COLOMBIAN MINES CORPORATION
CORPORACIÓN MINERA DE COLOMBIA S.A.

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

July 31, 2012

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of Colombian Mines Corporation for the three months ended July 31, 2012 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These financial statements have not been reviewed by the Company's external auditors.

COLOMBIAN MINES CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	July 31, 2012	April 30, 2012
ASSETS		
Current		
Cash and cash equivalents (Note 3)	$ 1,899,139	$ 1,020,514
Receivables	274,050	261,102
Prepaid expenses	48,552	146,904
	2,221,741	1,428,520
Investments (Note 4)	96,156	114,611
Land and equipment (Note 5)	107,552	123,279
Mineral properties (Note 6)	1,768,568	1,768,568
TOTAL ASSETS	$ 4,194,017	$ 3,434,978
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities (Note 11)	$ 306,331	$ 320,825
Income tax payable	37,834	37,834
	344,165	358,659
Non-current		
Accrued liabilities	79,708	104,081
EQUITY		
Share capital (Note 8)	15,753,310	14,359,597
Warrant reserve	5,093,852	4,988,949
Share based payment reserve	2,382,864	2,320,430
Investment revaluation reserve	(35,000)	(64,463)
Deficit	(19,424,882)	(18,632,275)
TOTAL EQUITY	3,770,144	2,972,238
TOTAL LIABILITIES AND EQUITY	$ 4,194,017	$ 3,434,978

Nature and continuance of operations (Note 1)

Approved on behalf of the Board of Directors on September 24, 2012:

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

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

COLOMBIAN MINES CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Three months ended July 31 2012	2011
EXPLORATION EXPENDITURES (Note 7)	$ 479,877	$ 998,992
ADMINISTRATIVE EXPENSES		
Administration and office costs	80,502	73,264
Depreciation	514	514
Investor relations and shareholder information	86,631	50,562
Professional fees	26,494	15,239
Share-based compensation (Note 8 (d))	62,434	30,893
Transfer agent and filing fees	4,633	2,600
Travel	-	1,432
	261,208	174,504
Loss before other income (expense)	(741,085)	(1,173,496)
OTHER INCOME (EXPENSE)		
Change in fair value of FVTPL investments	(4,156)	(5,520)
Foreign exchange (loss) gain	(6,778)	(7,891)
Interest income and other income	3,174	15,066
Impairment loss on AFS investments	(43,762)	-
	(51,522)	1,655
Net loss for the period	$ (792,607)	$ (1,171,841)
OTHER COMPREHENSIVE LOSS		
Net loss for the period	(792,607)	(1,171,841)
Change in fair value of investments (Note 4)	(14,299)	(8,291)
Transfer of permanent impairment of investments to net loss	43,762	-
Comprehensive (loss)	$ (763,144)	$ (1,180,132)
Basic and diluted loss per share	$ (0.02)	$ (0.04)
Weighted average number of common shares Outstanding, basic and diluted	32,932,522	32,591,761

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

COLOMBIAN MINES CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Three months ended July 31 2012	2011
CASH FLOWS FROM (TO)		
OPERATIONS		
Net loss for the period	$ (792,607)	$ (1,171,841)
Items not affecting cash:		
Depreciation	514	514
Depreciation included in exploration expense	16,439	39,636
De-recognition of equipment	-	241
Change in fair value of investment in securities	4,156	5,520
Change in impairment loss on investment in securities	43,762	-
Share-based compensation	62,434	30,893
Changes in non-cash working capital items:		
Receivables	(12,948)	(5,632)
Prepaid expenses	98,352	(43,950)
Accounts payable and accrued liabilities	(38,867)	(101,199)
	(618,765)	(1,245,818)
INVESTING		
Purchase of equipment	(1,226)	(10,180)
	(1,226)	(10,180)
FINANCING		
Shares issued for cash	1,510,500	-
Shares issue costs	(11,884)	-
	1,498,616	-
Change in cash and cash equivalents during the period	878,625	(1,255,998)
Cash and cash equivalents at beginning of period	1,020,514	5,487,374
Cash and cash equivalents at end of period	$ 1,899,139	$4,231,376
Supplementary cash flow information		
Interest received	$ 2,440	$ 3,628

