



**ATICO MINING CORPORATION**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(Expressed in Canadian Dollars)**

**MARCH 31, 2013**

## **NOTICE TO READER**

The accompanying unaudited condensed consolidated interim financial statements of Atico Mining Corporation for the three months ended March 31, 2013 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 Canadian Dollars)

	March 31 2013	December 31, 2012
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (Note 3)	\$ 6,757,432	\$ 2,798,413
Receivables (Note 4)	14,324	26,654
Prepays and deposits	364,437	196,731
<b>Total current assets</b>	<b>7,136,193</b>	<b>3,021,798</b>
<b>Non-current assets</b>		
Equipment (Note 5)	143,606	149,773
Exploration and evaluation assets (Note 6)	10,902,986	7,449,644
<b>Total non-current assets</b>	<b>11,046,592</b>	<b>7,599,417</b>
<b>TOTAL ASSETS</b>	<b>\$ 18,182,785</b>	<b>\$ 10,621,215</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 445,258	\$ 186,283
<b>Total liabilities</b>	<b>445,258</b>	<b>186,283</b>
<b>EQUITY</b>		
Share capital (Note 8)	19,481,883	11,689,461
Share-based payments reserve (Note 8)	1,042,174	859,770
Deficit	(2,786,530)	(2,114,299)
<b>Total equity</b>	<b>17,737,527</b>	<b>10,434,932</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 18,182,785</b>	<b>\$ 10,621,215</b>

**Nature of operations and going concern (Note 1)**

These condensed consolidated interim financial statements are authorized for issuance by the Board of Directors on May 21, 2013.

**Approved by the Board of Directors**

\_\_\_\_\_ "Jorge R. Ganoza" \_\_\_\_\_ Director      \_\_\_\_\_ "David Miles" \_\_\_\_\_ Director

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

**ATICO MINING CORPORATION**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Unaudited - Expressed in Canadian Dollars)

	Three months ended March 31 2013	Three months ended March 31 2012
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Amortization (Note 5)	\$ 713	\$ 2,199
Interest expense	1,254	24,953
Investor relations	40,464	5,068
Management fees	82,546	74,369
Office and administrative costs	157,589	74,575
Professional fees	33,393	7,793
Property investigation costs	98,590	-
Share-based payments (Note 8)	185,824	-
Transfer agent and filing fees	14,357	2,590
Travel and related costs	51,836	-
	<u>666,566</u>	<u>191,547</u>
<b>Loss from operations</b>	<u>(666,566)</u>	<u>(191,547)</u>
Foreign exchange gain/(loss)	(19,547)	1,780
Interest income	13,882	-
Loss on conversion of debentures (Note 8)	-	(55,556)
	<u>(5,665)</u>	<u>(53,776)</u>
<b>Loss and comprehensive loss for the period</b>	<u>\$ (672,231)</u>	<u>\$ (245,323)</u>
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	<u>49,915,226</u>	<u>20,816,056</u>

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 Canadian Dollars)

	Three months ended March 31 2013	Three months ended March 31 2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (672,231)	\$ (245,323)
Items not affecting cash:		
Amortization	40,226	2,199
Interest accrued	-	10,968
Share-based payments	185,824	-
Loss on conversion of debentures	-	55,556
Interest income	(13,882)	-
Unrealized foreign exchange effect on cash and cash equivalents	(1,329)	-
<b>Changes in non-cash working capital items:</b>		
Receivables	12,330	(22,976)
Prepays and deposits	(167,706)	(2,739)
Accounts payable and accrued liabilities	38,311	(396,246)
<b>Net cash used in operating activities</b>	<b>(578,457)</b>	<b>(598,561)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	13,882	-
Purchase of equipment	(34,059)	(40,148)
Exploration and evaluation expenditures	(3,232,678)	(1,106,868)
<b>Net cash used in investing activities</b>	<b>(3,252,855)</b>	<b>(1,147,016)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Shares issued for cash	8,000,001	11,500,000
Share issue costs	(217,499)	(1,065,933)
Exercise of warrants	6,500	-
Proceeds from loans payable	-	180,000
<b>Net cash provided by financing activities</b>	<b>7,789,002</b>	<b>10,614,067</b>
Effect on exchange rate changes on cash and cash equivalents	1,329	-
<b>Change in cash during the period</b>	<b>3,957,690</b>	<b>8,868,490</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>2,798,413</b>	<b>127,141</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 6,757,432</b>	<b>\$ 8,995,631</b>

