



ATICO MINING CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in United States Dollars)

MARCH 31, 2014

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of Atico Mining Corporation (the "Company") for the three months ended March 31, 2014 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

ATICO MINING CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in United States Dollars)

	March 31 2014	December 31 2013
ASSETS		
Current assets		
Cash and cash equivalents (Note 13)	\$ 5,848,803	\$ 6,083,871
Receivables (Note 4)	1,780,448	1,487,248
Inventories (Note 5)	4,740,183	2,715,013
Prepays and deposits	1,045,329	1,167,271
Total current assets	13,414,763	11,453,403
Non-current assets		
Advances to suppliers (Note 6)	540,744	150,726
Mineral property, plant and equipment (Note 6)	60,631,709	56,992,863
Total non-current assets	61,172,453	57,143,589
TOTAL ASSETS	\$ 74,587,216	\$ 68,596,992
LIABILITIES AND EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4,954,072	\$ 3,968,116
Advance on concentrate inventories (Note 4)	2,800,342	-
Taxes payable (Note 9)	36,377	174,502
Current portion of loans payable (Note 7)	3,417,016	642,000
Total current liabilities	11,207,807	4,784,618
Non-current liabilities		
Loans payable (Note 7)	8,319,569	8,903,886
Decommissioning and restoration provision (Note 8)	1,035,525	1,012,003
Deferred income tax liabilities	13,402,787	13,335,801
Total non-current liabilities	22,757,881	23,251,690
Total liabilities	33,965,688	28,036,308
EQUITY		
Share capital (Note 10)	37,687,286	36,455,001
Share-based payments reserve (Note 10)	1,763,658	1,926,950
Foreign currency translation reserve	(284,387)	(56,210)
Deficit	(2,024,108)	(1,234,044)
Total equity attributable to equity holders of the Company	37,142,449	37,091,697
Non-controlling interests	3,479,079	3,468,987
Total equity	40,621,528	40,560,684
TOTAL LIABILITIES AND EQUITY	\$ 74,587,216	\$ 68,596,992

These condensed consolidated interim financial statements were authorized for issuance by the Board of Directors on May 29, 2014.

Approved by the Board of Directors

_____ "Fernando E. Ganoza" Director _____ "Jorge R. Ganoza" Director

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

ATICO MINING CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME (LOSS)
(Unaudited - Expressed in United States Dollars)

	Three months ended March 31 2014	Three months ended March 31 2013 (Note 18)
Sales	\$ 2,036,991	\$ -
Cost of sales		
Direct mining costs	(1,115,968)	-
Royalties (Note 9)	(30,398)	-
Depletion and amortization	(350,755)	-
Total cost of sales (Note 5)	(1,497,121)	-
Income (loss) from mining operations	539,870	-
Selling, general and administrative expenses	(708,216)	(377,988)
Exploration expenses	(45,327)	(97,837)
Share-based payments (Note 10)	(258,710)	(180,447)
Income (loss) from operations	(472,383)	(656,272)
Interest on advance on concentrate inventories (Note 4)	(2,452)	-
Interest on loans payable (Note 7)	(259,900)	-
Interest and other income (expense)	13,740	12,532
Accretion of decommissioning and restoration provision (Note 8)	(23,522)	-
Foreign exchange gain (loss)	31,531	(19,398)
Income (loss) before income taxes	(712,986)	(663,138)
Current income tax (expense) recovery (Note 9)	-	-
Deferred income tax (expense) recovery (Note 9)	(66,986)	-
Net income (loss)	\$ (779,972)	\$ (663,138)
Net income (loss) attributable to:		
Equity holders of Atico Mining Corporation	\$ (790,064)	\$ (663,138)
Non-controlling interests	10,092	-
	\$ (779,972)	\$ (663,138)

Earnings (loss) per share (Note 11)

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

ATICO MINING CORPORATION**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

(Unaudited - Expressed in United States Dollars)

	Three months ended March 31 2014	Three months ended March 31 2013
		(Note 18)
Net income (loss)	\$ (779,972)	\$ (663,138)
Other comprehensive income (loss)		
Foreign currency translation adjustment	(227,504)	16,382
Total other comprehensive income (loss)	(227,504)	16,382
Total comprehensive income (loss)	\$ (1,007,476)	\$ (646,756)
Total comprehensive income (loss) attributable to:		
Equity holders of Atico Mining Corporation	\$ (1,017,568)	\$ (646,756)
Non-controlling interests	10,092	-
	\$ (1,007,476)	\$ (646,756)

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

ATICO MINING CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in United States Dollars)

