2009 Annual Report

Year Ending April 30

Corporación Minera de Colombia S.A.

Colombian Mines Corporation

www.colombianminescorp.com

To Our Shareholders

August 10, 2009

Dear Fellow Shareholders,

Each and every one of us is keenly aware of the economic downturn this past year and the resulting effect it has had in the markets; particularly the junior sector. Early in this difficult business cycle, Colombian Mines Corporation ("CMJ" or "the Company"), made the hard decisions necessary to focus on conservation of working capital, enabling us to maintain the Company's exceptional property portfolio and commanding position in Colombia. To maximize shareholder value, we have emphasized Joint Venture opportunities on our non-flagship properties.

YARUMALITO

The Company successfully negotiated amendments to the purchase agreement such that the Company's payment due in October was reduced to $50,000 from $200,000.

The most recent work at Yarumalito suggests the potential for porphyry style gold targets with related base metal mineralization. Initially explored for porphyry related stockwork gold mineralization, similar to that found at Marmato, La Bodega and Angostura, a 2006 CMJ drilling program confirmed the presence of both stockwork and vein style mineralization in a gold porphyry environment. A portion of this mineralization occurs as near surface oxide mineralization potentially amenable to low cost heap leach extraction. Work on the property continues to emphasize bulk-tonnage potential similar to other Colombian gold porphyries at La Colosa, Gramalote and Quebradona.

Work by CMJ and others has identified two large drill ready target areas centrally located on the property with excellent potential to host large tonnage, bulk mineable gold – copper porphyry mineralization. Company geologists are finalizing a work plan and budget for Yarumalito that may include drilling at Yarumalito this year.

CERRO DE COBRE

The Company has also negotiated important amendments to the Cerro de Cobre (CdC) purchase agreement reducing the upcoming purchase option payment from $50,000 to $15,000.

With Cerro de Cobre, CMJ has significant exposure to higher copper prices with this early stage sediment hosted target near Bogota. CdC hosts local copper grades in excess of 7% in carbonate hosted breccias, interpreted to be mineralized karst (solution) breccias, associated with regional folding. MMI sampling suggests excellent discovery potential exists along a regional anticlinal fold.

EL DOVIO

El Dovio hosts high-grade, polymetallic base and precious metal mineralization. Historic drilling and rock sampling results indicate mineralization with an average grade of 5 grams gold, +30 grams silver per tonne, +2% copper and +2% zinc over widths to 15 meters. We expect to rapidly advance this property during the coming year with the strong markets in these metals.

OTHER ASSETS

Our portfolio includes licenses and applications covering roughly 300,000 hectares in more than 90 gold projects, including areas in the Vetas California District directly on trend with recently announced developments by Greystar, Ventana and Galway. CMJ also acquired a strategic phosphate property position where historic sampling returned grades in excess of 20% P_2O_5. We plan to control exploration expenditures through strategic alliances with companies entering Colombia on the heels of recent gold deposit discoveries at La Colosa and La Bodega. More information can be found on the Company's website at www.colombianmines.com.

GOALS AND OBJECTIVES FOR THE UPCOMING YEAR

Key corporate objectives for the Company during the upcoming year are:

- Establish and define mineral resource potential at the Yarumalito Project, including drilling the recently defined gold-copper porphyry targets.
- Fill-in MMI sampling for better resolution at Cerro de Cobre and follow-up trenching.
- Continue our phosphate project work in Colombia.
- Execute on joint venture and farm-out opportunities currently under consideration.
- Continue to carefully manage the Company's treasury.

The 2009 – 2010 year will be an exciting time for Colombian Mines, with renewed activity and the potential for a significant new discovery at Yarumalito. In addition, we will also have the opportunity to advance several of our other precious metals projects during this strong precious metals market.

We would like to thank the Company's Shareholders without whose support none of this would be possible.

On behalf of the Board of Directors,

Signed: *"Robert G. Carrington"*

Robert G. Carrington
President

COLOMBIAN MINES CORPORATION
(An Exploration Stage Company)

Management's Discussion and Analysis

Year Ended April 30, 2009

General

This discussion and analysis of financial position and results of operations is prepared as at July 25, 2009 and should be read in conjunction with the audited consolidated financial statements for the years ended April 30, 2009 and 2008 of Colombian Mines Corporation (the "Company" or "Colombian" or "CMJ") and the related notes thereto. Those consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. All dollar amounts included therein and in the following management discussion and analysis ("MD&A") are in Canadian dollars except where noted. Financial statements and additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

Description of Business

Colombian Mines Corporation was incorporated under the *Business Corporation Act* (B.C.) on May 16, 2006. The Company acquired all of the outstanding shares of Corporacion Minera Colombia S.A. ("Minera Colombia") on September 16, 2006 by way of a Share Exchange Agreement (the "Agreement"). Minera Colombia was formed in February 2006, and was conducting early stage exploration activities in Colombia.

The Company is an exploration company dedicated to the identification, acquisition and exploration of precious metal and base metal projects. The Company's strategy is to advance its projects through prospecting and drilling stages and to seek new partners through joint-ventures or other associations to fund continued project development.

Colombian Properties

Guayabales Property

The 247 hectare Guayabales Property is located in the Marmato Mining District of Caldas Department, Colombia. CMJ has held its interest in the property under the April 3, 2007 Guayabales Option Agreement with the Comunidad de Guayabales. The Company completed a core drilling program in the area of the Encanto fault zone and mine workings. This program tested the grade, thickness and continuity of the Encanto zone in the more easily accessible areas. Drilling was also directed at extending known gold mineralized zones along strike and down dip where possible. The drill results confirmed presence of 3 gram/tonne to 11 gram/tonne gold mineralization in and around the underground mine workings along the Encanto fault zone extensions along strike and down dip.

The terms of the option agreement included frequent cash payments which in the long term would have put a serious strain on the Company's treasury given the current difficulty in raising new funds with equity issues. As a result the Company attempted to maintain an interest in the property by seeking out a joint venture partner who would cover the on-going costs of the option agreement. However, the Company could not find any suitable partners for the agreement and in January 2009, decided to terminate the option despite encouraging results from its drilling program. The Company has no further obligations with respect to this property.

