253)	(46,803)		(4,907,056)
OTHER INCOME (EXPENSE)				
Change in fair value of derivative financial instruments	(5,213)	-		(5,213)
Foreign exchange gain (loss)	6,499	-		6,499
Interest income and other income	360,699	-		360,699
	361,985	-		361,985
Net loss before income tax expense	(4,498,268)	(46,803)		(4,545,071)
Current income tax expense	(37,834)	-		(37,834)
Net loss for the year	(4,536,102)	(46,803)		(4,582,905)
Other comprehensive loss				
Change in fair value of investment in securities	(18,888)	-		(18,888)
Comprehensive loss	(4,554,990)	(46,803)		(4,601,793)
Basic and diluted loss per common share	\$ (0.19)	-		\$ (0.19)
Weighted average number of common shares outstanding - basic and diluted	24,450,013	-		24,450,013

COLOMBIAN MINES CORPORATION
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16. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (continued)

Consolidated Statement of Cash Flows for the year ended April 30, 2011:

	GAAP	IFRS Adjustments	Notes	IFRS
CASH FLOWS FROM (TO)				
OPERATIONS				
Net loss for the year	\$(4,536,102)	\$ (46,803)	(b)	\$(4,582,905)
Items not affecting cash:				
Depreciation	121,251	-		121,251
Change in fair value of investment in securities	5,213	-		5,213
Gain on sale of equipment	-	-		-
Gain on optioning of mineral properties	(168,002)	-		(168,002)
Share based payments	416,728	46,803	(b)	463,531
Changes in non-cash working capital items:				
Receivables	(2,841)	-		(2,841)
Prepaid expenses	(156,738)	-		(156,738)
Accounts payable and accrued Liabilities	364,979	-		364,979
	(3,955,512)	-		(3,955,512)
INVESTING				
Mineral properties	(908,185)	-		(908,185)
Equipment	(93,997)	-		(93,997)
	(1,002,182)	-		(1,002,182)
FINANCING				
Shares issued for cash (net)	6,219,098	-		6,219,098
	6,219,098	-		6,219,098
Change in cash and cash equivalents during the year	1,261,404	-		1,261,404
Cash and cash equivalents at beginning of year	4,225,970	-		4,225,970
Cash and cash equivalents at end of year	\$5,487,374	\$ -		\$5,487,374

a) Deferred Tax on Mineral Properties

Under GAAP, Colombian recognized a future income tax liability on the acquisition of mineral properties where the fair value of these properties exceeded their tax values in a transaction which was not a business combination and affected neither accounting profit or loss nor taxable profit or loss. IFRS does not permit the recognition of deferred taxes on such transactions. The original entry had resulted in an increase to mineral properties with an offsetting increase in the deferred tax liability. Subsequently the deferred tax liability had been reversed which

16. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (continued)

reduced the deficit. As a result Colombian has made an adjustment on transition to IFRS to reduce mineral properties by \$107,796 with the offsetting increase to the deficit on May 1, 2010.

b) Share Based Payments

Under GAAP share based compensation for consultants to Colombian had measurement dates which differed from those of employees where the options had vesting conditions and this affected the amount of share based compensation reported for consultants as compared to employees. Under IFRS the definition of employee is much broader than for GAAP such that persons previously categorized as consultants under GAAP are categorized as employees under IFRS. The Company has revised its Black-Scholes option pricing model inputs for persons who were previously considered to be consultants and for IFRS reporting has used the same inputs as were used for employees. This has resulted in changes to the amount of share based compensation recognized and additionally to the amount to the amount of share based compensation reserve reclassified to share capital on the exercise of those share options. The Company has taken the exemption provided under IFRS 2 Share Based Payments and will apply IFRS 2 for equity instruments granted after November 7, 2002 that had not vested at May 1, 2010. Therefore the Company has revised its estimate of share based compensation only for those options that had not vested at May 1, 2010 and any subsequent grants up to April 30, 2011.

17. EVENTS AFTER THE BALANCE SHEET DATE

In February 2012 the Company entered into an agreement with Teck Resources Limited whereby Teck would make a strategic investment of \$1,510,500 in Colombian Mines by means of a non-brokered private placement and Teck’s local subsidiary (“TLS”) will simultaneously enter into an agreement to earn a Joint Venture Interest in the Yarumalito project (“the Project”) whereby TLS could earn up to a 70% Joint Venture Interest by spending not less than \$10 million on exploration and making cash payments and private placements. Colombian Mines 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 a management fee equal to 10% of all exploration expenditures. On July 20, 2012 the private placement was completed.

Teck subscribed for a total of 2,850,000 units at a price equal to \$0.53 per unit for net proceeds of \$1,510,500. Each unit consists of one common share of stock and one-half warrant. Each full warrant may be exercised at a price equal to \$0.90 per warrant for 12 months after the closing of the private placement and at a price of \$1.15 per warrant during the period that is between 12 and 24 months after the closing date of the private placement.