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

COLOMBIAN MINES CORPORATION
CONDENDSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
THREE MONTHS ENDED JULY 31, 2012 and 2011
(Unaudited – Prepared by Management)

	Share Number of shares	Capital Amount $	Warrant Reserve $	Share Based Payment Reserve $	Investment Revaluation Reserve $	Deficit $	Total $
Balance at April 30, 2011	32,591,761	14,359,597	4,988,949	1,697,661	(18,888)	(14,123,807)	6,903,512
Share based compensation	-	-	-	30,893	-	-	30,893
Change in fair value of investment in securities	-	-	-	-	(8,291)	-	(8,291)
Loss for the period	-	-	-	-	-	(1,171,841)	(1,171,841)
Balance July 31, 2011	32,591,761	14,359,597	4,988,949	1,728,554	(27,179)	(15,295,648)	5,754,273
Balance at April 30, 2012	32,591,761	14,359,597	4,988,949	2,320,430	(64,463)	(18,632,275)	2,972,238
Share issued for cash	2,850,000	1,404,765	105,735	-	-	-	1,510,500
Share issued costs	-	(11,052)	(832)	-	-	-	(11,884)
Share based compensation	-	-	-	62,434	-	-	62,434
Change in fair value of investment in securities	-	-	-	-	29,463	-	29,463
Loss for the period	-	-	-	-	-	(792,607)	(792,607)
Balance July 31, 2012	35,441,761	15,753,310	5,093,852	2,382,864	(35,000)	(19,424,882)	3,770,144

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

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1. NATURE AND CONTINUANCE OF OPERATIONS

Colombian Mines Corporation (the "Company" or "Colombian") was incorporated under the *Business Corporation Act (B.C.)* on May 16, 2006. The Company acquired all of the outstanding shares of Corporacion Minera de Colombia S.A. ("Minera Colombia") on September 16, 2006 by way of a share exchange agreement. The condensed consolidated interim financial statements of Colombian as at and for the three months ended July 31, 2012 comprise the Company and its subsidiaries. Colombian is the ultimate parent of the consolidated group.

The Company has mineral properties which are located in an emerging country and, consequently, may be subject to a higher level of risk compared to developed countries. Operations, the status and title of mineral property rights and the recoverability of amounts shown for mineral properties in emerging nations can be affected by changing economic, regulatory and political situations. The Company is in the process of exploring its mineral properties and has not yet determined whether they contain reserves that are economically recoverable. These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from the carrying values shown and these financial statements and do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At July 31, 2012, the Company had not yet achieved profitable operations, had accumulated losses of $19,424,882 and is expected to incur further losses in the development of its business, all of which raises doubt about its ability to continue as a going concern. The Company will have to raise additional financing in order to conduct its planned work programs on mineral properties and meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While Colombian has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Adoption of International Financial Reporting Standards

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The accounting policies followed in these interim financial statements are the same as those applied in the Company's annual financial statements for the year ended April 30, 2012. The Company has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect. The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as of September 20, 2012 the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the Company's audited annual consolidated financial statements for the year ending April 30, 2013, could result in restatement of these condensed consolidated interim financial statements. These condensed consolidated interim financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended April 30, 2012.

(Expressed in Canadian dollars)

3. CASH AND CASH EQUIVALENTS

	July 31, 2012	April 30, 2012
Cash	$ 367,076	$ 255,652
Short-term bank deposits	1,532,063	764,862
	$ 1,899,139	$ 1,020,514

4. INVESTMENTS

	July 31, 2012	April 30, 2012
Available for sale investments	$ 82,347	$ 96,646
Fair value through profit and loss	13,809	17,965
	$ 96,156	$ 114,611

During the quarter ended July 31, 2012 the Company recorded a permanent impairment on its investment in Arcturus Ventures Inc. in the amount of $43,762 which was recognized in the net loss for the period. Of this amount $41,963 was reclassified from investment valuation reserve and $1,799 was result of a decline in value in the current quarter.