Yarumalito Property

The Company completed a property-wide soil sampling program in the July quarter to better define the broad areas of gold mineralization. In the October quarter Colombian conducted reconnaissance mapping and sampling in areas peripheral to known mines and prospects. In the last half of the year the Company has been conserving its cash and has not been conducting a significant amount of exploration work on the property. During this time, the Company has been conducting data reviews and property visits for various companies that might be interested in a joint venture.

Other Properties

In April, 2008, Colombian entered into an option agreement to acquire the Gachala copper property located in the jurisdiction of the municipalities of Gachala and Ubala. The agreement calls for payments totaling US$1,480,000 over the period from August 2009 through to February 2013. These payments are dependent on exploration results and Colombian can terminate the agreement at any time without further obligation. The Company recently amended this agreement so that the initial option payment of US$55,000 has been deferred from February 4, 2009, until August 4, 2009.

The Company has also been undertaking geologic work in several locations in Colombia in order to make new applications for mineral licenses and to evaluate additional acquisitions for gold, silver and base metal deposits. The Company has been successful in a number of these applications and will be very selective in determining which ones it proceeds with, in order to conserve its cash.

Mr. Robert G. Carrington, P.Geo., a Qualified Person as defined by National Instrument 43-101 and President of the Company, has reviewed and verified the technical information which forms the basis of the above technical disclosure on Colombian exploration activities.

Results of Operations

Year Ended April 30, 2009

The Company recorded a loss of $2,565,227 (2008 - $3,533,186) for the year ended April 30, 2009. The loss was higher in 2008 due to higher stock-based compensation, higher exploration expenses and higher professional fees partially offset by a mineral property write-off and higher costs for foreign exchange in 2009. Exploration costs were lower in 2009 mainly due to a concerted effort to reduce all costs as a result of the global economic crisis and its impact on Colombian's ability to raise additional financing. Professional fees were higher in 2008 because the Company incurred more legal costs than in 2009 with respect to acquiring new properties. The mineral property write-off was due to the Company's decision to terminate the Guayabales option agreement which resulted in the write-off of the capitalized acquisition costs. The higher foreign exchange loss was due to the volatility of the Colombian peso. In the October 2008 quarter, the peso strengthened until mid-August and then declined significantly up to the quarter-end on October 31, 2008. The Company had advanced extra cash to Colombia in the early part of the quarter in an attempt to mitigate the declining value of the Canadian and US dollars against the peso. However, as the peso declined in value after mid-August, the Company incurred a translation loss on the working capital already held in Colombia. There was also a translation loss on the funds advanced in the October 2008 quarter because the spot rates on these advances were higher than both the average peso exchange rate for the quarter and the quarter-end rate.

Three Months Ended April 30, 2009

The Company recorded a loss of $360,903 (2008 - $763,993) for the three months ended April 30, 2009. The loss was higher in 2008 due to higher exploration costs and higher professional fees. Exploration expenditures were higher in 2008 due to a higher level of exploration activity on all Company projects. In the quarter ended April 30, 2009 the Company was in the process of cutting back on exploration expenditures whereas in the prior comparative quarter exploration activity was accelerating. Professional fees were higher in 2008 because the Company was incurring legal fees while negotiating agreements to acquire new properties whereas in 2009 this activity was very limited.

Liquidity and Capital Resources

Working capital decreased to $1,413,336 at April 30, 2009 from $2,796,433 at April 30, 2008, due to funds used in operations and investments in mineral properties partially offset by funds received from a private placement in May, 2008. As a result of the global financial crisis and the negative impact this has had on the Canadian stock markets, the Company expects that it will be difficult to raise additional funds with acceptable terms from equity issues in the near term. Therefore Colombian is reviewing all of its costs and is searching for partners for its main exploration properties in order to reduce cash outlays. A number of companies have expressed an interest in Colombian's properties. However to date no agreements have been concluded. If no partners can be found then the Company would be required to reduce exploration field work to a minimum or possibly suspend exploration work completely for the next twelve months or until equity markets improve. The Company has significantly reduced its workforce in Colombia since January 2009 and at present, the chief executive officer and the president are no longer charging the Company for their services. The Company anticipates that through a combination of obtaining partners for its main exploration projects and / or reducing exploration field work and reducing administrative costs, that there are sufficient funds available for operating activities for the next twelve months.

Exploration Commitments

Colombian has commitments on its option agreements on the Yarumalito and Gachala properties of US$630,000 which fall due in the next fiscal year. The Company must make these payments to keep the option agreements in good standing. However, the Company can terminate these option agreements and relinquish its interest in these properties at any time without penalty. The Company is currently seeking joint venture partners to share in the cost of future option payments and exploration programs. However the likelihood for success in completing a joint venture agreement cannot be determined.

Annual Financial Information

The following table summarizes selected annual financial information.

Years Ended	**2009**	**2008**	**2007**[(1)]
Financial Results			
Exploration expenditures (net)	$ 1,821,116	$ 2,003,807	$ 1,287,405
Loss	(2,565,227)	(3,533,186)	(1,726,495)
Loss per share - basic and diluted	$ (0.14)	$ (0.26)	$ (0.30)
Financial Position			
Working Capital	$ 1,413,336	$ 2,796,433	$ 954,995
Mineral Properties	551,765	699,340	494,685
Total Assets	2,348,731	4,056,308	1,870,574
Share Capital	7,659,187	7,154,495	3,443,586
Deficit	(7,949,273)	(5,384,046)	(1,726,495)

(1) Financial results are for the period February 28, 2006 to April 30, 2007.

Exploration expenditures decreased in 2009 compared to 2008 due to lower activity in the last half of the year in order to conserve cash. The net loss was lower than for 2008 because there were no stock options granted and therefore there was no stock-based compensation expense. Capitalized mineral property costs declined in the year due to the abandonment of the Guayabales property and the corresponding write-off of the associated acquisition costs. The Guayabales write-off was partially offset by additional option payments made on the Yarumalito property, which increased the carrying value of mineral properties.