**Supplemental disclosure with respect to cash flows** (Note 11)

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 Canadian Dollars)

	Number of Shares	Share Capital	Share-based Payments Reserve	Deficit	Total Equity
Issued and outstanding shares					
<b>Balance as at December 31, 2011</b>	15,400,000	\$ 1,256,367	\$ 230,199	\$ (928,335)	\$ 558,231
Common shares for cash, at \$0.50 per share	23,000,000	11,500,000	-	-	11,500,000
Shares issued on conversion of debentures	1,111,111	555,556	-	-	555,556
Share issue costs	-	(1,274,388)	-	-	(1,274,388)
Share issue costs - Finder's shares	250,000	125,000	-	-	125,000
Share issue costs - Finder's warrants	-	(484,063)	484,063	-	-
Loss for the period	-	-	-	(245,323)	(245,323)
<b>Balance as at March 31, 2012</b>	39,761,111	\$ 11,678,472	\$ 714,262	\$ (1,173,658)	\$ 11,219,076
<b>Balance as at December 31, 2012</b>	39,786,611	\$ 11,689,461	\$ 859,770	\$ (2,114,299)	\$ 10,434,932
Private placement	12,307,694	8,000,001	-	-	8,000,001
Share issue costs	-	(217,499)	-	-	(217,499)
Exercise of warrants	13,000	6,500	-	-	6,500
Reclassify fair value of warrants exercised from reserve	-	3,420	(3,420)	-	-
Share-based payments	-	-	185,824	-	185,824
Loss for the period	-	-	-	(672,231)	(672,231)
<b>Balance as at March 31, 2013</b>	52,107,305	\$ 19,481,883	\$ 1,042,174	\$ (2,786,530)	\$ 17,737,527

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 Canadian Dollars)  
FOR THE THREE MONTHS ENDED MARCH 31, 2013

---

**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 the acquisition, exploration and development of mineral projects in Colombia and evaluating additional opportunities in Latin America. The address of its head office is Suite 501 - 543 Granville Street, Vancouver, British Columbia, Canada.

On March 13, 2012, the Company completed its initial public offering ("IPO"), where it issued 23,000,000 common shares at \$0.50 per common share for gross proceeds of \$11,500,000 (Note 8) and the common shares of the Company began trading on the TSX Venture Exchange ("TSX-V") under the symbol "ATY".

The Company has an option to acquire 90% of the issued and outstanding shares of Minera El Roble S.A. ("MINER"), the owner of the El Roble Mine, an operating copper-gold mine in Colombia.

These condensed consolidated interim financial statements of the Company are presented in Canadian dollars unless otherwise indicated. The ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. Management expects that the Company has sufficient resources and will be able to secure the necessary financing to meet the Company's requirements on an ongoing basis. The condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

**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, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. 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 for the year ended December 31, 2012, except as described below. These condensed consolidated interim financial statements should be read in conjunction with the annual audited financial statements.

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

**Share capital**

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the day prior to the issuance date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as share-based payment reserve.

**New and amended IFRS pronouncements effective January 1, 2013**

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2013. These changes were made in accordance with the applicable transitional provisions.

IFRS 10 Consolidated Financial Statements ("IFRS 10") replaces the guidance on control and consolidation in IAS 27 Consolidated and Separate Financial Statements, and SIC-12, Consolidation - Special Purpose Entities. IFRS 10 requires consolidation of an investee only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. Detailed guidance is provided on applying the definition of control. The accounting requirements for consolidation have remained largely consistent with IAS 27. The Company assessed its consolidation conclusions on January 1, 2013 and determined that the adoption of IFRS 10 did not result in any change in the consolidation status of any of its subsidiaries and investees.