5. LAND AND EQUIPMENT

	Office	Vehicles	Field Equipment	Land	Total
Cost					
As at April 30, 2012	$ 138,864	$ 176,896	$ 186,548	$ 55,854	$ 558,162
Additions	763	-	463	-	1,226
De-recognition	(222)	-	-	-	(222)
As at July 31, 2012	139,405	176,896	187,011	55,854	559,166
Accumulated depreciation					
As at April 30, 2012	107,043	176,896	150,944	-	434,883
Additions	6,169	-	10,784	-	16,953
De-recognition	(222)	-	-	-	(222)
As at July 31, 2012	112,990	176,896	161,728	-	451,614
Net book value					
As at April 30, 2012	31,821	-	35,604	55,854	123,279
As at July 31, 2012	$ 26,415	$ -	$ 25,283	$ 55,854	$ 107,552

(Expressed in Canadian dollars)

6. MINERAL PROPERTIES

	July 31, 2012	April 30, 2012
Yarumalito	$ 1,686,534	$ 1,686,534
Gachala	82,034	82,034
	$ 1,768,568	$ 1,768,568

The Company, through its subsidiary, Minera Colombia has acquired the Yarumalito property and has an option agreement to acquire a 100% interest in the Gachala property. Option payments for these properties have been capitalized to mineral properties.

Yarumalito

On July 18, 2012 the Company entered into an option agreement with Teck Resources Limited ("Teck") whereby Teck's local Colombian subsidiary ("TLS") whereby TLS could earn up to a 70% Joint Venture Interest in the Yarumalito project by spending not less than $10 million on exploration and making cash payments and private placements. Colombian Mines will remain manager of the Project during the initial earn-in phase through its wholly owned Colombian subsidiary Corporacion Minera de Colombia ("CMC") and will receive a management fee equal to 10% of all exploration expenditures.

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. The following payments must be made in order to maintain the option in good standing and complete the acquisition.

Date	U.S. Dollars	Canadian equivalent outstanding at July 31, 2012
August 4, 2012	$ 30,000	$ 30,117
August 4, 2013	35,000	35,137
August 4, 2014 – 2026 (US$50,000/yr.)	650,000	652,535
August 4, 2027	5,000	5,020
	$ 720,000	$ 722,809

(Expressed in Canadian dollars)

7. EXPLORATION EXPENSES

Exploration expenditures incurred during the three months ended July 31, 2012 were as follows:

2012	Yarumalito	Anori	El Dovio	Gachala	Other	Total
Administration	$ 98,866	$ 20,715	$ 47,340	$ 10,681	$ 19,555	$ 197,157
Assaying	6,091	-	525	-	-	6,616
Consultants	21,827	-	24,778	16,594	21,623	84,822
Field costs	8,350	58,761	23,627	2,850	5,241	98,829
Salaries	16,133	-	56,705	51	1,898	74,787
Taxes	-	-	3,427	4,463	-	7,890
Travel	922	-	5,617	315	439	7,293
Vehicle costs	1,106	-	979	-	398	2,483
	$ 153,295	$ 79,476	$ 162,998	$ 34,954	$ 49,154	$ 479,877

Exploration expenditures incurred during the three months ended July 31, 2011 were as follows:

2011	Yarumalito	Anori	El Dovio	Gachala	Other	Total
Administration	$ 136,903	$ 1,481	$ 75,810	$ 10,269	$ 15,783	$ 240,245
Assaying	40,779	-	25,208	6,130	(2,156)	69,961
Consultants	75,694	2,912	61,594	1,923	3,538	145,661
Drilling	336,416	-	-	-	-	336,416
Field costs	27,179	-	70,013	2,449	223	99,864
Salaries	38,425	-	34,226	36	3	72,690
Taxes	13,134	-	9,972	-	-	23,106
Travel	3,330	-	15,424	-	70	18,824
Vehicle costs	3,269	-	3,164	27	106	6,567
Geophysics	5,000	-	-	-	-	5,000
	680,129	4,393	295,411	20,834	17,567	1,018,334
Exploration Cost Recovery		-	-	-	(19,342)	(19,342)
	$ 680,129	$ 4,393	$ 295,411	$ 20,834	$ (1,775)	$ 998,992

