COLOMBIAN MINES CORPORATION

CORPORACIÓN MINERA DE COLOMBIA S.A.

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

January 31, 2011

NOTICE TO READER

The accompanying unaudited interim consolidated financial statements of Colombian Mines Corporation for the nine months ended January 31, 2011 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These financial statements have not been reviewed by the Company's external auditors.

COLOMBIAN MINES CORPORATION
CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	January 31, 2011	April 30, 2010
ASSETS		
Current		
Cash and cash equivalents	$ 1,183,094	$ 4,225,970
Receivables	38,472	27,445
Prepaid expenses	71,684	161,241
	1,293,250	4,414,656
Long term investment (Note 3)	31,165	-
Equipment (Note 4)	135,865	198,224
Mineral properties (Note 5)	932,941	561,754
	$ 2,393,221	$ 5,174,634
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 7)	$ 377,468	$ 244,162
Non-current		
Accrued liabilities	132,587	-
Shareholders' equity		
Capital stock (Note 6)	9,922,721	9,873,655
Contributed surplus (Note 6)	4,855,911	4,500,929
Accumulated other comprehensive loss	(5,194)	-
Deficit	(12,890,272)	(9,444,112)
	1,883,166	4,930,472
	$ 2,393,221	$ 5,174,634

Nature and continuance of operations (Note 1)

On behalf of the Board:

Signed: *"Nathan A. Tewalt"* Director   Signed: *"Richard Graham"* Director

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

COLOMBIAN MINES CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
NINE MONTHS ENDED JANUARY 31,
(Unaudited – Prepared by Management)

	Three months ended January 31, 2011	Three months ended January 31, 2010	Nine months ended January 31, 2011	Nine months ended January 31, 2010
EXPLORATION EXPENDITURES (Note 5)	$ 918,628	$ 123,049	$ 2,764,737	$ 293,975
ADMINISTRATIVE EXPENSES				
Administration and office costs	69,495	99,908	213,705	159,484
Investor relations and shareholder information	65,721	62,102	161,472	79,709
Professional fees	12,622	10,000	42,372	45,349
Stock based compensation	111,924	48,223	378,852	140,227
Transfer agent and filing fees	5,290	3,875	22,138	17,675
Travel	2,791	1,811	4,168	2,843
	267,843	225,919	822,707	445,287
Loss before other income and expense	(1,186,471)	(348,968)	(3,587,444)	(739,262)
OTHER ITEMS				
Foreign exchange gain (loss)	(19,898)	(10,055)	15,811	3,689
Gain on disposal of equipment	-	-	-	11,545
Interest income and other income	53,820	2,101	125,473	15,868
	33,922	(7,954)	141,284	31,102
Net loss for the period	(1,152,549)	(356,922)	(3,446,160)	(708,160)
Other comprehensive loss				
Change in fair value of financial instruments (Note 3)	(5,194)	-	(5,194)	-
Comprehensive loss	(1,157,743)	(356,922)	(3,451,354)	(708,160)
Basic and diluted loss per common share	$ (0.05)	$ (0.02)	$ (0.15)	$ (0.04)
Weighted average number of common shares outstanding – basic and diluted	22,872,075	18,515,761	22,844,848	18,515,761

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

COLOMBIAN MINES CORPORATION
CONSOLIDATED STATEMENTS OF DEFICIT AND ACCUMULATED OTHER COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
NINE MONTHS ENDED JANUARY 31,
(Unaudited – Prepared by Management)

	Three months ended January 31, 2011	Three months ended January 31, 2010	Nine months ended January 31, 2011	Nine months ended January 31, 2010
Deficit, beginning of period	$ (11,737,723)	$ (8,300,511)	$ (9,444,112)	$ (7,949,273)
Net income (loss) for the period	(1,152,549)	(356,922)	(3,446,160)	(708,160)
Deficit, end of period	$ (12,890,272)	$ (8,657,433)	$ (12,890,272)	$ (8,657,433)
Accumulated other comprehensive loss beginning of the period	$ -	$ -	$ -	$ -
Change in fair value of financial instruments, net of future income taxes	(5,194)	-	(5,194)	-
Accumulated other comprehensive loss end of period	$ (5,194)	$ -	$ (5,194)	$ -