	Three months ended March 31 2014	Three months ended March 31 2013
		(Note 18)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (779,972)	\$ (663,138)
Items not affecting cash and cash equivalents:		
Depletion and amortization	367,937	42,578
Accretion on decommissioning and restoration provision	23,522	-
Share-based payments	258,710	180,447
Interest income	(4,192)	(13,649)
Interest expense	262,352	-
Deferred income tax expense (recovery)	66,986	-
Foreign currency translation adjustments	(93,304)	16,382
Unrealized foreign exchange effect	24,384	(1,319)
	126,423	(438,699)
Changes in non-cash working capital items (Note 13)	(1,950,756)	(111,694)
Net cash used in operating activities	(1,824,333)	(550,393)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	4,192	13,649
Expenditures on mineral property, plant and equipment	(3,869,176)	(3,063,805)
Net cash used in investing activities	(3,864,984)	(3,050,156)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans payable	1,974,040	-
Advance on concentrate inventories	2,797,890	-
Repayments on loans payable	(80,538)	-
Interest paid on loans payable	(16,707)	-
Shares issued for cash	810,283	7,642,709
Share issue costs	-	(207,616)
Net cash provided by financing activities	5,484,968	7,435,093
Effect of exchange rate changes on cash and cash equivalents	(30,719)	1,319
Change in cash and cash equivalents	(235,068)	3,835,863
Cash and cash equivalents, beginning of period	6,083,871	2,807,960
Cash and cash equivalents, end of period	\$ 5,848,803	\$ 6,643,823

Supplemental disclosure with respect to cash flows (Note 13)

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

ATICO MINING CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited - Expressed in United States Dollars)

	Number of Shares	Share Capital	Share-based Payments Reserve	Foreign Currency Translation Reserve	Non- Controlling Interest	Deficit	Total Equity
Balance as at December 31, 2013	95,706,849	\$ 36,455,001	\$ 1,926,950	\$ (56,210)	\$ 3,468,987	\$ (1,234,044)	\$ 40,560,684
Exercise of stock options	5,000	2,825	(547)	-	-	-	2,278
Exercise of finder's warrants	1,771,500	1,229,460	(421,455)	-	-	-	808,005
Share-based payments	-	-	258,710	-	-	-	258,710
Foreign currency translation adjustment	-	-	-	(228,177)	-	-	(228,177)
Net income (loss) for the period	-	-	-	-	10,092	(790,064)	(779,972)
Balance as at March 31, 2014	97,483,349	\$ 37,687,286	\$ 1,763,658	\$ (284,387)	\$ 3,479,079	\$ (2,024,108)	\$ 40,621,528
Balance as at December 31, 2012 (Note 18)	39,786,611	\$ 11,669,364	\$ 855,575	\$ 42,429	\$ -	\$ (2,096,837)	\$ 10,470,531
Private placement	12,307,694	7,636,504	-	-	-	-	7,636,504
Share issue costs	-	(207,616)	-	-	-	-	(207,616)
Exercise of finder's warrants	13,000	9,470	(3,265)	-	-	-	6,205
Share-based payments	-	-	180,447	-	-	-	180,447
Foreign currency translation adjustment	-	-	-	16,382	-	-	16,382
Net income (loss) for the period	-	-	-	-	-	(663,138)	(663,138)
Balance as at March 31, 2013 (Note 18)	52,107,305	\$ 19,107,722	\$ 1,032,757	\$ 58,811	\$ -	\$ (2,759,975)	\$ 17,439,315

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

ATICO MINING CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited - Expressed in United States Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2014

1. NATURE OF OPERATIONS

Atico Mining Corporation (the "Company") was incorporated in the Yukon Territories on April 15, 2010 and continued to British Columbia on October 4, 2011. The Company is engaged in copper mining and related activities including exploration, extraction, and processing, in Colombia and other areas in Latin America. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "ATY". The address of its head office is Suite 501 - 543 Granville Street, Vancouver, British Columbia, Canada.

On November 22 2013, the Company acquired 90% of the issued and outstanding common shares of Minera El Roble S.A. ("MINER"), the owner of the El Roble mining property ("El Roble"), an operating copper-gold mine in Colombia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and measurement

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 condensed consolidated interim financial statements have been prepared on a historical cost basis. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed interim consolidated financial statements follow the same accounting policies and methods of application as our most recent annual financial statements, except as described below, and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2013.

In addition to the change in presentation currency disclosed in Note 18, certain of the prior period comparative figures have been readjusted to conform to the presentation adopted in the current period.