Exploration expenditures increased in 2008 compared to 2007 due to more activity on the Guayabales property and increased activity investigating new properties for potential new license applications. The Company also incurred significant expenditures conducting due diligence on the Zancudo property, although the property was not acquired. The net loss was higher in 2008 than in 2007 due to stock-based compensation and higher exploration costs. During 2008, the Company made option payments on its Yarumalito and Guayabales properties and these were capitalized as acquisition costs.

Quarterly Information

Quarter Ended	2009 Apr. 30	2009 Jan. 31	2008 Oct. 31	2008 July 31
Exploration expenditures	$ 333,689	$ 269,768	$ 497,511	$ 720,148
Administrative and other items	27,214	405,294	169,403	142,200
Loss for the period	(360,903)	(675,062)	(666,914)	(862,348)
Loss per Share (Basic and Diluted)	(0.02)	(0.04)	(0.04)	(0.05)

Quarter Ended	2008 Apr. 30	2008 Jan. 31	2007 Oct. 31	2007 July 31
Exploration expenditures	$ 644,099	$ 671,629	$ 341,066	$ 347,013
Administrative and other items	119,894	1,225,960	109,016	74,509
Loss for the period	(763,993)	(1,897,589)	(450,082)	(421,522)
Loss per Share (Basic and Diluted)	(0.05)	(0.12)	(0.04)	(0.04)

The loss for the quarter ended April 30, 2009 was lower than for the prior quarter due to higher investor relations costs and professional fees and due to the write off of capitalized acquisition costs for the Guayabales property, in the quarter ending January 31, 2009. Investor relations costs were lower in the current quarter as a result management's efforts to reduce spending in this category. Professional fees were lower in the current quarter because the Company undertook some tax planning work in the prior quarter and also in the prior quarter legal costs were higher on general corporate matters.

The loss for the quarter ended January 31, 2009 was similar to the loss for the prior quarter due to offsetting variances. October exploration costs were higher than for the current quarter because of a higher level of activity on the Guayables property. Administrative and other items were higher in the quarter ended January 31, 2009 due to writing off capitalized mineral property acquisition costs for the Guayabales property partially offset by a favourable variance on exchange.

The loss for the quarter ended October 31, 2008 was lower than for the prior quarter due to lower exploration expenditures as the Company began to reduce exploration activity as a result of the global financial crisis and the impact it has on Colombian's ability to raise additional funds through equity issues.

The loss for the quarter ended July 31, 2008 was higher than for the prior quarter due to higher costs for: exploration expenditures, foreign exchange and office costs partially offset by lower professional fees and a property write-off which occurred in the prior quarter for which there was no comparable charge in the quarter ended July 31, 2008. There was a small foreign exchange loss in the July 2008 quarter compared to a significant foreign exchange gain in the prior quarter. In the prior quarter the Colombian peso strengthened significantly against both the Canadian and US dollars, whereas in the July 2008 quarter, the Colombian peso weakened marginally against the Canadian and US dollars. Office costs were higher than in the prior quarter due to increased costs in Colombia due to a higher level of activity. Professional fees were lower than in the prior quarter because there were higher legal fees for property acquisitions, general corporate matters and higher accruals for year-end audit fees in the prior quarter than in the July 2008 quarter.

For the quarter ended April 30, 2008, administrative and other items were lower than in the prior quarter because there was no stock-based compensation.

For the quarter ended January 31, 2008 exploration expenditures were higher than for the prior quarter mainly due to due diligence conducted on the Zancudo property. Administrative and other items were significantly higher due to stock-based compensation plus higher costs relating to completing private placements and the Company's initial public offering.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements or obligations that are not disclosed in the financial statements.

Related Party Transactions

During the year ended April 30, 2009, the Company paid $45,200 (2008 - $Nil) to Seabord Services Corp., a management company with an officer in common, for office space and administrative services. As at April 30, 2009, the Company was indebted to the management company in the amount $Nil (2008 - $Nil). As at April 30, 2009, the Company had deposits with the management company in the amount of $11,327 (2008 - $Nil) which were included in prepaid expenses. These transactions were in the normal course of operations and are measured at the exchange amount which is the amount established and agreed to by the related parties.

Management Compensation

In addition to the management compensation disclosed in the Company's Information Circular, Colombian paid consulting fees of $7,795 to Kim Casswell, the corporate secretary.

Change in Accounting Policies

The Company has adopted the following CICA guidelines effective May 1, 2008:

Capital Disclosures
CICA Handbook Section 1535, Capital Disclosures, establishes standards for disclosing information about the Company's objectives, policies and processes for managing capital. This information is disclosed in note 13 of the April 30, 2009 audited consolidated financial statements.

Financial Instruments Disclosures
CICA Handbook Section 3862, Financial Instruments – Disclosures and Handbook Section 3863, Financial Instruments - Presentation, require entities to provide disclosure of quantitative and qualitative

information in their financial statements that enable users to evaluate (a) the significance of financial instruments for the company's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the company is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks. This information is disclosed in note 14 of the April 30, 2009 audited consolidated financial statements.

General Standards on Financial Statements

CICA Handbook Section 1400, General Standards on Financial Statements Presentation, has been amended to include requirements to assess and disclose a company's ability to continue as a going concern.

Recent Accounting Pronouncements

Goodwill and Intangible Assets

The CICA has issued the new Handbook Section 3064, "Goodwill and Intangible Assets", which will replace Section 3062, "Goodwill and Intangible Assets". The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and start-up costs and requires that these costs be expensed as incurred. The new standard applies to the Company's annual and interim financial statements beginning May 1, 2009. The Company does not expect the adoption of these changes to have an impact on its consolidated financial statements.

