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

July 31, 2011

NOTICE TO READER

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

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

	July 31, 2011	April 30, 2011	May 1, 2010
ASSETS		(Note 15)	(Note 15)
Current			
Cash and cash equivalents (Note 4)	$ 4,231,376	$ 5,487,374	$ 4,225,970
Receivables	35,918	30,286	27,445
Prepaid expenses	361,929	317,979	161,241
	4,629,223	5,835,639	4,414,656
Investment in securities (Note 5)	130,090	143,901	-
Equipment (Note 6)	140,759	170,970	198,224
Mineral properties (Note 7)	1,362,143	1,362,143	453,958
TOTAL ASSETS	$ 6,262,215	$ 7,512,653	$ 5,066,838
LIABILITIES AND EQUITY			
Current			
Accounts payable and accrued liabilities (Note 14)	$ 349,326	$ 433,443	$ 244,162
Income tax payable	37,834	37,834	-
	387,160	471,277	244,162
Non-current			
Accrued liabilities	120,782	137,864	-
EQUITY			
Share capital (Note 9)	14,359,597	14,359,597	9,873,655
Warrant reserve (Note 9c)	4,988,949	4,988,949	3,232,461
Share based payment reserve (Note 9b)	1,728,554	1,697,661	1,257,462
Investment revaluation reserve	(27,179)	(18,888)	-
Deficit	(15,295,648)	(14,123,807)	(9,540,902)
TOTAL EQUITY	5,754,273	6,903,512	4,822,676
TOTAL LIABILITIES AND EQUITY	$ 6,262,215	$ 7,512,653	$ 5,066,838

Nature and continuance of operations (Note 1)
Events after the balance sheet date (Note 16)

Approved on behalf of the Board of Directors on October 25, 2011:

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

The accompanying notes are an integral part of these consolidated 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 2011	2010 (Note 15)
EXPLORATION EXPENDITURES (Note 8)	$ 998,992	$ 920,504
ADMINISTRATIVE EXPENSES		
Administration and office costs	73,264	68,540
Depreciation	514	-
Investor relations and shareholder information	50,562	32,477
Professional fees	15,239	14,040
Share based compensation	30,893	55,393
Transfer agent and filing fees	2,600	2,250
Travel	1,432	-
	174,504	172,700
Loss before other income (expense)	(1,173,496)	(1,093,204)
OTHER INCOME (EXPENSE)		
Change in fair value of investments in securities (Note 5)	(5,520)	-
Foreign exchange (loss) gain	(7,891)	39,827
Interest income and other income	15,066	32,422
	1,655	72,249
Net loss for the period	$ (1,171,841)	$ (1,020,955)
OTHER COMPREHENSIVE LOSS		
Net loss for the period	(1,171,841)	(1,020,955)
Change in fair value of financial instruments (Note 5)	(8,291)	-
Comprehensive (loss)	$ (1,180,132)	$ (1,020,955)
Basic and diluted loss per share	$ (0.04)	$ (0.04)
Weighted average number of common shares Outstanding, basic and diluted	32,591,761	22,828,409

The accompanying notes are an integral part of these consolidated 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 2011	2010
CASH FLOWS FROM (TO)		(Note 15)
OPERATIONS		
Net loss for the period	$ (1,171,841)	$ (1,020,955)
Items not affecting cash:		
Depreciation	514	-
Depreciation included in exploration expense	39,637	28,870
De-recognition of equipment	240	-
Change in fair value of investment in securities	5,520	-
Share based compensation	30,893	55,393
Changes in non-cash working capital items:		
Receivables	(5,632)	19,989
Prepaid expenses	(43,950)	5,081
Accounts payable and accrued liabilities	(101,199)	(17,646)
	(1,245,819)	(929,268)
INVESTING		
Purchase of equipment	(10,180)	(5,167)
	(10,180)	(5,167)
FINANCING		
Shares issued for cash	-	3,040
	-	3,040
Change in cash and cash equivalents during the period	(1,255,998)	(931,395)
Cash and cash equivalents at beginning of period	5,487,374	4,225,970
Cash and cash equivalents at end of period	$ 4,231,376	$ 3,294,575

Supplementary cash flow information (Note 12)

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

COLOMBIAN MINES CORPORATION
CONDENDSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
THREE MONTHS ENDED July 31, 2011 and 2010
(Unaudited – Prepared by Management)