Depletion and amortization of mineral property, plant and equipment

The carrying amounts of mineral property, plant and equipment are depleted or amortized over the estimated economic life of the specific assets to which they relate. Effective January 1, 2014, the Company has made the following changes to the estimated economic life for certain classes of mineral property, plant and equipment as indicated below:

Categories	Methods	Estimated economic life
Plant and building	Straight line	5 to 10 years
Machine and equipment	Straight line	3 to 5 years

The change in estimate has been applied prospectively and impacts the amortization of certain plant, building, machine, and equipment for the current and future periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

New and amended IFRS pronouncements effective January 1, 2014

The accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2013, except for the application of the following new interpretation and amendments to existing IFRSs, which were effective January 1, 2014:

IAS 32 Financial instruments: Presentation (Amended "IAS 32") was amended by the IASB in December 2011. The amendment clarifies that an entity has a legally enforceable right to offset financial assets and financial liabilities if that right is not contingent on a future event and it is enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. The adoption of the Amended IAS 32 did not have a significant impact on the Company's condensed consolidated interim financial statements.

IAS 36 Impairment of Assets ("IAS 36") was amended by the IASB in May 2013. The amendments require the disclosure of the recoverable amount of impaired assets when an impairment loss has been recognized or reversed during the period and additional disclosures about the measurement of the recoverable amount of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The adoption of IAS 36 did not have a significant impact on the Company's condensed consolidated interim financial statements.

IFRIC 21 Levies ("IFRIC 21"), an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments was issued by the IASB in May 2013. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014. The adoption of IFRIC 21 did not result in an adjustment to the Company's condensed consolidated interim financial statements.

Accounting pronouncements not yet effective

The IASB intends to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

ATICO MINING CORPORATION**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in United States Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2014

3. ACQUISITION OF MINERA EL ROBLE S.A.

On November 22, 2013 (“the Closing Date”), the Company made the final lump-sum payment of \$14,000,000 to complete the acquisition of 90% of MINER. During the option period and up to the Closing Date of the acquisition, the Company made staged payments totaling \$3,450,000 and incurred exploration and evaluation expenditures of \$13,389,762 in order to quantify the mineral resources at the El Roble mining property and to support its decision to exercise the option.

The acquisition of MINER was considered a business combination and was accounted for using the acquisition method whereby identifiable assets and liabilities assumed are recorded at 100% of their fair values at the date of acquisition. Excess of the aggregate fair value of net assets acquired over the consideration paid was considered a gain on bargain purchase and recognized in the Company’s 2013 year-end consolidated statement of income (loss). The consideration paid and preliminary purchase price allocation was reported in the Company’s 2013 year-end consolidated financial statements.

4. RECEIVABLES

	March 31 2014	December 31 2013
Trade receivables	\$ 399,074	\$ 207,144
HST/VAT and other taxes recoverable	1,355,504	1,243,676
Other receivables	25,870	36,428
	<u>\$ 1,780,448</u>	<u>\$ 1,487,248</u>

As at March 31, 2014, the Company did not have any trade receivables (December 31, 2013 - \$Nil) that were past due with no impairment. The Company’s allowance for doubtful accounts is \$Nil (December 31, 2013 - \$Nil).

The Company has a concentrate off-take agreement where the customer will purchase 100% of the metals concentrate produced at the El Roble mine. As part of the agreement, the customer has provided the Company with an inventory credit facility. As at March 31, 2014, related to this credit facility, the Company has an outstanding balance of \$2,800,342 (2013 - \$Nil), which included accrued interest expense of \$2,452 (2013 - \$Nil).

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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FOR THE THREE MONTHS ENDED MARCH 31, 2014

4. RECEIVABLES (cont'd...)

Prior to the Closing Date of the acquisition, MINER had an off-take agreement with the same customer that included a settlement period for metals concentrate of up to six months.

The aging analysis of the Company's trade receivables from sales of metals concentrate is as follows:

	March 31 2014	December 31 2013
0 to 30 days	\$ -	\$ -
31 to 60 days	197,311	-
61 to 90 days	-	207,144
91 to 120 days	201,763	-
Over 120 days	-	-
	\$ 399,074	\$ 207,144

5. INVENTORIES

	March 31 2014	December 31 2013
Consumable parts and supplies	\$ 1,201,282	\$ 947,114
Metals concentrate	3,538,901	1,767,899
	\$ 4,740,183	\$ 2,715,013

For the three months ended March 31, 2014, the Company recorded a cost of sales of \$1,497,121 (2013 - \$Nil), where direct mining costs include salaries and other short-term benefits, contractor charges, energy, consumables, and other production-related costs.

As at December 31, 2013, the Company recognized a non-cash charge of \$195,649 related to write-down of metals concentrate to net realizable value; all metals concentrate related to this write-down was sold during the three months ended March 31, 2014.