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

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

	Three months ended January 31,		Nine months ended January 31,	
	2011	2010	2011	2010
CASH FLOWS FROM (TO):				
OPERATIONS				
Net loss for the period	$ (1,152,549)	$ (356,922)	$ (3,446,160)	$ (708,160)
Items not affecting cash:				
Amortization	32,982	19,576	90,595	58,705
Gain on disposal of equipment	-	-	-	(11,545)
Shares received on sale of property	(36,539)	-	(36,539)	-
Stock based compensation	111,924	48,223	378,852	140,227
Change in non-cash working capital items:				
Receivables	(28,141)	(12,412)	(11,027)	26,887
Prepaid expenses	15,237	7,084	89,557	1,958
Accounts payable and accrued liabilities	207,037	30,257	265,893	(48,549)
	(849,869)	(264,194)	(2,668,649)	(540,477)
INVESTING				
Mineral properties	-	-	(371,187)	(68,060)
Equipment	(9,711)	(391)	(28,236)	(463)
Proceeds on disposal of equipment	-	-	-	21,015
	(9,711)	(391)	(399,423)	(47,508)
FINANCING				
Shares issued for cash	22,156	-	25,196	-
	22,156	-	25,196	-
Change in cash and cash equivalents during the period	(837,424)	(264,585)	(3,042,876)	(587,985)
Cash and cash equivalents at beginning of period	2,020,518	1,175,265	4,225,970	1,498,665
Cash and cash equivalents at end of period (Note 9)	$ 1,183,094	$ 910,680	$ 1,183,094	$ 910,680

Supplementary cash flow information (Note 9)

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”) has mineral properties which are located in an emerging country and, consequently, may be subject to a higher level of risk compared to developed countries. Operations, the status and title of mineral property rights and the recoverability of amounts shown for mineral properties in emerging nations can be affected by changing economic, regulatory and political situations. The Company is in the process of exploring its mineral properties and has not yet determined whether they contain reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete their exploration and development, confirmation of the Company’s interest in the underlying claims and leases, and from future profitable production or proceeds from the disposition of the mineral properties.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. Therefore, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the accompanying financial information reflects all adjustments, consisting primarily of normal and recurring adjustments considered necessary for fair presentation of the results for the interim period. Operating results for the nine months ended January 31, 2011 are not necessarily indicative of the results that may be expected for the year ending April 30, 2011. These interim consolidated financial statements follow the same accounting policies as set out in Note 2 to the annual audited consolidated financial statements of the Company for the year ended April 30, 2010. Accordingly, these financial statements should be read in conjunction with the 2010 annual audited consolidated financial statements and notes thereto. These accounting policies have been consistently applied in the preparation of these interim financial statements. Some of the comparative figures have been reclassified to conform to the current period presentation.

Recent Accounting Pronouncements

Business Combinations and Related Sections

CICA Handbook Section 1582, “Business Combinations” and Section 1601, “Non-Controlling Interests”, replace Sections 1581 and 1600 respectively. The new standards revise guidance on the determination of the carrying amount of assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination. These standards are effective January 1, 2011 prospectively, with early adoption permitted. Colombian does not expect that the adoption of these new standards will have a material impact on its financial statements.

(Expressed in Canadian dollars)

3. LONG TERM INVESTMENTS

During the quarter ended January 31, 2011 the Company received 259,710 common shares of Arcturus Ventures Inc. with respect to an option payment. These common shares have been designated as available for sale investments.

