ATICO MINING CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

SIX MONTHS ENDED JUNE 30, 2012 AND 2011
(Unaudited)

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of Atico Mining Corporation for the six months ended June 30, 2012 and 2011 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
(Expressed in Canadian dollars)

	June 30, 2012	December 31, 2011
ASSETS		
Current assets		
Cash (Note 3)	$ 7,663,750	$ 127,141
Receivables (Note 4)	17,799	31,079
Prepaids and deposits	193,713	11,092
Total current assets	7,875,262	169,312
Non-current assets		
Equipment (Note 5)	128,622	23,298
Exploration and evaluation assets (Note 6)	3,525,584	1,500,359
Deferred share issuance costs (Note 9)	-	83,455
Total non-current assets	3,654,206	1,607,112
TOTAL ASSETS	$ 11,529,468	$ 1,776,424
LIABILITIES AND EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	$ 293,607	$ 509,943
Loans payable (Note 8)	219,563	708,250
Total liabilities	513,170	1,218,193
EQUITY (DEFICIENCY)		
Share capital (Note 9)	11,670,003	1,256,367
Share-based payments reserve (Note 9)	866,478	230,199
Deficit	(1,520,183)	(928,335)
Total equity	11,016,298	558,231
TOTAL LIABILITIES AND EQUITY	$ 11,529,468	$ 1,776,424

Nature of operations and going concern (Note 1)
Events after reporting date (Note 14)

These consolidated financial statements are authorized for issuance by the Board of Directors on August 23, 2012.

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 COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
GENERAL AND ADMINISTRATIVE EXPENSES				
Administrative services	$ 44,100	$ -	$ 88,200	$ -
Amortization (Note 5)	8,027	1,337	10,226	1,337
Interest expense	11,161	-	36,114	-
Investor relations	5,952	-	11,020	-
Management fees	53,473	15,500	127,842	15,500
Office and miscellaneous	7,153	15,075	37,628	16,452
Professional fees	48,820	12,841	56,613	50,469
Share-based payments (Note 9)	152,216	212,244	152,216	212,244
Transfer agent and filing fees	22,703	-	25,293	-
Travel and related costs	12,781	-	12,781	-
	366,386	256,997	557,933	296,002
Loss before other items	(366,386)	(256,997)	(557,933)	(296,002)
OTHER ITEMS				
Foreign exchange gain (loss)	(3,078)	6,601	(1,298)	7,002
Interest income	22,939	-	22,939	-
Loss on conversion of debentures	-	-	(55,556)	-
	19,861	6,601	(33,915)	7,002
Loss and comprehensive loss for the period	$ (346,525)	$ (250,396)	$ (591,848)	$ (289,000)
Basic and diluted loss per share	(0.01)	(0.02)	(0.02)	(0.02)
Weighted average number of common shares outstanding	39,761,111	15,027,778	29,975,397	11,932,778

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

ATICO MINING CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	$ (346,525)	$ (250,396)	$ (591,848)	$ (289,000)
Items not affecting cash:				
Amortization	8,027	1,337	10,226	1,337
Interest accrued	5,448	-	16,416	-
Share-based payments	152,216	212,244	152,216	212,244
Loss on conversion of debentures	-	-	55,556	-
Interest income	(22,939)	-	(22,939)	-
Changes in non-cash working capital items:				
Receivables	36,256	(1,632)	13,280	(8,001)
Prepaids and deposits	(179,882)	(13,898)	(182,621)	(13,898)
Accounts payable and accrued liabilities	(48,720)	83,650	(432,124)	(25,720)
Net cash used in operating activities	(396,119)	31,305	(981,838)	(123,038)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earned	22,939	-	22,939	-
Purchase of equipment	(75,402)	(16,144)	(115,550)	(26,325)
Exploration and evaluation expenditures	(689,727)	(244,885)	(1,809,437)	(456,890)
Net cash used in investing activities	(742,190)	(261,029)	(1,902,048)	(483,215)
CASH FLOWS FROM FINANCING ACTIVITIES				
Shares issued for cash	-	450,000	11,500,000	1,145,000
Share issue costs	(8,469)	-	(1,074,402)	-
Deferred financing costs	-	(20,683)	-	(20,683)
Proceeds from loans payable	-	-	180,000	-
Loan repayment	(185,103)	-	(185,103)	-
Net cash provided by financing activities	(193,572)	429,317	10,420,495	1,124,317
Increase in cash during the period	(1,331,881)	199,593	7,536,609	518,064
Cash, beginning of period	8,995,631	344,871	127,141	26,400
Cash, end of period	$ 7,663,750	$ 544,464	$ 7,663,750	$ 544,464

Supplemental disclosure with respect to cash flows (Note 12)

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
(Expressed in Canadian dollars)