ATICO MINING CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in United States Dollars)
FOR THE THREE MONTHS ENDED MARCH 31, 2014

6. MINERAL PROPERTY, PLANT AND EQUIPMENT

	Mineral Property	Land	Plant and Building	Machine and Equipment	Capital Work in Progress	Total
<u>As at December 31, 2013, net</u>	<u>\$ 52,537,401</u>	<u>\$ 277,104</u>	<u>\$ 282,244</u>	<u>\$ 2,145,980</u>	<u>\$ 1,750,134</u>	<u>\$ 56,992,863</u>
Changes for the year:						
Additions	1,466,244	-	125,201	1,545,037	1,428,698	4,565,180
Reclassification	512,157	(1,270)	1,270	-	(512,157)	-
Disposals	-	-	-	-	-	-
Depletion and amortization	(614,920)	-	(13,277)	(163,937)	-	(792,134)
Currency translation adjustments	(134,200)	-	-	-	-	(134,200)
<u>As at March 31, 2014, net</u>	<u>\$ 53,766,682</u>	<u>\$ 275,834</u>	<u>\$ 395,438</u>	<u>\$ 3,527,080</u>	<u>\$ 2,666,675</u>	<u>\$ 60,631,709</u>
As at December 31, 2013						
Historical cost	\$ 52,678,840	\$ 277,104	\$ 375,444	\$ 3,142,433	\$ 1,750,134	\$ 58,223,955
Accumulated amortization	(141,439)	-	(93,200)	(996,453)	-	(1,231,092)
<u>Net carrying amount</u>	<u>\$ 52,537,401</u>	<u>\$ 277,104</u>	<u>\$ 282,244</u>	<u>\$ 2,145,980</u>	<u>\$ 1,750,134</u>	<u>\$ 56,992,863</u>
As at March 31, 2014						
Historical cost	\$ 54,523,041	\$ 275,834	\$ 501,915	\$ 4,687,470	\$ 2,666,675	\$ 62,654,935
Accumulated amortization	(756,359)	-	(106,477)	(1,160,390)	-	\$ (2,023,226)
<u>Net carrying amount</u>	<u>\$ 53,766,682</u>	<u>\$ 275,834</u>	<u>\$ 395,438</u>	<u>\$ 3,527,080</u>	<u>\$ 2,666,675</u>	<u>\$ 60,631,709</u>

As at March 31, 2014, capital work in progress relates to capital costs incurred in connection with sustaining capital at the El Roble mining property.

As at March 31, 2014, the Company carried \$540,744 (December 31, 2013 - \$150,726) of advance to suppliers related to purchase of new machine and equipment.

ATICO MINING CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in United States Dollars)
FOR THE THREE MONTHS ENDED MARCH 31, 2014

6. MINERAL PROPERTY, PLANT AND EQUIPMENT (cont'd...)

	Exploration and Evaluation Assets	Machine and Equipment	Total
As at December 31, 2012, net (Note 18)	\$ 7,475,059	\$ 150,284	\$ 7,625,343
Changes for the year:			
Additions	3,339,032	32,511	3,371,543
Depletion and amortization	-	(38,398)	(38,398)
Currency translation adjustments	-	(7,316)	(7,316)
As at March 31, 2013, net (Note 18)	\$ 10,814,091	\$ 137,081	\$ 10,951,172
As at December 31, 2012 (Note 18)			
Historical cost	\$ 7,475,059	\$ 191,713	\$ 7,666,772
Accumulated amortization	-	(41,429)	(41,429)
Net carrying amount	\$ 7,475,059	\$ 150,284	\$ 7,625,343
As at March 31, 2013 (Note 18)			
Historical cost	\$ 10,814,091	\$ 214,891	\$ 11,028,982
Accumulated amortization	-	(77,810)	(77,810)
Net carrying amount	\$ 10,814,091	\$ 137,081	\$ 10,951,172

7. LOANS PAYABLE

	Trafigura	NCI of MINER	Sandvik	March 31 2014
Opening balance	\$ 7,958,950	\$ -	\$ 1,586,936	\$ 9,545,886
Principal received	-	1,974,040	-	1,974,040
Repayment	-	-	(97,245)	(97,245)
Interest expense	195,796	30,615	33,489	259,900
Currency translation adjustments	-	-	54,004	54,004
Ending balance	8,154,746	2,004,655	1,577,184	11,736,585
Less: current portion	666,666	2,004,655	745,695	3,417,016
Long term portion	\$ 7,488,080	\$ -	\$ 831,489	\$ 8,319,569

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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FOR THE THREE MONTHS ENDED MARCH 31, 2014

7. LOANS PAYABLE (cont'd...)

	Trafigura	Sandvik	December 31 2013
Opening balance	\$ -	\$ -	\$ -
Principal received	8,000,000	-	8,000,000
Acquisition of MINER	-	851,196	851,196
Acquisition of machine and equipment	-	776,986	776,986
Financing fee	(125,000)	-	(125,000)
Interest expense	83,950	11,349	95,299
Currency translation adjustments	-	(52,595)	(52,595)
Ending balance	7,958,950	1,586,936	9,545,886
Less: current portion	-	642,000	642,000
Long term portion	\$ 7,958,950	\$ 944,936	\$ 8,903,886

Trafigura Pte. Ltd.