	Cost	Fair Value	Unrealized Loss
Available for sale investments	$ 36,359	$ 31,165	$ 5,194

4. EQUIPMENT

	January 31, 2011			April 30, 2010		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Office	$ 102,815	$ 68,573	$ 34,242	$ 78,498	$ 44,423	$ 34,075
Field	175,226	99,941	75,285	172,230	70,420	101,810
Vehicles	145,682	119,344	26,338	145,682	83,343	62,339
	$ 423,723	$ 287,858	$ 135,865	$ 396,410	$ 198,186	$ 198,224

5. MINERAL PROPERTIES AND EXPLORATION EXPENDITURES

Mineral Properties, Colombia

The Company, through its subsidiary, Corporacion Minera de Colombia S.A., ("Minera Colombia") has acquired options on the Yarumalito and Gachala properties. Option payments for these properties have been capitalized to mineral properties. During the nine months ended January 31, 2011 Colombian made option payments of US$350,000 on the Yarumalito property and US$20,000 on the Gachala property.

	Jan 31, 2011	April 30, 2010
Yarumalito	$ 874,650	$ 523,758
Gachala	58,291	37,996
	$ 932,941	$ 561,754

(Expressed in Canadian dollars)

5. MINERAL PROPERTIES AND EXPLORATION EXPENDITURES (Continued)

Yarumalito

Colombian has an option agreement to acquire the Yarumalito property. The following payments must be made in order to maintain the option in good standing.

Date	U.S. Dollars	Status	Canadian equivalent outstanding at January 31, 2011
On execution of agreement	$ 40,000	Paid	$ -
February 28, 2007	30,000	Paid	-
February 28, 2008	50,000	Paid	-
February 28, 2009	50,000	Paid	-
October 15, 2009	50,000	Paid	-
October 15, 2010	350,000	Paid	-
March 15, 2011	550,000	Note 12	550,935
October 15, 2011	380,000	-	380,646
	$ 1,500,000		$ 931,581

Gachala

Colombian has an option agreement to acquire a 100% interest in the Gachala property located in the jurisdiction of the municipalities of Gachala and Ubala, Colombia. The following payments must be made in order to maintain the option in good standing and complete the acquisition.

Date	U.S. Dollars	Status	Canadian equivalent outstanding at January 31, 2011
On execution of agreement	$ 20,000	Paid	$ -
August 4, 2009	15,000	Paid	-
August 4, 2010	20,000	Paid	-
August 4, 2011	25,000	-	25,043
August 4, 2012	30,000	-	30,051
August 4, 2013	35,000	-	35,060
August 4, 2014 – 2026 (US$50,000/yr.)	650,000	-	651,105
August 4, 2027	5,000	-	5,009
	$ 800,000		$ 746,268

(Expressed in Canadian dollars)

5. MINERAL PROPERTIES AND EXPLORATION EXPENDITURES (Continued)

Exploration Expenditures

The Company incurred the following exploration expenditures (including amortization of $90,595) during the nine months ended January 31, 2011.

	Yarumalito	Nus	Anori	El Dovio	Other	Total
Administration	$ 173,087	$ 4,981	$ 9,458	$ 69,650	$ 283,023	$ 540,199
Assaying	220,486	777	618	5,422	17,375	244,678
Consultants	143,716	323	10,331	21,098	88,984	264,452
Drilling	918,992	-	-	-	-	918,992
Field costs	114,036	23,875	23,149	124,839	123,726	409,625
Salaries	126,851	-	-	24,165	58,422	209,438
Taxes	122,683	7,105	4,007	12,754	52,196	198,745
Travel	15,545	117	-	2,325	10,005	27,992
Vehicle costs	8,853	32	-	365	3,399	12,649
Mapping	-	-	-	-	14,391	14,391
Geophysics	31,279	-	-	-	-	31,279
	1,875,528	37,210	47,563	260,618	651,521	2,872,440
Exploration Cost Recovery	(4,981)	(36,359)	(47,563)	-	(18,800)	(107,703)
	$ 1,870,547	$ 851	$ -	$ 260 618	$ 632,721	$ 2,764,737

The Company incurred the following exploration expenditures (including amortization of $58,705) during the nine months ended January 31, 2010.