	Share	Capital					
	Number of shares	**Amount $**	**Warrant Reserve $**	**Share Based Payment Reserve $**	**Investment Revaluation Reserve $**	**Deficit $**	**Total $**
Balance May 1, 2010 (Note 15)	22,826,061	9,873,655	3,232,461	1,257,462	-	(9,540,902)	4,822,676
Shares issued on exercise of options	8,000	3,040	-		-	-	3,040
Reclassify share based payment reserve on exercise of options	-	2,932		(2,932)	-	-	-
Share based compensation	-	-		55,393	-	-	55,393
Loss for the period	-	-	-	-	-	(1,020,955)	(1,020,955)
Balance July 31, 2010	22,834,061	9,879,627	3,232,461	1,309,923	-	(10,561,857)	3,860,154
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

The accompanying notes are an integral part of these consolidated 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 address of the Company's head office is #501 – 543 Granville Street, Vancouver, BC, Canada V6C 1X8. The condensed consolidated interim financial statements of Colombian as at and for the three months ended July 31, 2011 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 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, 2011, the Company had not yet achieved profitable operations, had accumulated losses of $15,295,648 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

Statement of Compliance and Conversion to 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").

These are the Company's first IFRS condensed consolidated interim financial statements for part of the period covered by the first IFRS consolidated annual financial statements to be presented in accordance with IFRS for the year ending April 30, 2012. Previously the Company prepared its consolidated annual and consolidated interim financial statements in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP").

Basis of Presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis and have been prepared using the accrual basis of accounting, except for cash flow information. The preparation of interim financial statements in conformity with IAS 34 requires management to make judgments estimates and assumptions that affect the application of the policies and reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates. These condensed consolidated interim financial statements do not include all

of the information required for full annual financial statements. The preparation of these condensed consolidated interim financial statements resulted in changes to the accounting policies as compared to the most recent annual financial statements prepared under Canadian GAAP.

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The accounting policies set out below have been applied consistently to all periods presented in these condensed consolidated interim financial statements. They also have been used in preparing an opening IFRS balance sheet at May 1, 2010 for the purposes of the transition to IFRS, as required by IFRS 1, "First Time Adoption of International Financial Reporting Standards (IFRS 1). The impact of the transition from Canadian GAAP to IFRS is explained in Note 15.

Basis of Consolidation

These condensed consolidated interim 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 condensed consolidated interim financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Business Combinations

Business combinations that occurred prior to May 1, 2011 were not accounted for in accordance with IFRS 3, *Business Combinations* ("IFRS 3") or IAS 27, *Consolidated and Separate Financial Statements*, in accordance with the IFRS 1 exemption.

Acquisitions of businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity investments issued by the Company in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, which are recognized and measured at fair value less costs to sell.

Business combinations that involve companies in the exploration stage are treated as asset acquisitions. The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign Currencies
The functional and presentation currency of the Company is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The Company has determined that the functional currency of its foreign subsidiary is the Canadian dollar. Exchange differences arising from the translation of the net investment in its subsidiaries are recorded as a gain or loss on foreign currency translation in the statements of (loss) income and comprehensive (loss) income.

Financial Instruments

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, available-for-sale ("AFS"), loans-and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. FVTPL has two categories: designated and held for trading. The Company's cash and short-term money market investments are classified as FVTPL.

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

Financial assets classified as available-for-sale 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.

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.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as 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 trade and other payables 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 comprehensive income.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other 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 indirectly 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.

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 years for computer equipment and over five years for all other equipment.

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 comprehensive loss.

Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item are accounted for separately, including major inspection and overhaul expenditures are capitalized.

Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position are 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. The Company's cash and cash equivalents are invested with major financial institutions in business accounts and term deposits which are available on demand by the Company for its exploration programs and administrative expenses, and are not invested in any asset backed securities.

Impairment of Non-Financial Assets

At each financial position reporting date the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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 is established to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For the purposes of impairment testing, mineral properties are allocated to cash-generating units to which the exploration activity relates. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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. A reversal of an impairment loss is recognized immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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, net of any tax effects.

Share-based Payment Transactions

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. The fair value is measured at grant date and each tranche is recognized on a straight line basis 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 share 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 balance sheet 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 balance sheet 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. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against the excess.

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.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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. Diluted earnings (loss) per share is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Segment Reporting

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

Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions 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. Actual outcomes could differ from these estimates. The interim condensed 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:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

3. CHANGES IN ACCOUNTING STANDARDS

The following are IFRS changes that have been issued by the International Accounting Standards Board, which may affect the Company, but are not yet effective:

IAS 12, Income taxes, was amended in December 2010 to remove subjectivity in determining on which basis an entity measures the deferred tax relating to an asset. The amendment introduces a presumption that an entity will assess whether the carrying value of an asset will be recovered through the sale of the asset. The amendment to IAS 12 is effective for reporting periods beginning on or after January 1, 2012. The Company is assessing the effect of the changes to IAS 12 on its financial results and financial position.