The Company entered into a senior secured repayable debt facility on November 22, 2013 of \$8,000,000 (the "Debt Financing") with Trafigura Pte. Ltd. ("Trafigura"). The funds drawn will have a repayment term of 48 months, with stated annual interest of LIBOR plus 9%, payable quarterly, subject to a 12 month grace period with the first repayment date being February 22, 2015 (15 months from the date of the first advance). There was a financing fee paid to Trafigura when the funds were drawn. Under the effective interest method, the Debt Financing has an effective annual interest rate of 9.98%.

Sandvik AB

The Company has two arrangements with Sandvik AB ("Sandvik") for an aggregate amount of €1,254,600 in connection to purchase financings of equipment. Under the terms of these arrangements, the Company makes quarterly installments of €48,167 and €56,383, respectively, along with applicable interest at stated annual interest rate of 8.5% over three years.

Non-controlling interest of MINER

The Company entered into a loan agreement on January 25, 2014 denominated in Colombian peso ("COP") with certain non-controlling interest ("NCI") of MINER to borrow up to COP\$1,900,000,000 (approximately \$1,980,000), where each tranche of funds drawn has a repayment term of 12 months with interest payable monthly.

ATICO MINING CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in United States Dollars)
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8. DECOMMISSIONING AND RESTORATION PROVISION

	March 31 2014	December 31 2013
Opening balance	\$ 1,012,003	\$ -
Recognition of provision on acquisition of MINER	-	1,001,998
Accretion expense	23,522	10,005
Ending balance	\$ 1,035,525	\$ 1,012,003

9. INCOME TAXES

Income tax expense differs from the amount that would result from applying Canadian income tax rates to earnings before income taxes. These differences result from the following items:

Three months ended	March 31 2014	March 31 2013 (Note 18)
Income (loss) before income taxes	\$ (712,986)	\$ (663,138)
Expected income tax expense (recovery) at statutory income tax rate	(183,594)	(165,785)
Difference between Canadian and foreign tax rates	51,851	-
Items not deductible for income tax purposes	(4,175)	-
Unused tax losses and tax offsets not recognized in tax asset	69,661	165,785
Impact of foreign exchange on tax assets and liabilities	133,243	-
Total income tax expense (recovery)	\$ 66,986	\$ -
Current income tax expense (recovery)	\$ -	\$ -
Deferred income tax expense (recovery)	66,986	-

As at March 31, 2014, the Company accrued \$36,337 (December 31, 2013 - \$Nil) for royalties and mining taxes payable in Colombia based on metals concentrate sold during the period.

ATICO MINING CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in United States Dollars)
FOR THE THREE MONTHS ENDED MARCH 31, 2014

10. SHARE CAPITAL

Authorized share capital consists of an unlimited number of common shares without par value. During the three months ended March 31, 2014, 5,768,746 common shares of the Company held in escrow were released.

Issued share capital

During the three months ended March 31, 2014, the Company issued 5,000 (2013 - Nil) and 1,771,500 (2013 - 13,000) common shares for the exercise of stock options and finders warrants respectively, for aggregate proceeds of \$810,283 (2013 - \$6,205).

Stock options

The continuity of stock options for the three months ended March 31, 2014 is as follows:

Expiry Date	Exercise Price (CAD)	Balance December 31 2013	Granted	Exercised	Expired/ Cancelled	Balance March 31 2014
June 30, 2016	\$ 0.50	1,710,000	-	-	-	1,710,000
July 11, 2016	0.50	145,000	-	(5,000)	-	140,000
April 24, 2017	0.55	250,000	-	-	-	250,000
May 16, 2017	0.51	130,000	-	-	-	130,000
February 4, 2018	0.98	1,820,000	-	-	(5,000)	1,815,000
March 1, 2018	0.98	340,000	-	-	-	340,000
Outstanding		4,395,000	-	(5,000)	(5,000)	4,385,000
Weighted average exercise price		\$ 0.74	\$ -	\$ 0.50	\$ 0.98	\$ 0.74
Exercisable		2,235,000				3,307,500

The weighted average remaining life of the stock options outstanding is 3.12 (December 31, 2013 - 3.36) years.

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10. SHARE CAPITAL (cont'd...)

Warrants

The continuity of share purchase warrants for the three months ended March 31, 2014 is as follows:

Expiry Date	Exercise Price (CAD)	Balance December 31 2013	Issued	Exercised	Expired/ Cancelled	Balance March 31 2014
March 12, 2014	\$ 0.50	1,531,500	-	(1,531,500)	-	-
March 21, 2014	0.50	240,000	-	(240,000)	-	-
July 16, 2014	0.90	6,153,847	-	-	-	6,153,847
September 19, 2015	0.65	21,784,872	-	-	-	21,784,872
Total		29,710,219	-	(1,771,500)	-	27,938,719
Weighted average exercise price		\$ 0.69	\$ -	\$ 0.50	\$ -	\$ 0.71

The weighted average remaining life of the share purchase warrants outstanding is 1.21 (December 31, 2013 - 1.38) years.

