COLOMBIAN MINES CORPORATION

CORPORACIÓN MINERA DE COLOMBIA S.A.

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

April 30, 2016

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Colombian Mines Corporation

We have audited the accompanying consolidated financial statements of Colombian Mines Corporation, which comprise the consolidated statements of financial position as at April 30, 2016 and 2015 and the consolidated statements of income (loss) and comprehensive income (loss), changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Colombian Mines Corporation as at April 30, 2016 and 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Colombian Mines Corporation's ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

August 25, 2016

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

	April 30, 2016	April 30, 2015
ASSETS		
Current		
Cash	$ 255,386	$ 21,831
Commodity tax recoverable	-	2,475
Other receivables	456	9,953
Investments (Note 4)	3,860	3,400
Prepaid expenses (Note 12)	4,009	15,375
	263,711	53,034
Land and equipment (Note 5)	69,014	88,457
Mineral properties (Note 6)	1,446,335	1,446,335
TOTAL ASSETS	$ 1,779,060	$ 1,587,826
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities (Note 12)	$ 25,579	$ 120,992
Loans payable, net (Note 8)	104,686	-
Income tax payable	37,834	37,834
TOTAL LIABILITIES	168,099	158,826
EQUITY		
Share capital (Note 10)	18,030,718	17,989,643
Reserves	8,176,555	8,084,655
Deficit	(24,596,312)	(24,645,298)
TOTAL EQUITY	1,610,961	1,429,000
TOTAL LIABILITIES AND EQUITY	$ 1,779,060	$ 1,587,826

Nature and continuance of operations (Note 1)
Contingency (Note 15)
Subsequent events (Note 17)

Approved on behalf of the Board of Directors on August 25, 2016:

Signed: *"Robert G. Carrington"* Director   Signed: *"Donn Burchill"* Director

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

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

	2016	2015
EXPENSES		
Administration and office costs (Note 12)	$ 67,200	$ 102,650
Exploration expenditures, net (Note 7)	267,391	889,731
Investor relations and shareholder information	18,949	19,561
Professional fees (Note 12)	18,599	34,673
Share-based compensation (Note 12)	22,000	169,200
Transfer agent and filing fees	22,502	26,630
	(416,641)	(1,242,445)
Amortization - finance charges (Note 8)	(23,828)	-
Foreign exchange gain	53,093	23,101
Gain on forgiveness of debt (Note 12)	39,490	26,892
Gain on sale of equipment (Note 5)	37,238	48,821
Interest income and other income (Note 9)	-	9,580
Lawsuit recovery (Note 15)	357,704	-
Realized gain on sale of investments (Note 4)	-	35,202
Unrealized gain on investments (Note 4)	1,930	-
Net income (loss) and comprehensive income (loss) for the year	$ 48,986	$ (1,098,849)
Basic and diluted loss per common share	$ 0.00	$ (0.03)
Weighted average number of common shares outstanding, basic and diluted	43,429,423	42,421,960

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,

	2016	2015
CASH FLOWS FROM (TO)		
OPERATIONS		
Net income (loss) for the year	$ 48,986	$ (1,098,849)
Adjustments for:		
Depreciation included in exploration expenditures	17,124	19,313
Accrued interest on loans payable	9,141	-
Amortization – finance costs	23,828	-
Share-based compensation	22,000	169,200
Unrealized gain on investments	(1,930)	-
Realized gain on sale of investments	-	(35,202)
Gain on forgiveness of debt	(39,490)	(26,892)
Gain on sale of equipment	(37,238)	(48,821)
Changes in non-cash working capital items:		
Commodity tax recoverable	2,475	(685)
Other receivables	9,497	(1,013)
Prepaid expenses	11,366	39,118
Accounts payable and accrued liabilities	(55,923)	(62,833)
	9,836	(1,046,664)
INVESTING		
Disposal of equipment	39,557	44,458
Sale of investments	1,470	127,295
	41,027	171,753
FINANCING		
Shares issued for cash	40,000	63,930
Share issue costs	(513)	-
Loans received	143,205	-
	182,692	63,930
Change in cash during the year	233,555	(810,981)
Cash at beginning of year	21,831	832,812
Cash at end of year	$ 255,386	$ 21,831
Supplementary cash flow information		
Cash paid for interest and income taxes	$ -	$ -
Non-cash financing and investing activities:		
Fair value of bonus shares issued	$ 1,588	$ -
Fair value of bonus warrants issued	$ 69,900	$ -

