

COLOMBIAN MINES CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

October 31, 2009

The accompanying unaudited interim financial statements of Columbian Mines Corporation for the six months ended October 31, 2009 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)

	October 31, 2009	April 30, 2009
ASSETS		
Current		
Cash and cash equivalents	\$ 1,175,265	\$ 1,498,665
Receivables	36,371	41,492
Prepaid expenses	17,084	11,958
	<u>1,228,720</u>	<u>1,552,115</u>
Equipment (Note 3)	162,146	244,851
Mineral properties (Note 4)	619,825	551,765
	<u>\$ 2,010,691</u>	<u>\$ 2,348,731</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current

Accounts payable and accrued liabilities (Note 6)	\$ 59,973	\$ 138,779
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Shareholders' equity

Capital stock (Note 5)	7,659,187	7,659,187
Contributed surplus (Note 5)	2,592,042	2,500,038
Deficit	<u>(8,300,511)</u>	<u>(7,949,273)</u>
	<u>1,950,718</u>	<u>2,209,952</u>

\$ 2,010,691 \$ 2,348,731

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 AND DEFICIT**

(Expressed in Canadian Dollars)

SIX MONTHS ENDED OCTOBER 31,

(Unaudited – Prepared by Management)

	Three months ended October 31,		Six months ended October 31,	
	2009	2008	2009	2008
EXPLORATION EXPENDITURES (Note 4)	\$ 104,112	\$ 497,511	\$ 170,926	\$ 1,217,659
ADMINISTRATIVE EXPENSES				
Amortization	-	13,793	-	27,588
Administration and office costs	32,035	43,846	59,576	100,678
Investor relations and shareholder information	17,607	19,348	17,607	37,347
Professional fees	8,798	13,000	35,349	36,438
Stock based compensation	92,004	-	92,004	-
Transfer agent and filing fees	9,681	7,132	13,800	25,306
Travel	1,032	98	1,032	4,918
	161,157	97,217	219,368	232,275
Loss before other income and expense	(265,269)	(594,728)	(390,294)	(1,449,934)
OTHER ITEMS				
Foreign exchange gain (loss)	4,630	(97,021)	13,744	(125,217)
Gain on sale of equipment	-	2,691	11,545	2,691
Interest income and other income	3,471	22,144	13,767	43,198
	8,101	(72,186)	39,056	(79,328)
Loss and comprehensive loss for the period	(257,168)	(666,914)	(351,238)	(1,529,262)
Deficit, beginning of period	(8,043,343)	(6,246,394)	(7,949,273)	(5,384,046)
Deficit, end of period	\$(8,300,511)	\$(6,913,308)	\$ (8,300,511)	\$ (6,913,308)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.04)	\$ (0.02)	\$ (0.08)
Weighted average number of common shares outstanding – basic and diluted	18,515,761	18,515,761	18,515,761	18,381,522

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

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

	Three months ended October 31,		Six months ended October 31,	
	2009	2008	2009	2008
CASH FLOWS FROM (TO):				
OPERATIONS				
Loss for the period	\$ (257,168)	\$ (666,914)	\$ (351,238)	\$ (1,529,262)
Items not affecting cash:				
Amortization	19,565	39,046	39,129	74,536
Gain on sale of equipment	-	(2,691)	(11,545)	(2,691)
Stock based compensation	92,004	-	92,004	-
Change in non-cash working capital items:				
Receivables	4,483	(98,510)	39,299	(94,248)
Prepaid expenses	(3,026)	165,585	(5,126)	204,158
Accounts payable and accrued liabilities	(16,101)	(29,798)	(78,806)	(7,018)
	(160,243)	(593,282)	(276,283)	(1,354,525)
INVESTING				
Mineral properties	(68,060)	(18,858)	(68,060)	(59,617)
Equipment	(72)	(188)	(72)	(4,833)
Proceeds on disposal of equipment	-	20,268	21,015	20,268
	(68,132)	1,222	(47,117)	(44,182)
FINANCINGS				
Shares issued for cash	-	-	-	883,500
	-	-	-	883,500
Change in cash and cash equivalents during the period	(228,375)	(592,060)	(323,400)	(515,207)
Cash and cash equivalents at beginning of period	1,403,640	2,585,784	1,498,665	2,508,931
Cash and cash equivalents at end of period (Note 8)	\$ 1,175,265	\$1,933,724	\$ 1,175,265	\$ 1,993,724

Supplementary cash flow information (Note 8)

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.