Share-based payments and share-based payment reserve

During the three months ended March 31, 2013, the Company granted 2,160,000 stock options to employees, directors and officers of the Company, all of which will vest over 18 months. Using the fair value method for share-based payments, the Company determined the fair value of the options granted to be C\$1,591,848 or C\$0.74 per option.

During the three months ended March 31, 2014, no options were granted. However, in accordance with the vesting terms, the Company recorded a charge to share-based payments with the offsetting credit to share-based payments reserve of \$258,710 (2013 - \$180,447).

The fair value of stock options granted was estimated using the Black-Scholes option pricing model with weighted average assumptions as follows:

	March 31 2014	March 31 2013
Weighted average:		
Risk free interest rate	0.00%	1.45%
Expected dividend yield	0%	0%
Expected stock price volatility	0%	100%
Expected life in years	-	5
Forfeiture rate	0%	0%

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11. EARNINGS (LOSS) PER SHARE

Earnings (loss) per share, calculated on a basic and diluted basis, is as follows:

Three months ended	March 31 2014	March 31 2013
		(Note 18)
Net income (loss) attributable to equity holders of the Company	\$ (790,064)	\$ (663,138)
Weighted average number of common shares outstanding - basic	96,848,683	49,915,226
Basic and diluted earnings (loss) per share	\$ (0.01)	\$ (0.01)

12. RELATED PARTY BALANCES AND TRANSACTIONS

Material non-controlling interest

MINER is a 90%-owned subsidiary of the Company and is 10% owned by a minority shareholders group. On the Closing Date, the Company allocated \$3,508,384 to the non-controlling interest based on the fair value of assets acquired and liabilities assumed on the acquisition of MINER. For the three months ended March 31, 2014, income of \$10,092 (2013 - \$Nil) has been allocated to the non-controlling interest of MINER. Summarized financial information about MINER is as follows:

	March 31 2014	December 31 2013
Current assets	\$ 10,244,957	\$ 5,410,308
Non-current assets	56,153,827	54,979,435
Current liabilities	7,179,349	4,264,746
Non-current liabilities	19,701,785	15,292,740
Net income (loss) and total comprehensive income (loss)	\$ 100,920	\$ (393,970)

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12. RELATED PARTY BALANCES AND TRANSACTION (cont'd...)

Compensation of key management personnel

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

Three months ended March 31, 2014	Salary or Fees	Share-based Payments	Total
Management	\$ 244,968	\$ 477,994	\$ 722,962
Outside directors	-	327,561	327,561
Seabord Services Corp.	44,493	-	44,493
	\$ 289,461	\$ 805,555	\$ 1,095,016

Three months ended March 31, 2013 (Note 18)	Salary or Fees	Share-based Payments	Total
Management	\$ 189,090	\$ 86,988	\$ 276,078
Outside directors	-	58,621	58,621
Seabord Services Corp.	45,847	-	45,847
	\$ 234,937	\$ 145,609	\$ 380,546

Related party liabilities	Items or Services	March 31 2014	December 31 2013
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Accounts payable and accrued liabilities:

Chief Executive Officer	Management fees	\$ 97,600	\$ 80,000
President	Management fees	76,000	60,000
Chief Operating Officer	Management fees	40,000	62,000

Seabord Services Corp., ("Seabord") is a management services company controlled by a director. Seabord provides a chief financial officer, a corporate secretary, accounting staff, administration staff and office space to the Company. The Chief Financial Officer and Corporate Secretary are employees of Seabord and are not paid directly by the Company. In addition, the Company entered into rental agreements with companies with common directors for office space for \$2,200 and \$800 per month, respectively.

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13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Components of cash and cash equivalents

	March 31 2014	December 31 2013
Cash	\$ 5,762,553	\$ 5,997,621
Short-term deposits	86,250	86,250
	\$ 5,848,803	\$ 6,083,871

The short-term deposits are used as collateral for the Company's credit cards.