IAS 27, Separate Financial Statements, replaced the existing IAS 27 "Consolidated and Separate Financial Statements". IAS 27 contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. IAS 27 requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 Financial Instruments. IAS 27 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is assessing the effect of the changes to IAS 27 on its financial results and financial position.

IAS 28, Investments in Associates and Joint Ventures, was amended in 2011 and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is assessing the effect of the changes to IAS 28 on its financial results and financial position.

IFRS 9, Financial Instruments, was issued in November 2009 and is the first step to replace current IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The Company is assessing the effect of IFRS 9 on its financial results and financial position; however any changes are not expected to be material.

IFRS 10, Consolidated Financial Statements, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27, Consolidated and Separate Financial Statements, and SIC-12, Consolidation—Special Purpose Entities, and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is assessing the effect of the changes to IFRS 10 on its financial results and financial position.

IFRS 11, Joint Arrangements, establishes principles for financial reporting by parties to a joint arrangement. IFRS 11 supersedes current IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities - Non-Monetary

(Expressed in Canadian dollars)

3. CHANGES IN ACCOUNTING STANDARDS (continued)

Contributions by Venturers, and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is assessing the effect of the changes to IFRS 11 on its financial results and financial position.

IFRS 12, Disclosure of Interests in Other Entities, applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is assessing the effect of the changes to IFRS 12 on its financial statement disclosures.

IFRS 13, Fair Value Measurements, defines fair value, sets out in a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. The IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances. IFRS 13 is to be applied for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is assessing the effect of the changes to IFRS 13 on its financial results and financial position.

4. CASH AND CASH EQUIVALENTS

	July 31, 2011	April 30, 2011	May 1, 2010
Cash	$ 3,753,349	$ 755,045	$ 4,163,404
Short-term bank deposits	478,027	4,732,329	62,566
	$ 4,231,376	$ 5,487,374	$ 4,225,970

5. INVESTMENTS IN SECURITIES

	July 31, 2011		
	Cost	Fair value	Statement of Loss/Other Comprehensive Income Income
Available-for-sale investments	$ 134,859	$ 107,680	$ (8,291)
Fair value through profit and loss	33,143	22,410	(5,520)
	$ 168,002	$ 130,090	$ (13,811)

(Expressed in Canadian dollars)

5. INVESTMENTS IN SECURITIES (continued)

	April 30, 2011		
	Cost	**Fair value**	**Statement of Loss/Other Comprehensive Income Income**
Available-for-sale investments	$ 134,859	$ 115,971	$ (8,291)
Held for trading investments	33,143	27,930	(5,213)
	$ 168,002	$ 143,901	$ (24,101)

The Company has investments in the common shares and warrants of companies that trade on the TSX Venture Exchange. The warrants have been classified as held for trading and have been valued using the Black-Scholes option pricing model. There were no investments in warrants at May 1, 2010.

6. EQUIPMENT

	Office	**Vehicles**	**Field**	**Total**
Cost				
As at May 1, 2010	$ 78,498	$ 145,682	$ 172,230	$ 396,410
Additions	55,883	31,214	8,763	95,860
Disposals	(2,787)	-	-	(2,787)
As at April 30, 2011	131,594	176,896	180,993	489,483
Additions	9,289	-	891	10,180
Disposals	(872)	-	(528)	(1,400)
As at July 31, 2011	140,011	176,896	181,356	498,263
Accumulated depreciation				
As at May 1, 2010	44,423	83,343	70,420	198,186
Additions	34,122	49,039	38,777	121,938
Disposals	(1,611)	-	-	(1,611)
As at April 30, 2011	76,934	132,382	109,197	318,513
Additions	12,717	16,159	11,275	40,151
Disposals	(752)	-	(408)	(1,160)
As at July 31, 2011	88,899	148,541	120,064	357,504
Net book value				
As at May 1, 2010	34,075	62,339	101,810	198,224
As at April 30, 2011	54,660	44,514	71,796	170,970
As at July 31, 2011	$ 51,112	$ 28,355	$ 61,292	$ 140,759

(Expressed in Canadian dollars)

7. MINERAL PROPERTIES

The Company, through its subsidiary, Minera Colombia has option agreements to acquire 100% interests in the Yarumalito and Gachala properties. Option payments for these properties have been capitalized to mineral properties.