Business Combinations, Consolidated Financial Statements and Non-Controlling Interest

In January 2009, the CICA issued CICA Handbook Section 1582, "Business Combinations", Section 1601, "Consolidations", and Section 1602, "Non-Controlling Interests". These sections replace the former Section 1581, "Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for accounting for a non-controlling interest in a subsidiary. Section 1582 establishes standards for the accounting for a business combination, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. It provides the Canadian equivalent to IFRS 3, Business Combinations (January 2008). The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

Section 1601 establishes standards for the preparation of consolidated financial statements.

Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS International Accounting Standards ("IAS") 27, Consolidated and Separate Financial Statements (January 2008).

Sections 1601 and 1602 apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently.

International Financial Reporting Standards (“IFRS”)

A decision of the CICA Accounting Standards Board (the “AcSB”) will require the Company to report under International Financial Reporting Standards for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. The Company will be required to restate for comparative purposes, amounts reported for the year ended, April 30, 2011. The Company has completed a scoping study which identifies the mandatory and optional exemptions from retrospective application of IFRS accounting policies and provides a comparison of the Company’s current accounting policies with those prescribed under IFRS. The Company is reviewing and assessing this information but has not determined the impact on the consolidated financial statements at this time.

Risks and Uncertainties

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company’s properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that claims and leases are in good standing and obtaining permits for drilling and other exploration activities and foreign currency risk. The Company raises funds through equity issues in Canadian dollars but incurs most of its expenditures in Colombian pesos or US dollars. Consequently the Company can be significantly affected by changes in the exchange rates between the Canadian dollar and the US dollar and the Colombian peso. As a result of the current global financial crisis and the impact it has had on the Canadian stock markets, it is unlikely that the Company will want to or be able to raise funds with new equity issues in the near term. The market prices for base and precious metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Colombian is currently earning an interest in certain of its properties through option agreements and acquisition of title to the properties is only completed when the option conditions have been met. These conditions generally include making property payments, incurring exploration expenditures on the properties and can include the satisfactory completion of pre-feasibility studies. As a result of the current difficulty in raising additional funds through equity issues, there is increased risk that the Company will have to terminate option agreements due to insufficient working capital for ongoing option payments and exploration activities. If the Company does not satisfactorily complete these option conditions in the time frame laid out in the option agreements, the Company’s title to the related properties will not vest and the Company will have to write-down the previously capitalized acquisition costs related to those properties.

The Company is operating in a country that has had a high-risk political environment; however, the current political situation appears to be stable. Changing political situations may affect the manner in which the Company operates. The Company’s equity financings are sourced in Canadian dollars but for the most part it incurs its expenditures in Colombian pesos or in US dollars. At this time there are no currency hedges in place. Some of the Company’s work is carried out through independent consultants and the Company requires that all consultants carry their own insurance to cover any potential liabilities as a result of their work on a project.

Outstanding Share Data

As at July 25, 2009 there were 18,515,761 common shares issued and outstanding and 950,000 share purchase warrants outstanding with an exercise price of $1.20 per warrant and an expiry date of May 27, 2010. There were also 1,285,000 stock options issued and outstanding to directors, officers, employees and consultants of Company which expire on April 2, 2013.

COLOMBIAN MINES CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

April 30, 2009

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AUDITORS' REPORT

To the Shareholders of Colombian Mines Corporation,

We have audited the accompanying consolidated balance sheets of Colombian Mines Corporation as at April 30, 2009 and 2008 and the consolidated statements of operations, comprehensive loss and deficit and cash flows for the years ended April 30, 2009 and 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2009 and 2008 and the results of its operations and its cash flows for the years ended April 30, 2009 and 2008, in accordance with Canadian generally accepted accounting principles.

(Signed) Deloitte & Touche LLP

Chartered Accountants
July 17, 2009

COLOMBIAN MINES CORPORATION
CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian Dollars)
AS AT APRIL 30, 2009 AND 2008

	2009	2008
ASSETS		
Current		
Cash and cash equivalents	$ 1,498,665	$ 2,508,931
Receivables	41,492	222,867
Prepaid expenses	11,958	229,264
	1,552,115	2,961,062
Equipment (Note 4)	244,851	350,877
Mineral properties (Note 6)	551,765	699,340
Databases (Note 5)	-	45,029
	$ 2,348,731	$ 4,056,308
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 138,779	$ 164,629
Shareholders' equity		
Capital stock (Note 7)	7,659,187	7,154,495
Contributed surplus (Note 7)	2,500,038	2,121,230
Deficit	(7,949,273)	(5,384,046)
	2,209,952	3,891,679
	$ 2,348,731	$ 4,056,308

Nature and continuance of operations (Note 1)
Commitments (Note 10)

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)
YEARS ENDED APRIL 30, 2009 AND 2008

	2009	2008
EXPLORATION EXPENDITURES (Note 6)	$ 1,821,116	$ 2,003,807
ADMINISTRATIVE EXPENSES		
Amortization	45,981	55,176
Administration and office costs	212,352	223,232
Investor relations and shareholder information	62,008	40,023
Professional fees	88,462	127,834
Stock-based compensation (Note 7)	-	1,113,396
Transfer agent and filing fees	34,479	34,927
Travel	5,555	13,091
	448,837	1,607,679
Loss before other income and expense	(2,269,953)	(3,611,486)
OTHER ITEMS		
Foreign exchange gain (loss)	(115,454)	76,576
Write-off of capitalized mineral property	(309,670)	(58,072)
Gain on sale of equipment	39,163	-
Interest income and other income	90,687	59,796
	(295,274)	78,300
Loss and comprehensive loss for the year	(2,565,227)	(3,533,186)
Retroactive warrant grant (Note 7)	-	(124,365)
Deficit, beginning of year	(5,384,046)	(1,726,495)
Deficit, end of year	(7,949,273)	$ (5,384,046)
Basic and diluted loss per common share	$ (0.14)	$ (0.26)
Weighted average number of common shares outstanding – basic and diluted	18,448,090	13,650,460