Changes in non-cash working capital

The changes in non-cash working capital items are comprised as follows:

Three months ended	March 31 2014	March 31 2013 (Note 18)
Receivables	\$ (293,532)	\$ 12,662
Inventories	(1,600,973)	-
Prepays and deposits	121,194	(160,908)
Accounts payable and accrued liabilities	(39,320)	36,552
Income taxes payable	(138,125)	-
Net change in non-cash working capital	\$ (1,950,756)	\$ (111,694)

Significant non-cash investing and financing activities

During the three months ended March 31, 2014, the Company:

- a) reallocated mineral property depletion of \$565,636 to carrying amount of metals concentrate inventories produced but not yet sold at the reporting date;
- b) reallocated mineral property depletion of \$141,439 previously recognized in carrying amounts of metals concentrate inventories sold to cost of sales;
- c) reallocated share-based payment reserve of \$422,002 to share capital for stock options and share purchase warrants exercised; and
- d) recorded mineral property, plant and equipment additions and advances to suppliers of \$1,086,022 in accounts payable accrued liabilities and loans payable.

During the three months ended March 31, 2013 (Note 18), the Company:

- a) issued 400,000 finder's units, valued at \$171,821, as share issue costs; and
- b) reallocated share-based payment reserve of \$3,265 to share capital for share purchase warrants exercised.

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14. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to provide shareholder returns through maximization of the profitable growth of the business and to maintain a degree of financial flexibility relevant to the underlying operating and metal price risks while safeguarding the Company's ability to continue as a going concern.

The capital of the Company consists of share capital and available credit facilities. The Board of Directors does not establish a quantitative return on capital criteria for management. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may issue new shares in order to meet its financial obligations.

The management of the Company believes that the capital resources of the Company as at March 31, 2014, are sufficient for its present needs for at least the next 12 months. The Company is not subject to externally imposed capital requirements.

15. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

	Loans and Receivables	Fair Value Through Profit or Loss	Other Financial Liabilities
As at March 31, 2014			
Cash and cash equivalents	\$ 5,848,803	\$ -	\$ -
Receivables	1,381,374	399,074	-
Accounts payable and accrued liabilities	-	-	(4,954,072)
Advance on concentrate inventories	-	-	(2,800,342)
Loans payable	-	-	(11,736,585)
	\$ 7,230,177	\$ 399,074	\$ (19,490,999)

	Loans and Receivables	Fair Value Through Profit or Loss	Other Financial Liabilities
As at December 31, 2013			
Cash and cash equivalents	\$ 6,083,871	\$ -	\$ -
Receivables	1,166,711	320,537	-
Accounts payable and accrued liabilities	-	-	(3,968,116)
Loans payable	-	-	(9,545,886)
	\$ 7,250,582	\$ 320,537	\$ (13,514,002)

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15. FINANCIAL INSTRUMENTS (cont'd...)

Fair value

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The carrying value of receivables (excluding trade receivable from sales of metals concentrate) and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments. The fair values of the Company's other long-term payables are approximated by their carrying values.

As at March 31, 2014, the Company's financial instruments measured at fair value are as follows:

Financial Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 5,848,803	\$ -	\$ -	\$ 5,848,803
Trade receivable from concentrate sales	\$ -	\$ 399,074	\$ -	\$ 399,074

Trade receivable from sales of metals concentrate includes provisional pricing, and final price and assay adjustments. The trade receivable from sales of metals concentrate is valued using observable market commodity prices and thereby classified within Level 2 of the fair value hierarchy.

The Company's activities expose it to a variety of financial risks; market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

This note presents information about the Company's exposure to each of these risks, the Company's objectives and processes for measuring and managing risk, and the Company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

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15. FINANCIAL INSTRUMENTS (cont'd...)

Metal price risk

The Company is exposed to metals price risk given that its revenues are derived from the sale of metals through its metals concentrate products, the prices for which have been historically volatile. Consequently, the economic viability of the Company's mineral property may be adversely affected by fluctuations in metals prices.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash and cash equivalents are held through large Canadian, international and foreign national financial institutions. These investments mature at various dates within one year. All of the Company's trade receivables from concentrate sales are held with a large international metals trading company. The Company mitigates this risk by transacting only with reputable financial institutions to minimize credit risk.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk. The Company believes it is not exposed to significant credit risk and overall, the Company's credit risk has not declined significantly from the prior year.

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 by continuing to monitor forecasted and actual cash flows. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its development plans. The Company strives to maintain sufficient liquidity to meet its short term business requirements, taking into account its anticipated cash flows from operations, its holdings of cash and cash equivalents and its committed liabilities.

The Company's expects the following maturities of its monetary liabilities (including interest) and other contractual commitments:

	Less than 1 year	1 - 2 years	3 - 4 years	Total
Trade and other payables	\$ 4,954,072	\$ -	\$ -	\$ 4,954,072
Advance on concentrate inventories	2,800,342	-	-	2,800,342
Taxes payable	36,377	-	-	36,377
Loans payable	3,417,016	5,908,521	5,025,130	14,350,667
	\$ 11,207,807	\$ 5,908,521	\$ 5,025,130	\$ 22,141,458

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15. FINANCIAL INSTRUMENTS (cont'd...)