IFRS 11 Joint Arrangements ("IFRS 11") supersedes IAS 31 Interests in Joint Ventures and requires joint arrangements to be classified either as joint operations or joint ventures depending on the contractual rights and obligations of each investor that jointly controls the arrangement. For joint operations, a company recognizes its share of assets, liabilities, revenues and expenses of the joint operation. An investment in a joint venture is accounted for using the equity method as set out in IAS 28 Investments in Associates and Joint Ventures (amended in 2011) ("IAS 28"). The other amendments to IAS 28 did not affect the Company. The Company has not entered into any joint arrangement and concluded that the adoption of IFRS 11 did not result in any changes in the accounting for its joint arrangements.

IFRS 12 Disclosure of Interests in Other Entities ("IFRS 12") contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structure entities. Interests are widely defined as contractual and non-contractual involvement that exposes an entity to variability of returns from the performance of the other entity. The required disclosures aim to provide information in order to enable users to evaluate that nature, and the risks associated with, an entity's interest in other entities, and the effects of those interests on the entity's financial position, financial performance and cash flows. Given the nature of the Company's interest in other entities, the amendments did not have an impact on the Company's financial position or performance.



**ATICO MINING CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited - Expressed in Canadian Dollars)  
**FOR THE THREE MONTHS ENDED MARCH 31, 2013**

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

**New and amended IFRS pronouncements effective January 1, 2013 (cont'd...)**

IFRS 13 Fair Value Measurement (“IFRS 13”) provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on January 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at January 1, 2013.

The Company has adopted the amendments to IAS 1 Presentation of Financial Statements (“IAS 1”). These amendments required the Company to group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

**Accounting Pronouncements Not Yet Effective**

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

*Accounting Standards Issued and Effective January 1, 2015*

IFRS 9 Financial Instruments replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

**3. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash on hand and deposits at banks earning interest at floating rates based on daily bank deposit rates:

	March 31 2013	December 31 2012
Cash	\$ 6,671,182	\$ 2,740,913
Short-term deposits	86,250	57,500
	<b>\$ 6,757,432</b>	<b>\$ 2,798,413</b>

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

**ATICO MINING CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited - Expressed in Canadian Dollars)  
FOR THE THREE MONTHS ENDED MARCH 31, 2013

**4. RECEIVABLES**

The Company's receivables arise from HST/VAT and other receivables due from government taxation authorities and other receivables:

	March 31 2013	December 31 2012
HST/VAT receivables	\$ 14,020	\$ 14,774
Other receivables	304	11,880
	<b>\$ 14,324</b>	<b>\$ 26,654</b>

**5. EQUIPMENT**

	Office Equipment	Field Equipment	Total
<b>Cost</b>			
As at December 31, 2012	\$ 44,503	\$ 146,558	\$ 191,061
Additions	15,441	18,618	34,059
Disposals	-	-	-
As at March 31, 2013	\$ 59,944	\$ 165,176	\$ 225,120
<b>Accumulated amortization</b>			
As at December 31, 2012	\$ 12,451	\$ 28,837	\$ 41,288
Amortization	9,143	31,083	40,226
Disposals	-	-	-
As at March 31, 2013	\$ 21,594	\$ 59,920	\$ 81,514
<b>Net book value</b>			
As at December 31, 2012	\$ 32,052	\$ 117,721	\$ 149,773
As at March 31, 2013	\$ 38,350	\$ 105,256	\$ 143,606

For the three months ended March 31, 2013, amortization of \$39,513 (2012 - \$Nil) has been capitalized to exploration and evaluation assets and amortization of \$713 (2012 - \$2,199) has been included in general and administrative expenses.

**ATICO MINING CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited - Expressed in Canadian Dollars)  
FOR THE THREE MONTHS ENDED MARCH 31, 2013

**6. EXPLORATION AND EVALUATION ASSETS**

On January 28, 2011, the Company entered into an option agreement to acquire 90% of the shares of MINER, whose main asset is the El Roble Mine located in Colombia. To exercise the option, the Company must make staged payments of US\$2,250,000 over two years and a lump-sum payment of US\$14,000,000 at the end of the two year option period as follows:

- a) US\$200,000 on January 28, 2011 (paid);
- b) US\$350,000 on July 28, 2011 (paid);
- c) US\$650,000 on January 28, 2012 (paid);
- d) US\$1,050,000 on July 28, 2012 (paid); and
- e) US\$14,000,000 on or before January 28, 2013 (extended by one year).