	July 31, 2011	April 30, 2011	May 1, 2010
Yarumalito	$ 1,303,852	$ 1,303,852	$ 415,962
Gachala	58,291	58,291	37,996
	$ 1,362,143	$ 1,362,143	$ 453,958

Yarumalito
In August 2009, Colombian renegotiated the Yarumalito agreement to revise the timing and the amounts of the remaining payments from those agreed upon in the February 2009, amendment. The Company must make a payment of US$380,000 on or before October 15, 2011 in order to acquire a 100% interest in the Yarumalito property.

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 August 2009 Colombian renegotiated the option agreement. The total purchase price was reduced from US$1,500,000 to US$800,000 and the amount and timing of individual option payments were amended. 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, 2011
August 4, 2011	$ 25,000	$ 23,895
August 4, 2012	30,000	28,674
August 4, 2013	35,000	33,453
August 4, 2014 – 2026 (US$50,000/yr.)	650,000	621,270
August 4, 2027	5,000	4,779
	$ 745,000	$ 712,071

On August 4, 2011, the Company made the option payment due on the Gachala property in the amount of US$25,000.

(Expressed in Canadian dollars)

8. EXPLORATION EXPENSES

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

	Yarumalito	Nus	Anori	El Dovio	Gachala	Other	Total
Administration	$ 136,903	$ 2,197	$ 1,481	$ 75,810	$ 10,269	$ 13,586	$ 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	2,197	4,393	295,411	20,834	15,370	1,018,334
Exploration Cost Recovery		(1,007)	-	-	-	(18,335)	(19,342)
	$ 680,129	$ 1,190	$ 4,393	$ 295,411	$ 20,834	$ (2,965)	$ 998,992

(Expressed in Canadian dollars)

8. **EXPLORATION EXPENSES** (continued)

Exploration expenditures incurred during the three months ended July 31, 2010 were as follows:

	Yarumalito	Nus	Anori	El Dovio	Gachala	Other	Total
Administration	$ 88,483	$ 4,256	$ 2,312	$ 7,977	$ 8,235	$ 9,177	$ 120,440
Assaying	31,639	3,423	619	-	265	16,491	52,437
Consultants	55,484	-	4,221	1,233	19,405	21,131	101,474
Drilling	207,694	-	-	-	-	-	207,694
Field costs	33,438	25,369	24,591	114,260	3,029	121,362	322,049
Salaries	44,192	-	-	-	-	31,393	75,585
Taxes	700	-	-	-	-	-	700
Travel	6,296	-	-	-	-	5,046	11,342
Vehicle costs	2,229	-	-	-	-	1,336	3,565
Mapping	-	-	-	-	-	1,029	1,029
Geophysics	24,189	-	-	-	-	-	24,189
	$ 494,344	$ 33,048	$ 31,743	$ 123,470	$ 30,934	$ 206,965	$ 920,504

(Expressed in Canadian dollars)

9. EQUITY

(a) Share capital
Authorized share capital consists of an unlimited number of common shares without par value.

(b) Share options
The Company adopted a share option plan ("the Plan") pursuant to the policies of the TSX Venture Exchange ("the Exchange"). The maximum aggregate number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company. The maximum term of the options is five years and the vesting requirements are determined at the time of each grant. The Plan has been approved by the Exchange and is approved by the shareholders of the Company each year at its annual general meeting. The continuity of share purchase options for the three months ended July 31, 2011 and for the year ended April 30, 2011 is as follows:

Expiry Date	Exercise Price	**Balance April 30 2011**	Granted	Exercised	Expired / Cancelled	**Balance July 31 2011**	**Vested and Exercisable**
April 2, 2013	$1.00	684,000	-	-	-	684,000	684,000
October 20, 2014	0.38	40,000	-	-	-	40,000	40,000
January 5, 2015	0.88	118,000	-	-	-	118,000	118,000
April 14, 2015	1.21	215,000	-	-	(25,000)	190,000	120,000
September 3, 2013	0.69	310,500	-	-	(20,000)	290,500	193,667
September 3, 2012	0.69	320,000	-	-	(10,000)	310,000	261,333
Total		1,687,500	-	-	(55,000)	1,632,500	1,362,334
Weighted average Exercise price		$ 0.89	-	-	$ 0.93	$ 0.89	$ 0.90

Expiry Date	Exercise Price	**Balance May 1 2010**	Granted	Exercised	Expired / Cancelled	**Balance April 30 2011**	**Vested and Exercisable**
April 2, 2013	$1.00	949,000	-	-	(265,000)	684,000	684,000
October 20, 2014	0.38	82,700	-	(42,700)	-	40,000	40,000
January 5, 2015	0.88	143,000	-	-	(25,000)	118,000	118,000
April 14, 2015	1.21	215,000	-	-		215,000	145,000
September 3, 2013	0.69	-	392,000	(13,000)	(68,500)	310,500	261,333
September 3, 2012	0.69	-	320,000	-		320,000	106,667
Total		1,389,700	712,000	(55,700)	(358,500)	1,687,500	1,355,000
Weighted average Exercise price		$ 0.89	$ 0.69	$ 0.45	$ 0.93	$ 0.89	$ 0.89