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, 2009 AND 2008

	2009	2008
CASH FLOWS FROM (TO):		
OPERATIONS		
Loss for the year	$ (2,565,227)	$ (3,533,186)
Items not affecting cash:		
Amortization	147,749	117,954
Gain on disposal of equipment	(39,163)	-
Stock-based compensation	-	1,113,396
Write-off of capitalized mineral property	309,670	58,072
Change in non-cash working capital items:		
Receivables	181,375	(128,435)
Prepaid expenses	217,306	(229,264)
Accounts payable and accrued liabilities	(25,850)	11,146
	(1,774,140)	(2,590,317)
INVESTING		
Mineral properties	(162,095)	(262,727)
Equipment	(16,858)	(308,426)
Proceeds on disposal of equipment	59,327	-
	(119,626)	(571,153)
FINANCINGS		
Shares issued for cash	883,500	4,656,355
	883,500	4,656,355
Change in cash and cash equivalents during the year	(1,010,266)	1,494,885
Cash and cash equivalents at beginning of year	2,508,931	1,014,046
Cash and cash equivalents at end of year (Note 11)	$ 1,498,665	$ 2,508,931

Supplementary cash flow information (Note 11)

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 $1,413,336. The Company does not have the financial resources to continue exploration activity at the same level as it has 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 Company 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. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). They include the accounts of the Company and its wholly-owned subsidiaries, Corporacion Minera de Colombia S.A. and 0766888 BC Ltd. All significant inter-company transactions and balances have been eliminated.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates include recoverability of mineral properties, amortization periods for equipment, stock-based compensation, fair value of warrants, the valuation allowance recorded against future income tax assets and costs for site closure and reclamation. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Equipment

Equipment is recorded at cost less accumulated amortization. The Company provides for amortization using the straight line method over three years for computer equipment and over five years for vehicles and all other equipment.

The Company periodically compares the carrying value of equipment and vehicles to the estimated recoverable amounts, based on estimated future undiscounted cash flows, to determine whether there is an indication of impairment. Impairment would be indicated if the asset's carrying value exceeded the estimated recoverable amount and the asset would be written down to fair value.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Mineral Properties and exploration 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 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 feasible, exploration and development expenditures on the property are capitalized. 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. The costs related to a property from which there is production, together with the costs of production equipment, will be depleted and amortized using the unit-of-production method.

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. Property interests granted to others under an option agreement where payments to be made to the Company are at the sole discretion of the optionee, are recorded as recoveries at the time of receipt.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects. The amounts shown for mineral properties represent acquisition costs incurred to date, less recoveries and write-downs, and are not intended to reflect present or future values.

Databases

The Company has capitalized the acquisition cost of geologic databases. These assets are being amortized on a straight-line basis over 3 years.

Asset retirement obligations

The Company recognizes statutory, contractual or other legal obligations related to the retirement of tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. As at April 30, 2009 and 2008, the Company's activities have not given rise to any asset retirement obligations.

Income taxes

Future income taxes are accounted for using the asset and liability method. Under this method, future income taxes are recognized for temporary differences between the financial statement carrying amounts and tax basis of the Company's assets and liabilities. Future income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. The effect of a change in income tax rates on future income tax assets and liabilities is included in operations in the period in which the change is substantively enacted. The amount of future income tax assets recognized is limited to the amount of the benefit that is more likely than not to be realized.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Loss per share

Loss per share is calculated based on the weighted average number of common shares issued and outstanding during the year. Diluted loss per share is calculated using the treasury stock method. Under this method, the weighted average number of shares includes the potential net issuances of common shares for "in-the-money" options and warrants, assuming the proceeds are used to repurchase common shares at the average market price during the period, if dilutive. The effect of potential issuances of shares under options and warrants would be anti-dilutive if a loss is reported and therefore basic and diluted losses per share are the same.

Foreign currency translation

The Company's Colombian subsidiary is an integrated foreign operation and its financial statements are translated into Canadian dollar equivalents using the temporal method. Monetary items are translated at the exchange rate in effect at the balance sheet date; non-monetary items are translated at historical exchange rates. Income and expense items are translated at the average exchange rate for the period. Exchange gains and losses are recorded in the statement of operations.

Change in Accounting Policies

On May 1, 2008, the Company retrospectively adopted, without restatement of prior periods, the recommendations included the following sections of the Canadian Institute of Chartered Accountants ("CICA") Handbook: Section 1535 Capital Disclosures, Section 3862 Financial Instruments, Section 3863 Financial Instruments Presentation and Section 1400 General Standards on Financial Statements.

Capital Disclosures

CICA Handbook Section 1535, Capital Disclosures, establishes standards for disclosing information about the Company's capital and how it is managed. Under this standard the Company will be required to disclose the following, based on the information provided internally to the Company's key management personnel:

(a) qualitative information about its objectives, policies and processes for managing capital,
(b) summary quantitative data about what it manages as capital.
(c) whether during the period it complied with any externally imposed capital requirement to which it is subject.
(d) when the company has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

Financial Instruments Disclosures

CICA Handbook Section 3862, Financial Instruments – Disclosures and Section 3863, Financial Instruments Presentation will replace Section 3861 Financial Instruments Disclosure and Presentation, revising and enhancing disclosure requirements while carrying forward its presentation requirements. These sections require entities to provide disclosure of quantitative and qualitative information in their financial statements that enable users to evaluate (a) the significance of financial instruments for the Company's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the Company is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks.

General Standards on Financial Statements

CICA Handbook Section 1400, General Standards on Financial Statements Presentation, has been amended to include requirements to assess and disclose a company's ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements

Recent accounting pronouncements which may impact the Company in the future are as follows:

Business Combinations, Consolidated Financial Statements and Non-Controlling Interest

In January 2009, the CICA issued CICA Handbook Section 1582, "Business Combinations", Section 1601, "Consolidations", and Section 1602, "Non-Controlling Interests". These sections replace the former Section 1581, "Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for accounting for a non-controlling interest in a subsidiary. Section 1582 establishes standards for the accounting for a business combination, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. It provides the Canadian equivalent to IFRS 3, Business Combinations (January 2008). The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

Section 1601 establishes standards for the preparation of consolidated financial statements.

Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS International Accounting Standards ("IAS") 27, Consolidated and Separate Financial Statements (January 2008).

Sections 1601 and 1602 apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently.

These new sections effectively bring Canadian GAAP into line with IFRS. The Company does not expect to adopt these new CICA Handbook sections prior to January 1, 2011. At that point, the Company will begin reporting its financial results under IFRS and therefore does not expect that these new Handbook sections will have any impact on the Company's financial statements in the interim period.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables and accounts payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from financial instruments (refer to Note 14). Cash and cash equivalents have been designated as "held for trading" and measured at fair value. Receivables have been designated as "loans and receivables" and have been measured at cost. Accounts payable have been designated as "other" and have been measured at cost. The fair value of cash and cash equivalents approximates their carrying value due to their short-term maturity or capacity for prompt liquidation.

(Expressed in Canadian dollars)

4. EQUIPMENT

	April 30, 2009			April 30, 2008		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Office	$ 73,259	$ 29,400	$ 43,859	$ 70,211	$ 14,027	$ 56,184
Field	210,431	36,721	173,710	197,445	4,891	192,554
Vehicles	76,750	49,468	27,282	163,228	61,089	102,139
	$ 360,440	$ 115,589	$ 244,851	$ 430,884	$ 80,007	$ 350,877

5. DATABASES

	April 30, 2009			April 30, 2008		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Databases	$ 162,103	$ 162,103	$ -	$ 162,103	$ 117,074	$ 45,029

6. MINERAL PROPERTIES AND EXPLORATION EXPENDITURES

Mineral Properties

In the fiscal period ended April 30, 2007, the Company, through its subsidiary, Minera Colombia, acquired an option on the Yarumalito property and a 50% interest in both the Argelia and Otu mining concession contracts. Minera Colombia issued shares in order to obtain the rights to the two properties. Subsequently the Company made cash payments of $105,258 pursuant to the terms of the Yarumalito option agreement. The value of the shares issued, the cash payment on the Yarumalito option and the amount relating to future income taxes have been capitalized to mineral properties.

In the year ended April 30, 2008, the Company made an option payment of US$50,000 on the Yarumalito property and made option payments totaling 369,600,000 Colombian pesos ($191,536) on the Guayabales property. These amounts were capitalized as mineral property acquisition costs. During the year ended April 30, 2008, the Company determined that it would abandon the Argelia property and wrote off the corresponding capitalized acquisition costs. In January 2009, the Company terminated its option agreement on the Guayabales property and wrote off the accumulated acquisition costs of $309,670. The cumulative capitalized cost of the Company's mineral properties is as follows:

	April 30, 2009	April 30, 2008
Yarumalito	$ 472,313	$ 407,744
Guayabales	-	212,144
Otu	58,071	58,071
Gachala	21,381	21,381
	$ 551,765	$ 699,340

(Expressed in Canadian dollars)

6. MINERAL PROPERTIES AND EXPLORATION EXPENDITURES (continued)

Yarumalito

Under the terms 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 April 30, 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	200,000	-	242,100
March 28, 2010	300,000	-	363,150
August 28, 2010	500,000	-	605,250
June 28, 2011	330,000	-	399,465
	$ 1,500,000		$ 1,609,965

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 order to maintain its interest in the option, the Company must make an option payment of US$55,000 on August 4, 2009. This payment was originally due on February 4, 2009 but the agreement was amended to defer this payment until August. Further option payments are to be made on February 4th each year through to 2013. In order to complete the acquisition, the Company will have to make total payments of US$1,500,000 including the original payment of US$20,000. The Company is currently renegotiating the current option agreement but at this time there has been no change to the terms. The following payments must be made in order to maintain the option in good standing.

Date	U.S. Dollars	Status	Canadian equivalent outstanding at April 30, 2009
On execution of agreement	$ 20,000	Paid	$ -
August 4, 2009	55,000	-	66,578
February 4, 2010	75,000	-	90,788
February 4, 2011	150,000	-	181,575
February 4, 2012	200,000	-	242,100
February 4, 2013	1,000,000	-	1,210,500
	$ 1,500,000		$ 1,791,541

Guayabales

In April 2007, CMC entered into an option agreement on the Guayabales property in Colombia. On August 23, 2007 the Company amended its option agreement with Comunidad Minera de Guayabales on the Guayabales property. The amendment suspended all property payments on or subsequent to September 30, 2007, until the property has been legalized for mining activity. In December, 2007 the property was legalized for mining. In January 2009, the Company decided to terminate the Guayabales option agreement and accordingly has no further payment obligations under this agreement.

(Expressed in Canadian dollars)

6. MINERAL PROPERTIES AND EXPLORATION EXPENDITURES (continued)

Exploration Expenditures

The Company incurred the following exploration expenditures (including amortization of $101,768) during the year ended April 30, 2009. The majority of the expenditures included under regional and other for both 2009 and 2008 were for regional exploration work done in order to make applications for additional licenses and were not incurred on properties that were licensed to Colombian.

	Yarumalito	Guayabales	Regional &Other	Total
Administration	$ 159,115	$ 254,207	$ 344,796	$ 758,118
Assays	37,725	39,518	60,052	137,295
Consultants	46,297	49,827	108,046	204,170
Drilling	-	284,944	-	284,944
Field costs	23,310	32,429	38,083	93,822
Legal	6,808	8,274	11,280	26,362
Salaries	54,365	68,257	119,145	241,767
Taxes	1,911	1,928	371	4,210
Travel	5,464	10,130	24,526	40,120
Vehicle costs	4,554	16,449	9,305	30,308
	$ 339,549	$ 765,963	$ 715,604	$ 1,821,116

The Company incurred the following exploration expenditures (including amortization of $62,778) during the year ended April 30, 2008.