At present, Colombian has no revenue generating activities and has working capital of \$1,168,747. The Company does not have the financial resources to continue exploration activity at the same level as it did for fiscal 2009. The Company has historically financed its operations by the issuance of equity. However, there is no guarantee that this source of capital will be available in the future, and if it is, whether it will be on terms acceptable to the Company. If the Colombian cannot secure additional financing then the going concern basis of presentation may not be appropriate and Colombian may have to realize its assets at amounts significantly below their carrying value. Colombian is currently exploring its mineral properties and has not yet determined whether its mineral properties contain reserves that are economically recoverable. The recoverability of amounts capitalized for mineral properties is dependent upon the discovery of sufficient economically recoverable ore reserves, confirmation of the Company’s interest in the underlying mineral properties, the ability of the Company to arrange appropriate financing to complete the development of the mineral properties and upon future profitable production or proceeds from the sale 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 six months ended October 31, 2009 are not necessarily indicative of the results that may be expected for the year ending April 30, 2010. 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, 2009. Accordingly, these financial statements should be read in conjunction with the 2009 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 is assessing the impact of these new standards on its consolidated financial statements.

COLOMBIAN MINES CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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OCTOBER 31, 2009

3. EQUIPMENT

	October 31, 2009			April 30, 2009		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Office	\$ 73,331	\$ 36,703	\$ 36,628	\$ 73,259	\$ 29,400	\$ 43,859
Field	166,783	53,373	113,410	210,431	36,721	173,710
Vehicles	76,750	64,642	12,108	76,750	49,468	27,282
	\$ 316,864	\$ 154,718	\$ 162,146	\$ 360,440	\$ 115,589	\$ 244,851

4. MINERAL PROPERTIES AND EXPLORATION EXPENDITURES

Mineral Properties

The Company, through its subsidiary, Corporacion Minera de Colombia S.A., ("Minera Colombia") has acquired options on the Yarumalito and Gachala properties and a 50% interest in the Otu mining concession contract. A summary of capitalized acquisition costs is as follows.

	October 31, 2009	April 30, 2009
Yarumalito	\$ 523,758	\$ 472,313
Gachala	37,996	21,381
Otu	58,071	58,071
	\$ 619,825	\$ 551,765

Yarumalito

In August of 2009, Colombian renegotiated the Yarumalito agreement to revise the timing and the amounts of the remaining payments from those agreed upon in the February 2009, amendment. According to the most recent amendment of the Yarumalito option agreement, the following payments must be made in order to maintain the option in good standing.

Date	U.S. Dollars	Status	Canadian equivalent outstanding at October 31, 2009
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	-	375,340
March 15, 2011	500,000	-	536,200
October 15, 2011	380,000	-	407,512
	\$ 1,450,000		\$ 1,319,052

COLOMBIAN MINES CORPORATION
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4. MINERAL PROPERTIES AND EXPLORATION EXPENDITURES (continued)

Gachala (Cerro de Cobre)

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 Ubalá, Colombia in consideration of a cash payment of US\$20,000. In order to maintain its interest in the option, the Company was supposed to make an option payment of US\$55,000 on August 4, 2009. However, Colombian renegotiated the option agreement in August 2009 and made an option payment of US\$15,000 instead of the US\$55,000 payment. The terms of the agreement were revised significantly whereby the total purchase price was reduced from US\$1,500,000 to US\$800,000 which includes the US\$20,000 payment made on the execution of the original agreement. The next option payment is due on August 4, 2010 in the amount of US\$20,000, with additional payments due every August thereafter until the entire purchase price is paid.

Exploration Expenditures

The Company incurred the following exploration expenditures (including amortization of \$39,129) during the six months ended October 31, 2009.

	Yarumalito	Gachala	Other Projects	Total
Administration	\$ 45,306	\$ 6,338	\$ 45,967	\$ 97,611
Assaying	3,704	-	-	3,704
Consultants	15,179	2,173	24,812	42,164
Drilling	6,681	779	6,803	14,263
Field costs	1,759	10	5,562	7,331
Salaries	2,039	-	522	2,561
Taxes	1,202	45	2	1,249
Travel	665	78	344	1,087
Vehicle costs	291	36	629	956
	\$ 76,826	\$ 9,459	\$ 84,641	\$ 170,926

The Company incurred the following exploration expenditures (including amortization of \$46,948) during the six months ended October 31, 2008.