(Expressed in Canadian dollars)

9. EQUITY (continued)

c) Warrants

The continuity of share purchase warrants for the three months ended July 31, 2011 and for the year ended April 30, 2011 is as follows:

Expiry Date	Exercise Price	**Balance, April 30 2011**	Granted	Exercised	Expired / Cancelled	**Balance, July 31 2011**
March 23, 2012	$1.20	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
Total		9,582,900	-	-	-	9,582,900
Weighted average Exercise price		$ 1.14	-	-	-	$ 1.14

Expiry Date	Exercise Price	**Balance, May 1 2010**	Granted	Exercised	Expired / Cancelled	**Balance, April 30 2011**
May 27, 2010	$1.20	950,000			(950,000)	-
March 23, 2012	1.20	4,100,000				4,100,000
March 23, 2011	1.20	122,562			(122,562)	-
March 23, 2012	1.15	-	4,855,000	-	-	4,855,000
March 2, 2013	0.70	-	627,900	-	-	627,900
Total		5,172,562	5,482,900	-	(1,072,562)	9,582,900
Weighted average Exercise price		$ 1.20	$ 1.10	-	$1.20	$ 1.14

d) Loss Per Share

The calculation of basic and diluted loss per share for the three months ended July 31, 2011 was based on the loss attributable to common shareholders of $1,171,841 (2010 – $1,020,955) and a weighted average number of common shares outstanding of 32,591,761 (2010 – 22,828,409). The diluted loss per share did not include the effect of the 1,632,500 share purchase options outstanding because they were anti-dilutive.

10. SEGMENTED INFORMATION

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

(Expressed in Canadian dollars)

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, 2011	Salary or Fees
Management Compensation	87,560
	$ 87,560

For the three months ended July 31, 2010	Salary or Fees
Management Compensation	$ 96,852
	$ 96,852

Related party assets and liabilities	Service or item	July 31, 2011	April 30, 2011	May 1, 2010
Amounts due to:				
Management	Management fees & Expenses	$ 69,904	$ 90,469	$ 25,239

Seabord Services Corp., ("Seabord") is a management services company which has two officers in common. Seabord provides a chief financial officer, a corporate secretary, accounting staff, administration staff and office space to Colombian Mines. The Chief Financial Officer is an employee of Seabord and is not paid directly by Colombian Mines. These transactions are measured at the exchange amount which is the amount agreed to by related parties. During the three months ended July 31, 2011 the Company paid or accrued $37,500 (2010 - $37,500) for these services.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the three month period ended July 31, 2011, the Company:

a) Incurred a loss of $5,520 (2010 – nil) on its held for trading investments.
b) received cash for interest income of $3,628 (2010 - $7,200)

13. 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.

13. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

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

	Colombian Pesos
Cash and cash equivalents	297,638,500
Receivables	5,102,000
Accounts payable and accrued liabilities	(278,611,700)
Net exposure	24,128,800
Canadian dollar equivalent	12,935

Based on the above net exposures as at July 31, 2011 and assuming that all other variables remain constant, a 10% change in the value of the Canadian dollars against the above foreign currencies would result in an increase / decrease of approximately $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, 2011 are mainly held in savings accounts 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 13 (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 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

(Expressed in Canadian dollars)

13. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

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 fund some of its exploration programs and to cover its administrative costs for the next twelve months, however it may need to raise more capital in order to fund all of its planned exploration activity.

14. FINANCIAL INSTRUMENTS

The Company has classified its financial assets as follows:

July 31, 2011				
Financial assets	**Loans-and-receivables**	**Held for trading**	**Available-for-sale**	**Total**
Cash and cash equivalents	$ -	$ 4,231,376	$ -	$ 4,231,376
Receivables	35,918	-	-	35,918
Prepaid expenses	361,929	-	-	361,929
Investment in securities	-	22,410	107,680	130,090
	$ 397,847	$ 4,253,786	$ 107,680	$ 4,759,313

April 30, 2011				
Financial assets	**Loans-and-receivables**	**Held for trading**	**Available-for-sale**	**Total**
Cash and cash equivalents	$ -	$ 5,487,374	$ -	5,487,374
Receivables	30,286	-	-	30,286
Prepaid expenses	317,979	-	-	317,979
Investments in securities	-	27,930	115,971	143,901
	$ 348,265	$ 5,515,304	$ 115,971	$ 5,979,540