	Yarumalito	Guayabales	Regional &Other	Total
Due diligence	$ -	$ -	$ 289,891	$ 289,891
Administration	197,869	205,257	252,103	655,229
Assaying	70,112	34,013	58,211	162,336
Consultants	47,273	74,184	127,352	248,809
Drilling	-	77,644	-	77,644
Field costs	39,536	53,589	34,006	127,131
Legal	11,688	8,949	43,547	64,184
Salaries	111,815	93,410	87,017	292,242
Taxes	1,336	1,943	3,280	6,559
Travel	19,410	20,324	14,837	54,571
Vehicle costs	7,491	9,093	8,627	25,211
	$ 506,530	$ 578,406	$ 918,871	$ 2,003,807

(Expressed in Canadian dollars)

7. SHARE CAPITAL

Authorized:

An unlimited number of common shares without par value

Issued and outstanding:

	Number of Shares		Stated Amount		Contributed Surplus
Balance, April 30, 2007	10,765,761	$	3,443,586	$	-
Shares issued for cash	6,800,000		3,710,909		883,469
Warrants granted on April 2007 private placement	-		-		124,365
Stock-based compensation	-		-		1,113,396
Balance April 30, 2008	17,565,761		7,154,495		2,121,230
Shares issued for cash	950,000		504,692		378,808
Balance April 30, 2009	18,515,761	$	7,659,187	$	2,500,038

On May 27, 2008, the Company completed a non-brokered private placement of 950,000 units at a price of $1.00 per unit for gross proceeds of $950,000. Each unit consists of one common share and one non-transferable common share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one additional common share until May 27, 2010 at a purchase price of $1.20 per share. A finder's fee of $66,500 was paid in connection with the placement. The warrants were valued at 42.9 cents each using a Black-Scholes option pricing model with the following assumptions: an expected life of two years; a risk-free interest rate of 3.02%; an expected dividend yield of 0%; and an expected volatility of 87%. The finders' fees were allocated pro-rata to the common shares and the warrants based on their respective values.

On March 31, 2008, Colombian completed its initial public offering of 1,000,000 common shares at a price of $1.00 per share for gross proceeds of $1,000,000. The agent was paid a cash commission of $70,000 and was granted agent's options to acquire 70,000 common shares for a period of 12 months from the date of closing at a price of $1.00 per share. The agent's options were qualified by and distributed pursuant to the Company's final prospectus. The Company also paid the agent $10,000 as a corporate finance fee. The agent's options were valued at $27,420 using a Black-Scholes option pricing model with the following assumptions: an option life of 1 year; a risk-free interest rate of 2.85%; an expected volatility of 100% and a dividend yield of 0%.

On November 27, 2007 the Company completed a private placement of 2.8 million units at a price of $0.75 per unit for total proceeds of $2,100,000. Each unit consisted of one common share and one-half Class C common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share of the Company for a period of 18 months from the date of issue, at a price of $1.00 per share. The Company paid finders' fees of $126,000 and issued 112,000 finders' warrants with an exercise price of $1.00 each and an expiry date of November 27, 2008 in respect of this private placement. The Warrants were valued at $417,284 using a Black-Scholes option pricing model with the following assumptions: an option life of 1.5 years; a risk free interest rate of 3.74%; an expected volatility of 100% and a dividend yield of 0%. Colombian incurred issue costs of $126,000 for cash payments made for finders' fees pursuant to the private placement. Of this amount $100,926 was charged to share issue costs with the balance charged

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

to contributed surplus. Colombian also issued 112,000 finders' warrants pursuant to the private placement which were valued at $25,840. Of this amount $5,142 was allocated to the cost of issuing the warrants. The net amount of $20,698 was charged to share issue costs with the offsetting amount credited to contributed surplus. The finders' warrants were valued using a Black-Scholes option pricing model with the following assumptions: an expected life of 1 year; a risk free interest rate of 3.74%; an expected volatility of 100% and a dividend yield of 0%.

On October 18, 2007, the Company completed a private placement of 3 million units at a price of $0.75 per unit. Each unit consisted of one common share and one-half Class B common share purchase warrant ("Warrant"). Each whole Warrant will entitle the holder to purchase an additional common share of the Company until April 18, 2009 at a price of $1.00 per share. The Company allocated a value of $447,450 to the 1,500,000 Warrants which were issued in the private placement and this amount was credited to contributed surplus. The Warrants were valued using a Black-Scholes option pricing model with the following assumptions: an option life of 1.5 years; a risk free interest rate of 3.82%; and expected volatility of 100% and a dividend yield of 0%. Colombian incurred issue costs of $125,100 for cash payments made for finders' fees pursuant to the private placement. Of this amount $100,222 was charged to share issue costs with the balance charged to contributed surplus. Colombian also issued 111,200 finders' warrants pursuant to the private placement which were valued at $25,675. Of this amount $5,106 was allocated to the cost of issuing the warrants. The net amount of $20,569 was charged to share issue costs with the offsetting amount credited to contributed surplus. The finders' warrants were valued using a Black-Scholes option pricing model with the following assumptions: an expected life of 1 year; a risk free interest rate of 3.82%; an expected volatility of 100% and a dividend yield of 0%.

On October 11, 2007, the Company retroactively granted a one-half common share purchase warrant for each common share subscribed for in the April 30, 2007 private placement. The Company subsequently issued 520,000 Class A warrants with an exercise price of $1.00 and an expiry date of October 30, 2008 and recorded a charge to deficit of $124,365 with an offsetting credit to contributed surplus. The warrants were valued using a Black-Scholes option pricing model using the following assumptions: an expected life of 1.1 years; a risk free interest rate of 3.82%; an expected volatility of 100% and a dividend yield of 0%.