Issued and outstanding shares	Number of Shares	Share Capital	Share-based Payments Reserve	Deficit	**Total Equity**
Balance as at December 31, 2010	1,200,000	$ 60,000	$ -	$ (307,470)	$ (247,470)
Common shares for cash, at $0.20 per share	3,000,000	600,000	-	-	600,000
Common shares for cash, at $0.05 per share	10,900,000	545,000	-	-	545,000
Share-based payments	-	-	212,244	-	212,244
Loss for the period	-	-	-	(289,000)	(289,000)
Balance as at June 30, 2011	15,100,000	$ 1,205,000	$ 212,244	$ (596,470)	$ 820,774
Balance as at December 31, 2011	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	-	(1,282,857)	-	-	(1,282,857)
Share issue costs - Finder's shares	250,000	125,000	-	-	125,000
Share issue costs - Finder's warrants	-	(484,063)	484,063	-	-
Share-based payments	-	-	152,216	-	152,216
Loss for the period	-	-	-	(591,848)	(591,848)
Balance as at June 30, 2012	39,761,111	$ 11,670,003	$ 866,478	$ (1,520,183)	$ 11,016,298

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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 privately held and is engaged in the acquisition, exploration and development of mineral projects in Colombia and elsewhere in Latin America. The address of its head office is Suite 501 - 543 Granville Street, Vancouver, British Columbia, Canada.

The Company completed its initial public offering ("IPO"), where it issued 23,000,000 common shares of the Company at $0.50 per common share for gross proceeds of $11,500,000 (Note 9) and the common shares of the Company began trading on the TSX Venture Exchange on March 13, 2012 under the symbol "ATY".

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

These consolidated financial statements of the Company are presented in Canadian dollars unless otherwise indicated. The consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. The consolidated 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.

The condensed consolidated interim financial statements of the Company have been prepared in accordance with the same accounting policies and methods of their application as the most recent audited financial statements for the year end December 31, 2011, except that they do not include all note disclosures required for annual audited financial statements. It is suggested that the condensed consolidated interim financial statements be read in conjunction with the annual audited financial statements.

Some of the comparative figures have been reclassified to conform to the current format.

(Expressed in Canadian dollars)

3. CASH

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

	June 30, 2012	December 31, 2011
Cash	$ 7,663,750	$ 126,384
Held in trust	-	757
	$ 7,663,750	$ 127,141

4. RECEIVABLES

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

	June 30, 2012	December 31, 2011
HST/VAT receivables	$ 17,612	$ 30,066
Other receivables	187	1,013
	$ 17,799	$ 31,079

5. EQUIPMENT

	Office Equipment	Feield Equipment	**Total**
Cost			
As at December 31, 2011	$ 21,060	$ 7,787	$ 28,847
Additions	8,410	107,140	115,550
Disposals	-	-	-
As at June 30, 2012	29,470	114,927	144,397
Accumulated amortization			
As at December 31, 2011	4,064	1,485	5,549
Amortization	3,151	7,075	10,226
Disposals	-	-	-
As at June 30, 2012	7,215	8,560	15,775
Net book value			
As at December 31, 2011	16,996	6,302	23,298
As at June 30, 2012	22,255	106,367	128,622

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

On January 28, 2011, the Company entered into an option agreement to acquire 90% of the shares of a company, the main asset of which is the El Roble mineral property 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 subsequent to June 30, 2012); and
e) US$14,000,000 on or before January 28, 2013.

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

During the six months ended June 30, 2012, the Company incurred the following exploration expenditures on its mineral properties:

		El Roble, Colombia
Balance, December 31, 2011	$	1,500,359
Acquisition Costs		
Property acquisition costs		682,417
		682,417
Exploration Expenditures		
Assays		337,199
Drilling		307,088
Field costs/logistical support		129,623
General and administrative		234,649
Geophysics		138,063
Salaries and benefits		196,186
		1,342,808
Balance, June 30, 2012	$	3,525,584

(Expressed in Canadian dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	June 30, 2012	December 31, 2011
Trade accounts payable	$ 188,659	$ 442,438
Accrued liabilities	104,948	67,505
	$ 293,607	$ 509,943

8. LOANS PAYABLE

In September 2011, the Company entered into debenture agreements for an aggregate principal amount of $500,000 with an interest rate of 6% per annum calculated and compounded annually. On completion of the Company's initial public offering (Note 9), the aggregate principal amount was converted into 1,111,111 common shares of Company, valued at $555,556. As at June 30, 2012, the Company recorded accrued interest of $13,506.

In November 2011, the Company entered into promissory note agreements for an aggregate principal amount of $200,000 with an interest rate of 6% per annum calculated and compounded annually. The promissory note is repayable at any time up to May 31, 2013. As at June 30, 2012, the Company recorded accrued interest of $6,057.

In January 2012, the Company entered into promissory note agreements for an aggregate principal amount of $180,000 with an interest rate of 6% per annum calculated and compounded annually. The promissory note is repayable at any time up to July 19, 2013. As at June 30, 2012, the Company has repaid all outstanding balances in full.

9. SHARE CAPITAL

Authorized Share Capital

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

Issued Share Capital

In March 2012, the Company completed its initial public offering ("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 (Note 8).