	Yarumalito	Guayabales	Other	Total
Administration	\$ 54,148	\$ 240,954	\$ 98,968	\$ 394,070
Assaying	26,352	29,101	31,517	86,970
Consultants	21,856	39,404	73,255	134,515
Drilling	-	284,944	-	284,944
Field costs	11,463	28,972	23,675	64,110
Legal	6,044	7,995	11,280	25,319
Salaries	35,559	59,659	72,563	167,781
Taxes	692	1,729	371	2,792
Travel	3,698	9,762	19,011	32,471
Vehicle costs	2,445	15,457	6,785	24,687
	\$ 162,257	\$ 717,977	\$ 337,425	\$ 1,217,659

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5. CAPITAL STOCK

Authorized

An unlimited number of common and preferred shares without par value.

Issued and outstanding common shares

	Number of Shares	Stated Amount	Contributed Surplus
Balance April 30, 2009	18,515,761	\$ 7,659,187	\$ 2,500,038
Stock-based compensation	-	-	92,004
Balance October 31, 2009	18,515,761	\$ 7,659,187	\$ 2,592,042

Warrants

As at October 31, 2009, the details of outstanding share purchase warrants were as follows:

	Number of Warrants	Exercise Price	Expiry Date
May 27/08 Private Placement	950,000	1.20	May 27, 2010

Stock options

The following table summarizes information about the stock options which were outstanding and exercisable at October 31, 2009:

Date Granted	Number of Options	Exercise Price	Weighted Average Remaining Life in Years
December 3, 2007	1,101,000	1.00	3.15
October 20, 2009	251,000	0.38	0.40
	1,352,000	0.88	3.55

During the nine months ended October 31, 2009, 371,000 options with an exercise price of \$1.00 expired unexercised. On October 20, 2009 the Company granted 251,000 stock options to employees and consultants at an exercise price of \$0.38 per option and an expiry date of October 20, 2014. The fair value of these options has been measured using a Black-Scholes option pricing model, with the following assumptions: an expected dividend yield of 0%, a stock price volatility of 209%, a risk free interest rate of 1.36% and an expected life of 4 years. The options were fully vested on the grant dates. The Company recorded stock-based compensation expense of \$92,004 with the offsetting amount credited to contributed surplus.

6. RELATED PARTY TRANSACTIONS

During the six months ended October 31, 2009, the Company paid \$69,400 (2008 - \$Nil) to Seabord Services Corp. ("Seabord"), a management services company which has two officers in common, for administrative services which include: a chief financial officer, a corporate secretary, accounting staff and office space. As at April 30, 2009, the Company had deposits for future services with Seabord in the amount of \$10,000 (2008 - \$Nil) which were included in prepaid expenses. The amounts charged represent management's estimate of the fair value of the services provided. These transactions were in the normal course of operations.

7. 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.

8. SUPPLEMENTARY CASH FLOW INFORMATION

For the six months ended October 31, 2009, Colombian received cash for interest income of \$50,550 (2008 - \$25,835). As at October 31, 2009, the Company's cash and cash equivalents were all in cash. As at April 30, 2009, the Company's cash and cash equivalents which amounted to \$1,498,665 were composed of \$118,665 in cash and \$1,380,000 in term deposits.

9. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties. 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 currently has sufficient capital to fund its exploration programs and to cover its administrative costs for the next twelve months and accordingly these financial statements have been prepared on a going-concern basis.

10. 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

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10. MANAGEMENT OF FINANCIAL RISK (Continued)

to currency fluctuations. At October 31, 2009, the Company is exposed to currency risk through the following assets and liabilities denominated in Colombian pesos:

	Colombian Pesos
Cash and cash equivalents	109,588,800
Receivables	65,781,800
Accounts payable and accrued liabilities	(49,857,900)
Net exposure	125,512,700

Based on the above net exposure as at October 31, 2009 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 \$6,700 in the loss from operations. The Colombian peso exchange rate at October 31, 2009 was 1,866 Colombian pesos to the Canadian dollar and the peso exposure amounts to \$67,250.

(b) Credit Risk

The Company's cash and cash equivalents are mainly held through a large Canadian financial institution and at October 31, 2009 are mainly cash in high interest 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 9.

(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.