The option period can be extended for one year to January 28, 2014 for an additional US\$1,200,000 (paid).

During the three months ended March 31, 2012, the Company incurred the following exploration expenditures on its mineral properties:

	<b>March 31 2013</b>
<b>El Roble, Colombia</b>	
<b>Opening balance</b>	
Acquisition Costs	\$ 2,346,785
Exploration Expenditures	5,102,859
	<b>7,449,644</b>
<b>Additions during the period:</b>	
<u>Acquisition Costs</u>	
Property acquisition costs	1,212,492
	<b>1,212,492</b>
<u>Exploration Expenditures</u>	
Assays	328,229
Drilling	1,038,418
Field costs/logistical support	203,549
General and administrative	235,886
Geophysics	188,805
Salaries and benefits	245,963
	<b>2,240,850</b>
<b>Ending balance</b>	<b>\$ 10,902,986</b>

**ATICO MINING CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited - Expressed in Canadian Dollars)  
FOR THE THREE MONTHS ENDED MARCH 31, 2013

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consist of the following:

	March 31 2013	December 31 2012
Trade accounts payable	\$ 354,769	\$ 147,349
Accrued liabilities	90,489	38,934
	<b>\$ 445,258</b>	<b>\$ 186,283</b>

**8. SHARE CAPITAL**

**Authorized Share Capital**

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

**Issued Share Capital**

In January 2013, the Company completed a non-brokered private placement for gross proceeds of \$8,000,000 by issuing 12,307,694 units at \$0.65. Each unit was comprised of one common share and one-half of one non-transferable common share purchase warrant, where each warrant entitles the holder to purchase an additional common share at \$0.90 until July 16, 2014. The Company paid cash finders' fees of \$213,900.

In March 2012, the Company completed its IPO for gross proceeds of \$11,500,000 by issuing 23,000,000 common shares at \$0.50 per share. In connection with the IPO, the Company paid its agent a cash commission of 7% of the gross proceeds. It also issued 250,000 common shares to its agent, valued at \$125,000 and 1,840,000 finder's warrants, valued at \$484,063 using the Black-Scholes option pricing model, where each warrant is exercisable at \$0.50 per share for 2 years from the closing date.

In March 2012, the Company issued 1,111,111 common shares, valued at \$555,556, for the aggregate principal amount of debentures issued in September 2011.

**ATICO MINING CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited - Expressed in Canadian Dollars)  
**FOR THE THREE MONTHS ENDED MARCH 31, 2013**

**8. SHARE CAPITAL (cont'd...)**

**Stock Options**

The continuity of stock options for the three months ended March 31, 2013 is as follows:

Expiry Date	Exercise Price	Balance December 31 2012	Granted	Exercised	Expired/ Cancelled	Balance March 31 2013
June 30, 2016	\$0.50	1,710,000	-	-	-	1,710,000
July 11, 2016	0.50	145,000	-	-	-	145,000
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	-	-	1,820,000
March 1, 2018	0.98	-	340,000	-	-	340,000
<b>Outstanding</b>		<b>2,235,000</b>	<b>2,160,000</b>	<b>-</b>	<b>-</b>	<b>4,395,000</b>
Weighted average exercise price		\$ 0.50	\$ 0.98	\$ -	\$ -	\$ 0.74
<b>Exercisable</b>		<b>2,235,000</b>				<b>2,235,000</b>

The weighted average remaining life of the stock options outstanding is 4.12 years (December 31, 2011 - 3.64).