Stock options

The Company adopted a stock option plan (the "Plan") pursuant to the policies of the TSX Venture Exchange. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company at any time. The vesting terms are determined at the time of grant. During the years ended April 30, 2009 and 2008 the change in stock options was as follows:

	Number of Shares	Weighted Average Exercise Price
Balance as of April 30, 2007	-	$ -
Granted	1,648,000	1.00
Balance as of April 30, 2008	1,648,000	1.00
Expired / forfieted	(176,000)	1.00
Balance as of April 30, 2009	1,472,000	$ 1.00

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

The weighted average fair value of options granted during the year ended April 2008, was $0.69 per option, which includes 70,000 agent's options. The agent's options expired unexercised on April 2, 2009.

The following table summarizes information about the stock options which were outstanding and exercisable at April 30, 2009:

Date Granted	Number of Shares	Exercise Price	Weighted Average Remaining Life in Years
December 3, 2007	1,472,000	1.00	3.93

At April 30, 2009, all options were exercisable.

Stock-based compensation

On December 3, 2007 the Company granted a total of 1,578,000 stock options to certain directors, senior officers, consultants and employees at a price of $1.00 per option. The options are exercisable for a period of five years from April 2, 2008, the date the common shares of the Company commenced trading on the TSX Venture Exchange. The options have been measured on a fair value basis using the Black-Scholes option pricing model, with the following assumptions: an expected stock volatility of 100%; a risk free interest rate of 3.67%; an expected life of 4 years; and an expected dividend yield of 0%. Based on these inputs the Company recorded stock-based compensation expense of $1,113,396 with the offsetting amount being credited to contributed surplus.

Warrants

During the years ended April 30, 2009 and 2008 the change in warrants outstanding was as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance as at April 30, 2007	-	$ -
Issued	3,643,200	1.00
Balance as at April 30, 2008	3,643,200	1.00
Issued	950,000	1.20
Expired	(2,243,200)	1.00
Balance as at April 30, 2009	2,350,000	1.08

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

On May 27, 2008, the Company issued 950,000 warrants in conjunction with a non-brokered private placement. During the year ended April 30, 2008, the Company issued 3,643,200 warrants which entitled the holder to purchase one common share of the Company at an exercise price of $1.00 per share. As at April 30, 2009, the details of outstanding share purchase warrants were as follows:

	Number of Warrants	Exercise Price	Expiry Date
Class C	1,400,000	1.00	May 27, 2009
May 27/08 Private Placement	950,000	1.20	May 27, 2010
	2,350,000		

8. INCOME TAX

The Canadian statutory federal income tax rate for the year ended April 30, 2009 was 30.5% (2008 – 32.9%). A reconciliation of income tax recovery at statutory rates compared to reported income tax recovery is as follows:

		2009		2008
Loss for the year	$	(2,565,227)	$	(3,533,186)
Expected income tax recovery	$	(782,394)	$	(1,162,772)
Non-deductible expenses		101,126		422,782
Other		66,043		(23,684)
Valuation allowance		615,225		763,674
Total income tax recovery	$	-	$	-

The significant components of the Company's future income tax assets and liabilities at April 30, 2009 are as follows:

		2009		2008
Future income tax assets:				
Equipment	$	17,611	$	14,758
Non-capital loss carry forwards		443,306		297,961
Mineral properties and databases		1,267,397		898,390
Share issuance costs		137,927		181,347
Future income tax assets		1,866,241		1,392,456
Valuation allowance		(1,866,241)		(1,392,456)
Net future income tax assets	$	-	$	-

The Company has available non-capital losses in Canada, for deduction against future taxable income, of approximately $1,453,000. These losses, if not utilized, will expire through to 2029. Future tax benefits which may arise as a result of these non-capital losses have not been recognized in these financial statements and have been offset by a valuation allowance.

9. RELATED PARTY TRANSACTIONS

During the year ended April 30, 2009, the Company paid $45,200 (2008 - $Nil) to a management company with an officer in common, for office space and administrative services. As at April 30, 2009, the Company was indebted to the management company in the amount $Nil (2008 - $Nil). As at April 30, 2009, the Company had deposits with the management company in the amount of $11,327 (2008 - $Nil) which were included in prepaid expenses. These transactions were in the normal course of operations and are measured at the exchange amount which is the amount established and agreed to by the related parties.

10. COMMITMENTS

The Company has entered into a six month lease for office space in Colombia which expires September 30, 2009. The total remaining commitment at April 30, 2009 was five million Colombian pesos or approximately $2,560.

11. SUPPLEMENTARY CASH FLOW INFORMATION

During the year the Company received $53,701 (2008 - $61,382) for interest. During the year the Company did not make any cash payments for income taxes or interest. At year-end the Company's cash equivalents were composed of $118,665 in cash and $1,380,000 in term deposits. All of the 2008 year-end balance of cash and cash equivalents which amounted to $2,508,931 was in cash.

12. 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.

13. 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 cover its administrative costs and fund some exploration programs for the next twelve months. However the Company will only be able to acquire and explore new mineral projects with additional equity financing or cost sharing through joint ventures.

14. 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

14. MANAGEMENT OF FINANCIAL RISK (continued)

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, 2009, the Company is exposed to currency risk through the following assets and liabilities denominated in Colombian pesos:

	Colombian Pesos
Cash and cash equivalents	115,799,000
Receivables	3,962,100
Accounts payable and accrued liabilities	(127,445,600)
Net exposure	(7,684,500)

Based on the above net exposure as at April 30, 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 $400 in the loss from operations. The Colombian peso exchange rate at April 30, 2009 was 1,955 Colombian pesos to the Canadian dollar and the net peso exposure amounts to $3,930.

(b) Credit Risk
The Company's cash and cash equivalents are mainly held through a large Canadian financial institution and at April 30, 2009 are mainly cash in guaranteed investment certificates 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 13. As a result of the current economic climate the Company will have difficulty in raising new equity financing with acceptable terms. The result is that there is increased liquidity risk and the Company will have to closely monitor its cash resources in order to mitigate this risk.

(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 interest guaranteed investment certificates with a major Canadian bank and therefore there is currently minimal interest rate risk.

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SHARE CAPITALIZATION

August 13, 2009: 18,515,461

SHARES LISTED

TSX Venture Exchange
Symbol: CMJ

Website: www.colombianmines.com