May 1, 2010				
Financial assets	**Loans-and-receivables**	**Held for trading**	**Available-for-sale**	**Total**
Cash and cash equivalents	$ -	$ 4,225,970	$ -	$ 4,225,970
Receivables	27,445	-	-	27,445
Prepaid expenses	161,241	-	-	161,241
Investments in securities	-	-	-	-
	$ 188,686	$ 4,225,970	$ -	$ 4,414,656

The carrying value of its financial assets approximates their fair value as at July 31, 2011 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

(Expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS (continued)

outstanding at July 31, 2011 was $507,942 (April 30, 2011 - $609,141; May 1, 2010 - $244,162). The carrying value of its financial liabilities approximates their fair value as at July 31, 2011 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, 2011	**Level 1**	**Level 2**	**Total**
Financial assets			
Investment in securities	$ 107,680	$ 22,410	$ 130,090

April 30, 2011	**Level 1**	**Level 2**	**Total**
Financial assets			
Investment in securities	$ 115,971	$ 27,930	$ 143,901

May 1, 2010	**Level 1**	**Level 2**	**Total**
Financial assets			
Investment in securities	-	-	$ -

15. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

As stated in Note 2, these are Colombian's first consolidated interim financial statements for the period covered by the first annual consolidated financial statements prepared in accordance with IFRS. The accounting policies in Note 2 have been applied in preparing the consolidated interim financial statements for the three months ended July 31, 2011, the comparative information for the three months ended July 31, 2010, the financial statements for the year ended April 30, 2011 and the preparation of an opening IFRS statement of financial position on the Transition Date, May 1, 2010.

In preparing its opening IFRS statement of financial position, comparative information for the three months ended July 31, 2010 and financial statements for the year ended April 30, 2011 the Company has adjusted amounts previously reported in financial statements prepared in accordance with Canadian GAAP.

(Expressed in Canadian dollars)

15. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") (Continued)

The guidance for the first time adoption of IFRS is set in IFRS 1. IFRS 1 provides for certain mandatory exceptions and optional exemptions for the first time adopters of IFRS.

A reconciliation of Statement of Financial Positions and Statements of Operations and Comprehensive Loss for the periods noted below.

- Consolidated Statement of Financial Position as at the transition date of May 1, 2010
- Consolidated Statement of Financial Position as at the transition date of April 30, 2011
- Consolidated Statement of Financial Position as at the transition date of July 31, 2010
- Consolidated Statement of Comprehensive Loss for the year ended April 30, 2011
- Consolidated Statement of Comprehensive Loss for the three-month period ended July 31, 2010
- Consolidated Statement of Cash Flows for the three-month period ended July 31, 2010
- Consolidated Statement of Cash Flows for the year ended April 30, 2011

Consolidated Statement of Financial Position as at the transition date of May 1, 2010:

	GAAP	IFRS Adjustments	Notes	IFRS
ASSETS				
Current				
Cash and cash equivalents	$ 4,225,970	$ -		$ 4,225,970
Receivables	27,445	-		27,445
Prepaid expenses	161,241	-		161,241
	4,414,656	-		4,414,656
Equipment	198,224	-		198,224
Mineral properties	561,754	(107,796)	(a)	453,958
	$ 5,174,634	$ (107,796)		$ 5,066,838
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$ 244,162	$ -		$ 244,162
Equity				
Share capital	9,873,655	-		9,873,655
Warrant reserve	3,232,461	-		3,232,461
Share based payment reserve	1,268,468	(11,006)	(b)	1,257,462
Deficit	(9,444,112)	(96,790)	(a) (b)	(9,540,902)
	4,930,472	-		4,822,676
	$ 5,174,634	$ (107,796)		$ 5,066,838

(Expressed in Canadian dollars)

15. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") (continued)

Consolidated Statement of Financial Position as at April 30, 2011:

	GAAP	IFRS Adjustments	Notes	IFRS
ASSETS				
Current				
Cash and cash equivalents	$ 5,487,374	$ -		$ 5,487,374
Receivables	30,286	-		30,286
Prepaid expenses	317,979	-		317,979
	5,835,639	-		5,835,639
Investment in securities	143,901	-		143,901
Equipment	170,970	-		170,970
Mineral properties	1,469,939	(107,796)	(a)	1,362,143
	$ 7,620,449	$ (107,796)		$ 7,512,653
LIABILITIES AND EQUITY				
Current				
Accounts payable and accrued liabilities	$ 433,443	$ -		$ 433,443
Income tax payable	37,834	-		37,834
	471,277	-		471,277
Non-current				
Accrued liabilities	137,864	-		137,864
Equity				
Share capital	14,360,135	(538)	(b)	14,359,597
Warrant reserve	4,988,949			4,988,949
Share based payment reserve	1,661,326	36,335	(b)	1,697,661
Investment revaluation reserve	(18,888)	-		(18,888)
Deficit	(13,980,214)	(143,593)	(a) (b)	(14,123,807)
	7,011,308	(107,796)		6,903,512
	$ 7,260,449	$ (107,796)		$ 7,512,653