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

COLOMBIAN MINES CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
YEARS ENDED APRIL 30, 2016 and 2015

	Number of shares	Share Capital $	Reserves $	Deficit $	Total $
Balance at April 30, 2014	42,383,427	17,925,713	7,915,455	(23,546,449)	2,294,719
Shares issued for cash	639,300	63,930	-	-	63,930
Share-based compensation	-	-	169,200	-	169,200
Loss for the year	-	-	-	(1,098,849)	(1,098,849)
Balance at April 30, 2015	43,022,727	17,989,643	8,084,655	(24,645,298)	1,429,000
Shares issued for cash	400,000	40,000	-	-	40,000
Share issue costs	-	(513)	-	-	(513)
Shares issued pursuant to loans payable	52,922	1,588	-	-	1,588
Warrants issued pursuant to loans payable	-	-	69,900	-	69,900
Share-based compensation	-	-	22,000	-	22,000
Income for the year	-	-	-	48,986	48,986
Balance at April 30, 2016	43,475,649	18,030,718	8,176,555	(24,596,312)	1,610,961

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Colombian Mines Corporation (the "Company" or "Colombian") was incorporated under the *Business Corporations Act (B.C.)* on May 16, 2006. The Company acquired all of the outstanding shares of Corporacion Minera de Colombia S.A. ("Minera Colombia") on September 16, 2006 by way of a share exchange agreement. The consolidated financial statements of Colombian as at and for the year ended April 30, 2016 comprise the Company and its subsidiaries. Colombian is the ultimate parent of the consolidated group. The Company's corporate and head office address is #510 – 580 Hornby Street, Vancouver, British Columbia, Canada, V6C 3B6.

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

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

The policies applied in the consolidated financial statements are presented below and are based on IFRS issued and effective as of April 30, 2016.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Consolidation

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

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

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

Foreign Currencies

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

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

Financial Instruments

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

Financial liabilities

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets

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

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company's investments are comprised of common shares which are classified as FVTPL, specifically as held for trading.

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

Financial assets classified as AFS are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. The Company does not have any AFS financial assets.

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

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each financial position reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

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

Cash

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Land and Equipment

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

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

Mineral Properties and Exploration and Evaluation Expenditures

Acquisition costs for mineral properties, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs include cash consideration and the value of common shares, based on recent issue prices, issued for mineral properties pursuant to the terms of the agreement. Exploration expenditures, net of recoveries, are charged to operations as incurred. After a property is determined by management to be commercially viable, exploration and evaluation expenditures on the property are capitalized.

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

Impairment of Non-Financial Assets

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Restoration, Rehabilitation and Environmental Obligations

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

Provisions

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

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

Share Capital

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based Payment Transactions

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

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

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

Income Taxes

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Earnings (Loss) per share

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

Segment Reporting

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

Judgments and Estimates

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

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

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

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

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

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

(Expressed in Canadian dollars)

3. CHANGES IN ACCOUNTING STANDARDS

Future accounting standards

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

4. INVESTMENTS

	April 30, 2016		
	Cost	**Fair value**	**Accumulated Loss**
Held for trading investments	$ 9,547	$ 3,860	$ (5,687)

	April 30, 2015		
	Cost	**Fair value**	**Accumulated Loss**
Held for trading investments	$ 16,820	$ 3,400	$ (13,420)

The Company holds investments in another resource company which was originally obtained under a mineral property option agreement. The valuation of the shares has been determined in whole by reference to the bid price of the shares on the TSX Venture Exchange ("TSX-V") at each reporting date.

During the year ended April 30, 2016, the Company sold 294,000 shares of Colombia Crest Gold Corp. ("Colombia Crest") for a cash amount of $1,470 resulting in a realized gain of $Nil. As at April 30, 2016, the Company recorded a mark-to-market adjustment on the Colombia Crest shares, resulting in an unrealized gain of $1,930.