	Yarumalito	Nus	Anori	El Dovio	Other	Total
Administration	$ 59,652	$10,546	$ 4,387	$ 3,808	$ 46,624	$ 125,017
Assaying	4,315	-	-	-	1,893	6,208
Consultants	26,435	102	9,914	15,729	21,620	73,800
Drilling	5,759	734	293	246	3,865	10,897
Field costs	24,806	6,581	87	32	2,822	34,328
Salaries	11,718	4,212	3,909	25	13,541	33,405
Taxes	1,663	-	-	-	43	1,706
Travel	1,720	910	376	58	2,357	5,421
Vehicle costs	720	396	218	155	1,704	3,193
	$ 136,788	$ 23,481	$ 19,184	$ 20,053	$ 94,469	$ 293,975

(Expressed in Canadian dollars)

6. CAPITAL STOCK

Authorized
An unlimited number of common shares without par value.

Issued and outstanding common shares

	Number of Shares	Stated Amount	Contributed Surplus
Balance April 30, 2010	22,826,061	$ 9,873,655	$ 4,500,929
Share issued on exercise of options	55,700	25,196	-
Reclassify contributed surplus on exercise of options	-	23,870	(23,870)
Stock-based compensation	-	-	378,852
Balance January 31, 2011	22,881,761	$ 9,922,721	$ 4,855,911

Warrants
On May 27, 2010, 950,000 common share purchase warrants with an exercise price of $ 1.00 expired unexercised. For the March 23, 2010 private placement, 4,100,000 warrants were issued to subscribers and 122,562 warrants were issued to brokers as finder's fees. As at January 31, 2011, the details of outstanding share purchase warrants were as follows:

	Number of Warrants	Exercise Price	Expiry Date
March 23/10 Private Placement	122,562	$1.20	March 23, 2011
March 23/10 Private Placement	4,100,000	$1.20	March 23, 2012
	4,222,562	$1.20	

(Expressed in Canadian dollars)

6. CAPITAL STOCK (Continued)

Stock options

The following tables summarize information about the stock options which were outstanding and exercisable at January 31, 2011:

Date Granted	Number Outstanding	Number Vested	Exercise Price	Weighted Average Remaining Life in Years
December 3, 2007	684,000	684,000	$1.00	2.17
October 20, 2009	40,000	40,000	0.38	3.72
January 5, 2010	118,000	118,000	0.88	3.93
April 14, 2010	215,000	115,000	1.21	4.20
September 3, 2010	379,000	117,667	0.69	2.59
September 3, 2010	320,000	106,666	0.69	1.59
	1,756,000	1,181,333	$0.99	2.56

	Number of Shares	Weighted Average Exercise Price
Balance as of April 30, 2010	1,389,700	$0.98
Granted	712,000	0.69
Exercised	(55,700)	0.45
Expired/forfeited	(290,000)	0.99
Balance as of January 31, 2011	1,756,000	$0.88

Stock-based compensation

On September 3, 2010 Colombian granted 712,000 stock options to certain employees, directors and officers and consultants. Of these options, 320,000 had an option life of 2 years and 392,000 had an option of 3 years. One-third of the options vested on the grant date, one-third will vest in six months and one-third will vest in one year. These options were valued using a Black-Scholes option pricing model with the following weighted average grant date assumptions: a stock price of $0.69, a risk-free interest rate of 1.41% a volatility of 199%, an option life of 2.55 years and a dividend yield of 0%. This resulted in a weighted grant date fair value of $0.61 per option. The Company recorded stock-based compensation of $319,504 during the nine months ended January 31, 2011 for this option grant and $59,348 on previously granted options, with the offsetting amount credited to contributed surplus.