Interest rate risk

The Company has variable rate debt facilities; and therefore, it is exposed to interest rate risk. Variable interest rates are based on both US dollar London Inter-bank Offered Rates ("LIBOR") plus a fixed margin. The Company does not enter into derivative contracts to manage this risk. Based on the credit facility used as at March 31, 2014, a 10% change in LIBOR rates would cause a \$106,000 change in net income before taxes on an annualized basis.

The Company is also exposed to interest rate risk with respect to the interest it earns on its cash and cash equivalents balances.

Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company primarily operates in Canada and Colombia and incurs expenditures in currencies other than US dollars. Thereby, the Company is exposed to foreign exchange risk arising from currency exposure. The Company has not hedged its exposure to currency fluctuations.

As at March 31, 2014, the Company is exposed to currency risk through the following monetary assets and liabilities:

	Canadian dollars	Peruvian nuevo soles	Euros	Colombian pesos (000's)
Cash and cash equivalents	\$ 961,126	\$ 9,219	\$ -	\$ 338,375
Receivables	9,245	71,610	-	504,036
Accounts payable and accrued liabilities	(258,102)	(90,926)	-	(8,316,995)
Taxes payable	-	-	-	(71,487)
Loans payable	-	-	(1,146,771)	(3,939,547)
Net exposure	712,269	(10,097)	(1,146,771)	(11,485,617)
US dollar equivalent	\$ 644,121	\$ (3,672)	\$ (1,577,185)	\$ (5,844,503)

Based on the above net exposure as at March 31, 2014, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the US dollar against the Canadian dollar, Peruvian nuevo sol, Euro, and Colombian peso would result in an increase/decrease of approximately \$678,000 in the Company's pre-tax income or loss.

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16. SEGMENTED INFORMATION

The Company is engaged in mining, exploration and development of mineral properties, and has an operating mine in Colombia. The Company operates in one industry and has one reportable segment, which is reviewed by the chief operating decision maker and identified based on quantitative factors whereby its revenues or assets comprise 10% of more of the total revenues or assets of the Company. As at March 31, 2014, the Company only has a single off-take agreement for metals concentrate produced at the El Roble mining property.

Geographic segment details

As at March 31, 2014	Canada	Colombia	Other	Total
Cash and other current assets	\$ 3,248,933	\$ 10,126,427	\$ 39,403	\$ 13,414,763
Advances to suppliers	-	540,744	-	540,744
Plant and equipment	-	7,843,992	10,781	7,854,773
Mineral property	-	52,776,936	-	52,776,936
Total assets	\$ 3,248,933	\$ 71,288,099	\$ 50,184	\$ 74,587,216

As at December 31, 2013	Canada	Colombia	Other	Total
Cash and other current assets	\$ 5,821,310	\$ 5,579,394	\$ 52,699	\$ 11,453,403
Advances to suppliers	-	150,726	-	150,726
Plant and equipment	-	4,444,211	11,251	4,455,462
Mineral property	-	52,537,401	-	52,537,401
Total assets	\$ 5,821,310	\$ 62,711,732	\$ 63,950	\$ 68,596,992

17. CONTINGENCY

During the year ended December 31, 2013, the Company was advised that a notice of civil claim was filed with the British Columbia Supreme Court by Carl Nelson and Recursos del Caribe S.A., the company through which Carl Nelson conducts his geological consulting business (collectively, "Mr. Nelson"). The allegations of Mr. Nelson have not been proven. The Company disputes Mr. Nelson's claims and is defending itself in this matter. The action was filed on October 8, 2013 and a Response to Civil Claim was filed on November 26, 2013. A trial date has not been set. As at March 31, 2014, the Company believes it is too early to make a formal determination as to the claim.

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18. CHANGE IN PRESENTATION CURRENCY

During the year ended December 31, 2013, the Company has changed its currency in which it presents its financial results from the Canadian dollar to the US dollar.

In order to satisfy the requirements of IAS 21 with respect to a change in presentation currency, the financial information previously stated in the Company's condensed consolidated interim financial statements as at December 31, 2012 and as at and for the three months ended March 31, 2013 has been translated from the Canadian dollar to the US dollar using the procedures outlined below:

- assets and liabilities were translated into the US dollar at the relevant closing rates of exchange;
- results from operations were translated into the US dollar at the relevant average rates of exchange;
- share capital and other reserves were translated into the US dollar at the historical rates prevailing at the dates of transactions; and
- differences arising from the retranslation of the opening net assets and results for the period have been taken to the foreign currency translation reserve.

The exchange rates used were as follows:

	March 31	December 31
US dollar/Canadian dollar exchange rate	2013	2012
Closing rate at the reporting date	1.0171	0.9966
Average rate	1.0077	-

As a result, the comparative information as at December 31, 2012 and March 31, 2013 and for the three months ended March 31, 2013 has been restated.