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

i) sold 11,351,722 common shares of Overland Resources Limited with a book value of $90,814 for $126,216 resulting in a realized gain of $35,402.

ii) sold 71,942 common shares of Arcturus Ventures Inc. with a book value of $1,079 for $1,079 resulting in a realized gain of $Nil.

iii) 125,000 warrants of Colombia Crest Gold Corp. expired with a book value of $200 resulting in a realized loss of $200.

At April 30, 2016, the Company had the following investments:

i) 386,000 common shares of Colombia Crest with a total fair value of $3,860.

At April 30, 2015, the Company had the following investments:

i) 680,000 common shares of Colombia Crest with a total fair value of $3,400.

(Expressed in Canadian dollars)

5. LAND AND EQUIPMENT

	Field Equipment	Land	Total
Cost			
As at April 30, 2014	$ 248,358	$ 55,854	$ 304,212
Additions	4,363	-	4,363
As at April 30, 2015	252,721	55,854	308,575
Additions	2,009	-	2,009
Disposals	(4,328)	-	(4,328)
As at April 30, 2016	$ 250,402	$ 55,854	$ 306,256
Accumulated depreciation			
As at April 30, 2014	$ 200,805	$ -	$ 200,805
Additions	19,313	-	19,313
As at April 30, 2015	220,118	-	220,118
Additions	17,124	-	17,124
As at April 30, 2016	$ 237,242	$ -	$ 237,242
Net book value			
As at April 30, 2015	$ 32,603	$ 55,854	$ 88,457
As at April 30, 2016	$ 12,777	$ 55,854	$ 69,014

During the year ended April 30, 2016, the Company sold vehicles with a net book value of $Nil for $41,566 (COP 83,394,977) in cash which resulted in a gain on the sale of vehicles.

During the year ended April 30, 2015, the Company sold vehicles with a net book value of $Nil for $48,821 in cash which resulted in a gain on the sale of vehicles.

(Expressed in Canadian dollars)

6. MINERAL PROPERTIES

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

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

Yarumalito
The Company has a 100% interest in land known as the Yarumalito property in Colombia.

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

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

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

During the year ended April 30, 2015, the Company received US$12,959 from Overland which was recorded as other income (Note 9).

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

Anori

The Company has a 100% interest in land known as the Anori property in Colombia.

(Expressed in Canadian dollars)

7. EXPLORATION EXPENSES

Exploration expenditures incurred during the year ended April 30, 2016 were as follows:

2016	Yarumalito	Anori	El Dovio	Other	Total
Administration, consultants and salaries	$ 110,647	$ 1,455	$ 51,845	$ 27,227	$ 191,174
Field costs	36,470	814	21,520	15,244	74,048
Taxes	1,255	-	-	-	1,255
Vehicle costs	756	-	158	-	914
	$ 149,128	$ 2,269	$ 73,523	$ 42,471	$ 267,391

Exploration expenditures incurred during the year ended April 30, 2015 were as follows:

2015	Yarumalito	Anori	El Dovio	Other	Total
Administration, consultants, and salaries	$ 77,961	$ 389	$ 262,473	$ 97,145	$ 437,968
Assaying	1,437	-	17,495	2,404	21,336
Drilling	-	-	142,545	-	142,545
Field costs	87,164	559	157,362	54,624	299,709
Taxes	-	-	97	26	123
Vehicle costs	3,187	-	8,341	1,252	12,780
	169,749	948	588,313	155,451	914,461
Exploration Cost Recovery	-	-	(10,517)	(14,213)	(24,730)
	$ 169,749	$ 948	$ 577,796	$ 141,238	$ 889,731

8. LOANS PAYABLE

During the year ended April 30, 2016, the Company entered into loan agreements with arms length and non-arms length (Note 12) individuals for an aggregate of $143,205. The loans have a maturity of February 28, 2017 and an interest rate of 10% per annum. During the year ended April 30, 2016, the Company also issued 52,992 bonus shares (valued at $1,588) and 2,599,142 bonus warrants at an exercise price of $0.05 for a period of 15 months (valued at $69,900) to the lenders. The bonus warrants were valued using the Black-Scholes option pricing model with the following assumptions: volatility of 187.63%, dividend rate of Nil, a discount rate of 0.40%, and a term of 15 months. The fair value of the bonus shares and warrants has been recorded as deferred finance fees, has been offset against the loans payable and will be amortized to profit or loss over the term of the loans.