7. RELATED PARTY TRANSACTIONS

During the nine months ended January 31, 2011, the Company paid $ 112,500 (2010 - $104,500) to Seabord Services Corp. ("Seabord"), a management services company that has two officers in common, for administrative services which include: a chief financial officer, a corporate secretary, accounting staff and office space. As at January 31, 2011, the Company had deposits for future services with Seabord in the amount of $10,000 (2010 - $10,000) which were included in prepaid expenses. As at January 31, 2011 $2,102 (2010 - $75) was owed to related parties and included in accounts payable and accrued liabilities. The amounts charged represent management's estimate of the fair value of the services provided. These transactions were in the normal course of operations.

8. SEGMENTED INFORMATION

The Company operates in a single business segment, mineral exploration. The Company is currently operating in only one geographic area which is Colombia.

9. SUPPLEMENTARY CASH FLOW INFORMATION

For the nine months ended January 31, 2011, Colombian received cash for interest income of $ 18,468 (2010 - $48,577). As at January 31, 2011, the Company's cash and cash equivalents which amounted to $ 1,183,094 were all in cash. As at April 30, 2010, the Company's cash and cash equivalents which amounted to $4,225,970 were composed of $4,163,404 in cash and $62,566 in term deposits. During the quarter ended January 31, 2011 Colombian received common shares valued at $36,359 as an option payment.

10. MANAGEMENT OF CAPITAL

Colombian'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. Colombian relies mainly on equity issuances to raise new capital. The Company's business model is to enter joint venture agreements on certain properties which will enable it to conserve capital and to reduce risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash. The Company estimates exploration expenditures to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to invest its cash in 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 will require additional capital to fund its exploration programs, make option payments and to cover its administrative costs for the next twelve months. The Company has historically financed its operations by equity financings. The Company completed a financing subsequent to January 31, 2011. Details are provided in note 12.

11. MANAGEMENT OF FINANCIAL RISK

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

(a) 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 January 31, 2011, the Company is exposed to currency risk through the following assets and liabilities denominated in Colombian pesos:

	Colombian Pesos
Cash and cash equivalents	323,025,600
Receivables	28,920,200
Accounts payable and accrued liabilities	(371,404,800)
Net exposure	(19,459,000)

Based on the above net exposure as at January 31, 2011 and assuming that all other variables remain constant, a 10% change in the value of the Canadian dollar against the Colombian peso would result in an increase / decrease of approximately $ 1,000 in the loss from operations. The Colombian peso exchange rate at January 31, 2011 was 1,860 Colombian pesos to the Canadian dollar and the peso exposure amounts to $ 10,464.

(b) Credit Risk
The Company's cash and cash equivalents are mainly held through a large Canadian financial institution and at January 31, 2011 are mainly cash in interest bearing savings accounts and accordingly credit risk is minimized. The Company's receivables are mainly expenditure recoveries from third parties.

(c) 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 10.

(d) Interest Rate Risk
Interest rate risk is the risk that the fair value of 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 a savings account with a major Canadian bank and therefore there is currently minimal interest rate risk.

(e) Other Price Risk
The Company is exposed to price risk on its investment in the common shares of Arcturus. A 10% change in the price of these shares would result in an increase or decrease of the net loss in the amount of approximately $3,100.

12. SUBSEQUENT EVENTS

In March 2011 the Company made the option payment of US$550,000 on the Yarumalito property (note 5).

In March 2011 the Colombian completed a brokered private placement. The Company issued 9,660,000 units at a price of $0.70 per unit for gross proceeds of $6,762,000. Each Unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each warrant is exercisable into one common share of the Company for a period of 24 months from closing at an exercise price of $1.15. All securities issued pursuant to the Offering will be subject to a four month hold period expiring on July 3, 2011. Canaccord Genuity Corp. acted as agent of the Company pursuant to the private placement and received a cash commission equal to 6.5% of the gross proceeds, 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 for a period of 24 months from closing.