(Expressed in Canadian dollars)

8. EQUITY

(a) Share capital

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

(b) Private Placement

On July 20, 2012 the Company completed a private placement with Teck, whereby Teck subscribed for a total of 2,850,000 units at a price equal to $0.53 per unit for gross proceeds of $1,510,500. Each unit consisted of one common share and one-half of a common share purchase warrant. Each full warrant may be exercised at a price equal to $0.90 per warrant from July 20, 2012 until July 20, 2013 and at a price of $1.15 per warrant from July 21, 2013 until July 20, 2014.

The values allocated to the common shares and the warrants were based on their relative fair values on the completion date. On July 20, 2012 the closing price for Colombian's shares was $0.32 and the fair value of one whole share purchase warrant was $0.04. The fair value of the share purchase warrants was determined using a Black-Scholes option pricing model using the following assumptions: a stock price of $0.32, a life of 2 years, a risk-free interest rate of 0.97%, a dividend yield of 0% and a volatility of 75%. As a result, $1,404,765 of the gross proceeds were allocated to share capital and the balance of $105,735 was allocated to warrant reserve. Issue costs of $11,884 we incurred to complete the private placement, with $11,052 being allocated to share issue costs and $832 was allocated to warrant reserve.

(c) Share options

The continuity of share purchase options for the three months ended July 31, 2012 is as follows:

	July 31, 2012	
	Number of stock options	**Weighted average exercise price ($/option)**
Outstanding, beginning of period	3,167,500	0.65
Granted	75,000	0.35
Outstanding, end of period	3,242,500	0.64

(Expressed in Canadian dollars)

8. EQUITY (continued)

The following table summarizes information about share options outstanding and exercisable at July 31, 2012:

	Stock options outstanding		Stock options exercisable	
Exercise prices ($)	**Number**	**Weighted average remaining life (years)**	**Number**	**Weighted average exercise price ($/option)**
0.35 – 0.69	2,561,500	1.65	2,009,834	0.56
0.88 – 1.21	681,000	0.86	681,000	1.00
	3,242,500	1.50	2,690,834	0.67

(d) Share-Based Payments

On July 3, 2012 Colombian granted 75,000 share purchase options with an exercise price of $0.35 per option to a director of the Company. The options were fully vested on the grant date. The option grant was valued using a Black-Scholes option pricing model with the following inputs: a share price of $0.30, a three year life, a risk-free interest rate of 1.05%, a dividend yield of 0%, and a volatility of 110%. The grant date fair value was $0.19 per option and the Company recorded total share-based compensation of $14,370 for those options. The Company recorded total share-based compensation of $62,434 for the three months ended July 31, 2012 with the offsetting amount credited to share-based payment reserve.

(e) Warrants

The continuity of share purchase warrants for the three months ended July 31, 2012 is as follows:

Expiry Date	Exercise Price	**Balance, April 30 2012**	Granted	Exercised	Expired / Cancelled	**Balance, July 31 2012**
December 22, 2012	$0.90	4,100,000	-	-	-	4,100,000
March 2, 2013	1.15	4,855,000	-	-	-	4,855,000
March 2, 2013	0.70	627,900	-	-	-	627,900
July 20, 2014	0.90	-	1,425,000	-	-	1,425,000
Total		9,582,900	1,425,000	-	-	11,007,900
Weighted average Exercise price		$ 1.14	$ 0.90	-	-	$ 1.00

10. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being exploration and development of mineral properties.