**ATICO MINING CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited - Expressed in Canadian Dollars)  
FOR THE THREE MONTHS ENDED MARCH 31, 2013

**8. SHARE CAPITAL (cont'd...)**

**Warrants**

The continuity of share purchase warrants for the three months ended March 31, 2013 is as follows:

Expiry Date	Exercise Price	Balance December 31 2012	Issued	Exercised	Expired/ Cancelled	Balance March 31 2013				
March 12, 2014	\$0.50	1,574,500	-	(13,000)	-	1,561,500				
March 21, 2014	0.50	240,000	-	-	-	240,000				
July 16, 2014	0.90	-	6,153,847	-	-	6,153,847				
<b>Total</b>		<b>1,814,500</b>	<b>6,153,847</b>	<b>(13,000)</b>	<b>-</b>	<b>7,955,347</b>				
Weighted average exercise price	\$	0.50	\$	0.90	\$	0.50	\$	-	\$	0.50

The weighted average remaining life of the share purchase warrants outstanding is 1.22 years (December 31, 2012 - 1.20).

**Share-based Payments and Share-based Payment Reserve**

During the three months ended March 31, 2013, the Company granted 2,160,000 (2012 - Nil) 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 \$1,591,848 (2012 - \$Nil) or \$0.74 (2012 - \$Nil) per option. 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 \$185,824 (2012 - \$Nil).

During the three months ended March 31, 2013, the Company issued Nil (2012 - 1,840,000) share purchase warrants as share issue costs. Using the fair value method for share-based payments, the Company recorded a charge to share capital of \$Nil (2012 - \$484,063) or \$Nil (2012 - \$0.26) per warrant, for finder's warrants issued.

The fair value of stock options and finder's warrants issued was estimated using the Black-Scholes option pricing model with weighted average assumptions as follows:

	March 31 2013	March 31 2012
Weighted average:		
Risk free interest rate	1.45%	1.18%
Expected dividend yield	0%	0%
Expected stock price volatility	100%	100%
Expected life in years	5	2
Forfeiture rate	0%	0%

**ATICO MINING CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited - Expressed in Canadian Dollars)  
**FOR THE THREE MONTHS ENDED MARCH 31, 2013**

**9. RELATED PARTY TRANSACTIONS**

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

<b>Three months ended March 31, 2013</b>	Salary or Fees	Share-based Payments	<b>Total</b>
Management	\$ 190,546	\$ 89,580	\$ 280,126
Outside directors	-	60,368	60,368
<b>Management</b>	<b>\$ 190,546</b>	<b>\$ 149,948</b>	<b>\$ 340,494</b>

<b>Three months ended March 31, 2012</b>	Salary or Fees	Share-based Payments	<b>Total</b>
Management	\$ 51,044	-	\$ 51,044
Outside directors	-	-	-
	<b>\$ 51,044</b>	<b>\$ -</b>	<b>\$ 51,044</b>

Related party liabilities	Items or Services	March 31 2013	December 31 2012
<b>Accounts payable and accrued liabilities:</b>			
Seabord Services Corp.	Expense recovery	\$ -	\$ 199

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 is an employee of Seabord and is not paid directly by the Company. During the three months ended March 31, 2013, Seabord charged \$46,200 (2012 - \$44,100) for administrative services.

**ATICO MINING CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited - Expressed in Canadian Dollars)  
FOR THE THREE MONTHS ENDED MARCH 31, 2013

**10. SEGMENTED INFORMATION**

As at March 31, 2013 and December 31, 2012, the Company operated in one reportable operating segment, being the exploration and development of mineral properties. Summarized financial information for the geographic segments the Company operates in are as follows:

<b>As at March 31, 2013</b>	Canada	Colombia	Other	<b>Total</b>
Cash and other assets	\$ 6,576,447	\$ 425,322	\$ 134,424	\$ 7,136,193
Equipment	-	133,929	9,677	143,606
Exploration and evaluation assets	-	10,902,986	-	10,902,986
<b>Total assets</b>	<b>\$ 6,576,447</b>	<b>\$ 11,462,237</b>	<b>\$ 144,101</b>	<b>\$ 18,182,785</b>

<b>As at December 31, 2012</b>	Canada	Colombia	Other	<b>Total</b>
Cash and other assets	\$ 2,693,980	\$ 231,345	\$ 96,473	\$ 3,021,798
Equipment	-	146,937	2,836	149,773
Exploration and evaluation assets	-	7,449,644	-	7,449,644
<b>Total assets</b>	<b>\$ 2,693,980</b>	<b>\$ 7,827,926</b>	<b>\$ 99,309</b>	<b>\$ 10,621,215</b>

**11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

During the three months ended March 31, 2013, the Company:

- a) reallocated share-based payment reserve of \$3,420 to share capital for warrants exercised; and
- b) incurred exploration and evaluation expenditures of \$349,296 included in accounts payable and accrued liabilities.