(Expressed in Canadian dollars)

15. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") (continued)

Consolidated Statement of Financial Position as at July 31, 2010:

	GAAP	IFRS Adjustments	Notes	IFRS
ASSETS				
Current				
Cash and cash equivalents	$ 3,294,575	$ -		$ 3,294,575
Receivables	7,456	-		7,456
Prepaid expenses and deposits	156,160	-		156,160
	3,458,191	-		3,458,191
Equipment	174,521	-		174,521
Mineral properties	561,754	(107,796)	(a)	453,958
	$ 4,194,466	$ (107,796)		$ 4,086,670
LIABILITIES AND EQUITY				
Current				
Accounts payable and accrued liabilities	$ 226,516	$ -		$ 226,516
Equity				
Share capital	9,879,627	-		9,879,627
Warrant reserve	3,232,461	-		3,232,461
Share based payment reserve	1,279,688	30,235	(b)	1,309,923
Deficit	(10,423,826)	(138,031)	(a) (b)	(10,561,857)
	3,967,950	(107,796)		3,860,154
	$ 4,194,466	$ (107,796)		$ 4,086,670

(Expressed in Canadian dollars)

15. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") (continued)

Consolidated Statement of Comprehensive Loss for the year ended April 30, 2011:

	GAAP	IFRS Adjustments	Notes	IFRS
EXPLORATION EXPENSES	$ 3,791,071	$ -		$ 3,791,071
ADMINISTRATIVE EXPENSES				
Administration and office costs	295,790	-		295,790
Investor relations and shareholder information	235,895	-		235,895
Professional fees	74,872	-		74,872
Share based payments	416,728	46,803	(b)	463,531
Transfer agent and filing fees	37,692	-		37,692
Travel	8,205	-		8,205
	1,069,182	46,803		1,115,985
Loss before other income and expense	(4,860,253)	(46,803)		(4,907,056)
OTHER INCOME (EXPENSE)				
Change in fair value of derivative financial instruments	(5,213)	-		(5,213)
Foreign exchange gain (loss)	6,499	-		6,499
Gain on sale of equipment	-	-		-
Write-off of capitalized mineral property	-	-		-
Interest income and other income	360,699	-		360,699
	361,985	-		361,985
Net loss before income tax expense	(4,498,268)	(46,803)		(4,545,071)
Current income tax expense	(37,834)	-		(37,834)
Net loss for the year	(4,536,102)	(46,803)		(4,582,905)
Other comprehensive loss				
Change in fair value of investment in securities	(18,888)	-		(18,888)
Comprehensive loss	(4,554,990)	(46,803)		(4,601,793)
Basic and diluted loss per common share	$ (0.19)	-		$ (0.19)
Weighted average number of common shares outstanding - basic and diluted	24,450,013	-		24,450,013

(Expressed in Canadian dollars)

15. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") (continued)

Consolidated Statement of Comprehensive Loss for the three months ended July 31, 2010:

	GAAP	IFRS Adjustments	Notes	IFRS
EXPLORATION EXPENDITURES	$ 920,504	$ -		$ 920,504
ADMINISTRATIVE EXPENSES				
Administration and office costs	68,540	-		68,540
Investor relations and shareholder information	32,477	-		32,477
Professional fees	14,040	-		14,040
Share based payments	14,152	41,241	(b)	55,393
Transfer agent and filing fees	2,250	-		2,250
	131,459	41,241		172,700
Loss before other income and expense	(1,051,963)	(41,241)		(1,093,204)
OTHER INCOME (EXPENSE)				
Foreign exchange gain	39,827	-		39,827
Gain on sale of equipment	-	-		-
Interest income and other income	32,422	-		32,422
	72,249	-		72,249
Net loss and comprehensive loss for the period	(979,714)	(41,241)		(1,020,955)
Deficit, beginning of period	(9,444,112)	(96,790)		(9,540,902)
Deficit, end of period	$ (10,423,826)	$ (138,031)		$ (10,561,857)
		-		
Basic and diluted loss per common share	$ (0.04)	$ -		$ (0.04)
		-		
Weighted average number of common shares outstanding – basic and diluted	22,828,409			22,828,409