11. RELATED PARTY TRANSACTIONS

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

For the three months ended July 31, 2012	Salary or Fees	Share-Based Payment	Total
Management Compensation	$ 68,038	$ -	$ 68,038
Seabord Services Corp. (two officers in common)	41,700	-	41,700

For the three months ended July 31, 2011	Salary or Fees	Share-Based Payment	Total
Management Compensation	$ 87,560	$ -	$ 87,560
Seabord Services Corp	37,500	-	37,500

Related party assets and liabilities	Service or item	July 31, 2012	April 30, 2012
Amounts due from:			
Seabord Services Corp.	Deposit	$ 10,000	$ 10,000
Amounts due to:			
Management	Management fees and expenses	52,074	51,698
Seabord Services Corp.	Management fees and expenses	3,646	-

Seabord Services Corp., (“Seabord”) is a management services company that provides a chief financial officer, a corporate secretary, accounting staff, administration staff and office space to Colombian Mines. Related party transactions are measured at the exchange amount which is the amount agreed to by related parties.

12. FINANCIAL AND CAPITAL RISK MANAGEMENT

a) Financial Risk Management

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

Foreign currency risk
The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and Colombia. The Company funds cash calls to its subsidiary company outside of Canada in US dollars and a portion of its expenditures are also incurred in Colombian pesos. The greatest risk is the exchange

12. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

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 July 31, 2012 and 2011, the Company is exposed to currency risk through the following assets and liabilities denominated in Colombian pesos:

	July 31, 2012	July 31, 2011
Cash and cash equivalents	98,235,500	297,638,500
Receivables	442,561,500	5,102,000
Accounts payable and accrued liabilities	(235,003,100)	(278,611,700)
Net exposure	305,793,900	24,128,800
Canadian dollar equivalent	$ 171,179	$ 12,935

Based on the above net exposures as at July 31, 2012 and assuming that all other variables remain constant, a 10% change in the value of the Canadian dollars against the above foreign currency would result in an increase / decrease of approximately $17,100 (2011 - $1,300) to loss from operations.

Credit Risk
The Company's cash and cash equivalents are mainly held through large Canadian or US financial institutions and at July 31, 2012 are mainly held in short term deposits and accordingly, credit risk is minimized.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital resources as outlined in note 12 (b).

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held mainly in short term deposits and therefore there is currently minimal interest rate risk.

b) MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties. Colombian relies mainly on equity issuances to raise new capital and on entering into joint venture agreements on certain properties which enables it to conserve capital and to reduce risk. In the management of capital, the Company includes the components of equity as well as cash. The Company prepares annual estimates of exploration and administrative expenditures and monitors actual expenditures compared to the estimates to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest penalty. The Company currently has sufficient capital to cover its administrative costs for the next twelve months and some of its planned exploration expenditures. However it may need to raise more capital in order to fund all of its planned exploration activity.

(Expressed in Canadian dollars)

13. FINANCIAL INSTRUMENTS

The Company has classified its financial assets as follows:

July 31, 2012				
Financial assets	**FVTPL**	**Available-for-sale**	**Loans-and-receivables**	**Total**
Cash and cash equivalents	$ -	$ -	$ 1,899,139	$ 1,899,139
Receivables	-	-	274,050	274,050
Investment in securities	13,809	82,347	-	96,156
	$ 13,809	$ 82,347	$ 2,173,189	$ 2,269,345

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

The carrying value of its financial assets approximates their fair value as at July 31, 2012 due to their short term maturity except for investments in marketable securities which are carried at fair value. The Company classifies its only financial liability, accounts payable and accrued liabilities as other financial liabilities. The total other liabilities outstanding at July 31, 2012 was $423,873 (April 30, 2012 - $462,740). The carrying value of its financial liabilities approximates their fair value as at July 31, 2012 due to their short term maturity except for a patrimonial tax invoked by the Colombian government based on total assets held in Colombia as at January 1, 2011.

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

July 31, 2012	**Level 1**	**Level 2**	**Total**
Financial assets			
Cash	$ 1,899,139	$ -	$ 1,899,139
Investment in securities	82,347	13,809	96,156

April 30, 2012	**Level 1**	**Level 2**	**Total**
Financial assets			
Cash	$ 1,020,514	$ -	$ 1,020,514
Investment in securities	96,646	17,965	114,611