During the three months ended March 31, 2012, the Company:

- a) issued 250,000 common shares, valued at \$125,000, as share issue costs (Note 8);
- b) issued 1,840,000 finder's warrants, valued at \$484,063, as share issue costs (Note 8);
- c) reallocated deferred share issuance costs of \$83,455 to share capital;
- d) issued 1,111,111 common shares, valued at \$555,556, for the aggregate principal amount of debentures (Note 8); and
- e) incurred exploration and evaluation expenditures of \$128,632 included in accounts payable and accrued liabilities.



**ATICO MINING CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited - Expressed in Canadian Dollars)  
FOR THE THREE MONTHS ENDED MARCH 31, 2013

**12. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT**

**Financial Instruments**

The Company classified its financial instruments as follows:

	Loans and Receivables	Other Financial Liabilities
<b>As at March 31, 2013</b>		
Cash and cash equivalents	\$ 6,757,432	\$ -
Receivables	14,324	-
Accounts payable and accrued liabilities	-	(445,258)
	<b>\$ 6,771,756</b>	<b>\$ (445,258)</b>

	Loans and Receivables	Other Financial Liabilities
<b>As at December 31, 2012</b>		
Cash and cash equivalents	\$ 2,798,413	\$ -
Receivables	26,654	-
Accounts payable and accrued liabilities	-	(186,283)
	<b>\$ 2,825,067</b>	<b>\$ (186,283)</b>

**Fair Value**

Financial instruments recorded at fair value on the 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 and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

**ATICO MINING CORPORATION**  
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(Unaudited - Expressed in Canadian Dollars)  
FOR THE THREE MONTHS ENDED MARCH 31, 2013

---

**12. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT (cont'd...)**

**Fair value (cont'd...)**

As at March 31, 2013, the Company's financial instruments measured at fair value are as follows:

---

<b>Financial Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents	\$ 6,757,432	\$ -	\$ -	\$ 6,757,432

---

**Risk and Capital Management**

The Company's capital includes share capital and the cumulative deficit. The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. 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 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.

**Credit Risk**

Credit risk arises from cash and deposits with banks, as well as credit exposure to customers, including outstanding receivables and committed transactions.

There is no significant concentration of credit risk other than cash deposits. The Company's cash deposits are primarily held with a Canadian chartered bank. The Company has minimal accounts receivable exposure.

**ATICO MINING CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited - Expressed in Canadian Dollars)  
FOR THE THREE MONTHS ENDED MARCH 31, 2013

**12. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT (cont'd...)**

**Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities and the ability to pay obligations as they fall due. Financial liabilities, as at March 31, 2013, included \$445,258 of accounts payable and accrued liabilities that have expected maturity dates of less than one year from March 31, 2013. Balances due within 12 months equal their carrying balance as the impact of discounting is not significant.

The Company is currently considering funding options that are available including raising additional funds from institutional investors and/or current shareholders and is confident that funding will be available to meet the final work program.

**Interest rate risk**

As the Company does not have significant interest-bearing assets, the Company's income and operating cash flows are not significantly affected by changes in market interest rates. As at March 31, 2013, the Company did not have any interest-bearing loans.

**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 Canadian 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, 2013, the Company is exposed to currency risk through the following assets and liabilities:

		US dollars	Colombian pesos	<b>Total</b>
Cash and cash equivalents	\$	128,900	\$ 134,192,137	
Accounts payable and accrued liabilities		(80,920)	(389,648,082)	
<b>Net exposure</b>		<b>47,980</b>	<b>(255,455,945)</b>	
Canadian dollar equivalent	\$	48,845	\$ (142,335)	\$ (93,491)

Based on the above net exposure as at March 31, 2013, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar and Colombian peso would result in an increase/decrease of approximately \$9,300 in the Company's pre-tax profit or loss.