(Expressed in Canadian dollars)

15. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") (continued)

Consolidated Statement of Cash Flows for the three months ended July 31, 2010:

	GAAP	IFRS Adjustments	Notes	IFRS
CASH FLOWS FROM (TO)				
OPERATIONS				
Net loss for the period	$ (979,714)	$ (41,241)	(b)	$ (1,020,955)
Items not affecting cash:				
Depreciation	28,870	-		28,870
Share based payments	14,152	41,241	(b)	55,393
Changes in non-cash working capital items:				
Receivables	19,989	-		19,989
Prepaid expenses	5,081	-		5,081
Accounts payable and accrued Liabilities	(17,646)	-		(17,646)
	(929,268)	-		(929,268)
INVESTING				
Equipment	(5,167)	-		(5,167)
Proceeds on sale of equipment	-	-		-
	(5,167)	-		(5,167)
FINANCING				
Shares issued for cash	3,040	-		3,040
	3,040			3,040
Change in cash and cash equivalents	(931,395)	-		(931,395)
Cash and cash equivalents, beginning of period	4,225,970	-		4,225,970
Cash and cash equivalents, end of period	$ 3,294,575	$ -		$ 3,294,575

(Expressed in Canadian dollars)

15. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") (continued)

Consolidated Statement of Cash Flows for the year ended April 30, 2011:

	GAAP	IFRS Adjustments	Notes	IFRS
CASH FLOWS FROM (TO)				
OPERATIONS				
Net loss for the period	$ (4,536,102)	$ (46,803)	(b)	$ (4,582,905)
Items not affecting cash:				
Depreciation	121,251	-		121,251
Change in fair value of investment in securities	5,213	-		5,213
Gain on sale of equipment	-	-		-
Gain on optioning of mineral properties	(168,002)	-		(168,002)
Share based payments	416,728	46,803	(b)	463,531
Changes in non-cash working capital items:				
Receivables	(2,841)	-		(2,841)
Prepaid expenses	(156,738)	-		(156,738)
Accounts payable and accrued Liabilities	364,979	-		364,979
	(3,955,512)	-		(3,955,512)
INVESTING				
Mineral properties	(908,185)	-		(908,185)
Equipment	(93,997)	-		(93,997)
	(1,002,182)	-		(1,002,182)
FINANCING				
Shares issued for cash (net)	6,219,098	-		6,219,098
	6,219,098	-		6,219,098
Change in cash and cash equivalents during the year	1,261,404	-		1,261,404
Cash and cash equivalents at beginning of year	4,225,970	-		4,225,970
Cash and cash equivalents at end of year	$ 5,487,374	$ -		$ 5,487,374

a) Deferred Tax on Mineral Properties

Under GAAP Colombian recognized a future income tax liability on the acquisition of mineral properties where the fair value of these properties exceeded their tax values in a transaction which was not a business combination and affected neither accounting profit or loss nor taxable profit or loss. IFRS does not permit the recognition of deferred taxes on such transactions. The original entry had resulted in an increase to mineral properties with an offsetting increase in the deferred tax liability. Subsequently the deferred tax liability had been reversed which reduced the deficit. As a result Colombian has made an adjustment on transition to IFRS to reduce mineral properties by $107,796 with the offsetting increase to the deficit.

15. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") (continued)

b) Share Based Payments

Under GAAP share based compensation for consultants to Colombian had measurement dates which differed from those of employees where the options had vesting conditions and this affected the amount of share based compensation reported for consultants as compared to employees. Under IFRS the definition of employee is much broader than for GAAP such that persons previously categorized as consultants under GAAP are categorized as employees under IFRS. The Company has revised its Black-Scholes option pricing model inputs for persons who were previously considered to be consultants and for IFRS reporting has used the same inputs as were used for employees. This has resulted in changes to the amount of share based compensation recognized and additionally to the amount to the amount of share based compensation reserve reclassified to share capital on the exercise of those share options. The Company has taken the exemption provided under IFRS 2 Share Based Payments and will apply IFRS 2 for equity instruments granted after November 7, 2002 that had not vested at May 1, 2010. Therefore the Company has revised its estimate of share based compensation only for those options that had not vested at May 1, 2010 and any subsequent grants up to April 30, 2011. There have been no share option grants in the quarter ended July 31, 2011.

16. EVENTS AFTER THE BALANCE SHEET DATE

In August 2011 Colombian granted 655,000 incentive stock options exercisable at a price of $0.55 per share for a period of three years to certain officers and directors of the Company.

In October 2011 Colombian made the final option payment of US$380,000 on the Yarumalito property and now holds a 100% interest in the property.