(Expressed in Canadian dollars)

8. LOANS PAYABLE (continued)

Loans Payable	
As at April 30, 2014 and 2015	$ -
Loans received	143,205
Finance fees	(71,488)
Amortization - finance fees	23,828
Interest	9,141
As at April 30, 2016	$ 104,686

9. OTHER INCOME

The Company recorded the following amounts for the years ended April 30, 2016 and 2015:

	Year ended April 30, 2016	**Year ended April 30, 2015**
Other, including interest	$ -	$ 9,580
Total	$ -	$ 9,580

During the year ended April 30, 2015, the Company received $14,213 (US$12,959) from Overland for the option agreement on the Rio Negro property as described in Note 6 and the full amount was recorded as an exploration cost recovery (Note 7).

10. EQUITY

(a) Share capital

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

(b) Private Placements

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

(Expressed in Canadian dollars)

10. EQUITY (continued)

(b) Private Placements (continued)

During the year ended April 30, 2016, the Company:

i. completed its non-brokered private placement for a total of 400,000 units at $0.10 per unit for gross proceeds of $40,000. Each unit consists of one common share of stock and one share purchase warrant. Each warrant is exercisable into one additional common share of the Company's common stock at a price of $0.20 per common share until May 19, 2017. The warrants are subject to an accelerated expiry if, at any time after an initial 4 month hold period expires, the closing price of the Company's common shares on the TSX-V exceeds $0.30 for any 10 consecutive trading days, in which event the holder will be given notice that the warrants will expire 30 days following the date of such notice. The warrants may be exercised by the holder during the 30-day period between the notice and the expiration of the warrants. No value was assigned to the warrants issued under the residual value method of unit bifurcation.

ii. issued 52,922 shares valued at $1,588 ($0.03 per share) pursuant to bonus shares for the financing of loans payable (Note 8).

(c) 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. The continuity of stock options for the years ended April 30, 2016 and 2015 is as follows:

	April 30, 2016		April 30, 2015	
	Number of stock options	**Weighted average exercise price**	**Number of stock options**	**Weighted average exercise price**
Outstanding, beginning of year	3,643,343	$ 0.18	4,238,343	$ 0.40
Granted	1,034,930	0.05	2,411,676	0.12
Cancelled/Expired	(1,261,667)	0.29	(3,006,676)	0.44
Outstanding, end of year	3,416,606	$ 0.10	3,643,343	$ 0.18

The following table summarizes information about stock options outstanding and exercisable at April 30, 2016:

Exercise prices	Number outstanding	Expiry date	Number exercisable
$0.170	1,235,000	26-August-16	1,235,000
$0.075	505,000	21-November-16	505,000
$0.050	641,676	8-January-17	641,676
$0.050	1,034,930	28-October-17	1,034,930
	3,416,606		3,416,606

(Expressed in Canadian dollars)

10. EQUITY (continued)

(d) Share-Based Compensation

During the year ended April 30, 2016, the Company granted 1,034,930 stock options to directors, officers, employees and consultants of the Company. The options are exercisable at $0.05 per option for 24 months. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of $22,000. The options were fully vested on the grant date.

During the year ended April 30, 2015, the Company granted 2,411,676 stock options to directors, officers, employees and consultants of the Company. The options are exercisable at a weighted average price of $0.12 per option for 24 months. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of $169,200. The options were fully vested on the grant date.

These options granted during the years ended April 30, 2016 and 2015 were valued using the Black-Scholes option pricing model with the following weighted average grant date assumptions:

	2016	**2015**
Weighted average grant date fair value	$0.03	$0.07
Weighted average risk-free interest rate	0.50%	1.06%
Expected dividend yield	0%	0%
Weighted average stock price volatility	170%	118%
Weighted average forfeiture rate	0%	0%
Weighted average expected life of options in years	2.00	2.0

(e) Warrants

The continuity of share purchase warrants for the year ended April 30, 2016 is as follows:

Expiry Date	Exercise Price	**Balance, April 30, 2014**	Issued	Expired/ Cancelled	**Balance, April 30, 2015**	Issued	**Balance, April 30, 2016**
July 20, 2014	$ 0.90	1,425,000	-	1,425,000	-	-	-
February 28, 2017	$ 0.05	-	-	-	-	2,599,142	2,599,142
April 8, 2017	$ 0.12	-	639,300	-	639,300	-	639,300
May 19, 2017	$ 0.20	-	-	-	-	400,000	400,000
November 14, 2018	$ 0.45	3,383,333	-	-	3,383,333	-	3,383,333
January 8, 2019	$ 0.45	225,000	-	-	225,000	-	225,000
January 10, 2019	$ 0.45	3,333,333	-	-	3,333,333	-	3,333,333*
		8,366,666	639,300	1,425,000	7,580,966	2,999,142	10,580,108
Weighted average exercise price		*$ 0.57*	*$ 0.12*	*$ 0.90*	*$ 0.42*	*$ 0.06*	*$ 0.32*

* These warrants were cancelled subsequent to the year ended April 30, 2016.

(Expressed in Canadian dollars)

11. SEGMENTED INFORMATION

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

	Canada	Colombia	Total
April 30, 2016			
Non-current assets	$ -	$ 1,515,349	$ 1,515,349
April 30, 2015			
Non-current assets	$ -	$ 1,534,792	$ 1,534,792

12. RELATED PARTY TRANSACTIONS

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

For the year ended April 30, 2016	Salary or Fees	Share-Based Payment	Total
Management Compensation	$ -	$ 7,801	$ 7,801
Director Compensation	-	6,632	6,632
Cross Davis & Company LLP	46,500	936	47,436
	$ 46,500	$ 15,369	$ 61,869

For the year ended April 30, 2015	Salary or Fees	Share-Based Payment	Total
Management Compensation	$ 75,345	$ 44,315	$ 119,660
Director Compensation	-	31,682	31,682
Cross Davis & Company LLP	54,000	2,865	56,865
	$ 129,345	$ 78,862	$ 208,207

Related party liabilities	April 30, 2016	April 30, 2015
Due to Management	$ 383	$ 30,369

Cross Davis & Company LLP provided management services including a chief financial officer, a corporate secretary, accounting staff, administration staff and office space to Colombian. During the year ended April 30, 2016, Cross Davis & Company LLP forgave $39,490, resulting in a gain on debt settlement of that amount. The Company also prepaid $1,900 to Cross Davis for future services.

During the year ended April 30, 2016, the Company received a $39,894 loan from the Chief Executive Officer and recorded interest expense of $2,818 related to that loan. In addition, a total of 797,877 bonus warrants were issued with a total fair value of $21,457 (Note 8).

13. FINANCIAL AND CAPITAL RISK MANAGEMENT

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

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

	April 30, 2016 ("COP")	April 30, 2015 ("COP")
Cash	544,539,767	5,851,375
Receivables	1,030,852	19,649,148
Accounts payable and accrued liabilities	(6,177,633)	(27,423,109)
Net exposure	539,392,986	(1,922,586)
Canadian dollar equivalent	$ 238,555	$ (974)

Based on the above net exposures as at April 30, 2016 and assuming that all other variables remain constant, a 10% change in the value of the Canadian dollar against the above foreign currency would result in an increase / decrease of approximately $23,860 (2015 - $97) to net loss for the year.

Credit Risk
The Company's cash is mainly held through large insured Canadian and Colombian financial institutions and accordingly, credit risk is minimized.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital resources. As at April 30, 2016, the Company has cash totaling $255,386 to settle current liabilities of $168,099.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. There is currently minimal interest rate risk.

Management of Capital
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties. The Company relies mainly on equity issuances to raise new capital and on entering into joint venture agreements on certain properties which enables it to conserve capital and to reduce risk. In the management of capital, the Company includes the components of equity as well as cash. The Company prepares annual estimates of exploration and administrative expenditures and monitors actual expenditures compared to the estimates to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest or penalty. The Company will have to raise additional financing to cover its exploration and administrative costs for the next twelve months. The Company's approach to the management of capital did not change during the year ended April 30, 2016.

(Expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS

The Company has classified its financial assets as follows:

April 30, 2016						
Financial assets		**FVTPL**		**Loan-and receivables**		**Total**
Cash	$	-	$	255,386	$	255,386
Other receivables		-		456		456
Investments		3,860		-		3,860
	$	3,860	$	255,842	$	259,702

April 30, 2015						
Financial assets		**FVTPL**		**Loan-and receivables**		**Total**
Cash	$	-	$	21,831	$	21,831
Other receivables		-		9,953		9,953
Investments		3,400		-		3,400
	$	3,400	$	31,784	$	35,184

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

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

April 30, 2016		**Level 1**		**Level 2**		**Total**
Financial assets						
Investments	$	3,860	$	-	$	3,860

April 30, 2015		**Level 1**		**Level 2**		**Total**
Financial assets						
Investments	$	3,400	$	-	$	3,400

15. CONTINGENCY

During the year ended April 30, 2016, the Company completed its previous litigation and was awarded approximately $357,704 (COP 801,085,775), net of costs, by the Colombian courts.

(Expressed in Canadian dollars)

16. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2016		2015
Income (loss) for the year	$	48,987	$	(1,098,849)
Expected income tax expense (recovery)	$	13,000	$	(286,000)
Change in statutory, foreign tax foreign exchange rates and other		18,000		3,000
Permanent Difference		12,000		40,000
Change in unrecognized deductible temporary differences		(43,000)		243,000
Total income tax expense (recovery)	$	-	$	-

The significant components of the Company's unrecognized deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

		2016		2015
Deferred Tax Assets (liabilities)				
Mineral properties	$	2,792,000	$	2,724,000
Land and equipment		51,000		52,000
Share issue costs		2,000		2,000
Non-capital losses available for future periods		2,026,000		2,135,000
		4,872,000		4,913,000
Unrecognized deferred tax assets		(4,872,000)		(4,913,000)
Net deferred tax assets	$	-	$	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		2016	Expiry Date Range		2015	Expiry Date Range
Temporary Differences						
Mineral properties	$	11,165,000	No expiry date	$	10,897,000	No expiry date
Land and equipment		203,000	No expiry date		207,000	No expiry date
Share issue costs		6,000	2037 to 2040		9,000	2036 to 2038
Investments		6,000	No expiry date		13,000	No expiry date
Allowable capital losses		3,000	No expiry date		-	No expiry date
Non-capital losses available for future periods		7,872,000	2027 to 2036		8,308,000	2027 to 2035

Tax attributes are subject to review, and potential adjustment, by tax authorities.

17. SUBSEQUENT EVENTS

Subsequent to the year ended April 30, 2016, the Company:

i. granted 1,305,667 stock options to directors, officers, advisors, employees and consultants at an exercise price of $0.055 per share for a two year period.

ii. entered into a binding letter of intent to acquire privately held Rocky Mountain Mining ("RMM") of Aurora, Colorado. The Company will obtain all of the issued and outstanding shares with an initial payment of 200,000 common shares. The Company will also grant 1,700,000 share purchase warrants to the current shareholders of RMM at escalating prices over a five year period.

   The warrants will allow the holder to purchase one common share of the Company and may be exercised in whole or in part at any time within five years of granting. During an initial term up to 24 months after the grant the warrants may be exercised at a price of $0.15 per share. During the period of 24 to 48 months after grant warrants may be exercised at a price of $0.30 per share, or during a final period of 48 to 60 months from the date of grant at a price of $0.45 per share.

iii. entered into a purchase option agreement with a private party to purchase a 100% undivided interest in the Pamlico gold project in Nevada, by (1) paying $4,000,000 USD in cash, including Advance Minimum Royalties and Production Royalties (4% NSR) within 4 years, or (2) paying $7,500,000 USD in cash, including Advance Minimum Royalties and Production Royalties so long as annual payments are equal to or exceed $250,000 USD.

   Upon signing, the Company paid $50,000 USD with a second payment of $150,000 USD due within 6 months after signing. Payments of $250,000 USD are due on each anniversary of the signing date thereafter until the total purchase price as per option (1) or (2) has been paid. The 4% NSR can be "bought down" to 1% by paying the owner $1,000,000 USD per percentage point. The Company will maintain the claims in good standing and pay any associated maintenance fees.

iv. bought back, and cancelled, 3,333,333 share purchase warrants (Note 10e) at a cost of $500, or $0.00015 per warrant.