(Expressed in Canadian dollars)

9. SHARE CAPITAL (cont'd…)

Stock Options

The continuity of stock options for the six months ended June 30, 2012 is as follows:

Expiry Date	Exercise Price	**Balance, December 31, 2011**	Granted	Exercised	Expired/ Cancelled	**Balance, June 30, 2012**
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
Total		1,855,000	380,000	-	-	2,235,000
Weighted average exercise price		$ 0.50	$ 0.54	$ -	$ -	$ 0.51

Warrants

The continuity of share purchase warrants for the six months ended June 30, 2012 is as follows:

Expiry Date	Exercise Price	**Balance, December 31, 2011**	Granted	Exercised	Expired/ Cancelled	**Balance, June 30, 2012**
March 12, 2014	$ 0.50	-	1,600,000	-	-	1,600,000
March 21, 2014	0.50	-	240,000	-	-	240,000
Total		-	1,840,000	-	-	1,840,000
Weighted average exercise price		$ -	$ 0.50	$ -	$ -	$ 0.50

(Expressed in Canadian dollars)

9. SHARE CAPITAL (cont'd…)

Share-based Payments and Share-based Payment Reserve

During the six months ended June 30, 2012, the Company granted 380,000 (2011 - 1,710,000) stock options to employees and an officer. Using the fair value method for share-based payments, the Company recorded a charge to share-based payments with the offsetting credit to share-based payments reserve of $152,216 (2011 - $212,244) or $0.40 (2011 - $0.12) per share.

During the six months ended June 30, 2012, the Company issued 1,840,000 (2011 - Nil) 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 $484,063 (2011 - $Nil) or $0.26 (2011 - $Nil) per share, 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:

Weighted average:	June 30, 2012	June 30, 2011
Risk free interest rate	1.26%	2.33%
Expected dividend yield	0%	0%
Expected stock price volatility	100%	100%
Expected life in years	3	5

10. RELATED PARTY TRANSACTIONS

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

Six months ended June 30, 2012		Salary or Fees		Share-based Payments		**Total**
Management	$	127,842	$	102,760	$	230,602
Outside directors		-		-		-
	$	127,842	$	102,760	$	230,602

Six months ended June 30, 2011		Salary or Fees		Share-based Payments		**Total**
Management	$	15,500	$	99,296	$	114,796
Outside directors		-		80,678		80,678
	$	15,500	$	179,974	$	195,474

During the six months ended June 30, 2011, certain directors of the Company subscribed to 11,175,000 common shares of the Company for aggregate of $720,000 during the Company's financings.

(Expressed in Canadian dollars)

10. RELATED PARTY TRANSACTIONS (cont'd…)

Related party liabilities	Items or Services		June 30, 2012		December 31, 2011
Accounts payable and accrued liabilities:					
Jorge R. Ganoza Aicardi	Management fees	$	-	$	91,428
Seabord Services Corp.	Admin services/expense recovery		1,668		101,740
Loans payable:					
Jorge R. Ganoza Aicardi		$	53,120	$	101,000
Jorge A. Ganoza Durant			52,101		100,750
Luis D. Ganoza Durant			53,120		101,000
Mario Szotlender			53,120		50,750

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 six months ended June 30, 2012, Seabord charged $88,200 (2011 - $Nil) for the administrative services.

11. SEGMENTED INFORMATION

As at June 30, 2012 and December 31, 2011, 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:

As at June 30, 2012		Canada		Colombia		**Total**
Cash and other assets	$	7,572,672	$	302,590	$	7,875,262
Equipment		-		128,622		128,622
Exploration and evaluation assets		-		3,525,584		3,525,584
Total assets	$	7,572,672	$	3,956,796	$	11,529,468

As at December 31, 2011		Canada		Colombia		**Total**
Cash and other assets	$	142,534	$	26,778	$	169,312
Equipment		-		23,298		23,298
Exploration and evaluation assets		-		1,500,359		1,500,359
Deferred share issuance costs		83,455		-		83,455
Total assets	$	225,989	$	1,550,435	$	1,776,424

(Expressed in Canadian dollars)

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the six months ended June 30, 2012, the Company:

a) issued 250,000 common shares, valued at $125,000, as share issue costs (Note 9);
b) issued 1,840,000 finder's warrants, valued at $484,063, as share issue costs (Note 9);
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 issued in September 2011 (Note 8); and
e) incurred exploration and evaluation expenditures of $265,339 included in accounts payable and accrued liabilities.

During the six months ended June 30, 2011, the Company:

a) incurred exploration and evaluation expenditures of $14,265 included in accounts payable and accrued liabilities; and
b) incurred deferred financing costs of $39,331 included in accounts payable and accrued liabilities.

13. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT

Financial Instruments

The Company classified its financial instruments as follows:

As at June 30, 2012	Loans and Receivables	Other Financial Liabilities
Cash	$ 7,663,750	$ -
Receivables	17,799	-
Accounts payable and accrued liabilities	-	(293,607)
Loans payable	-	(219,563)
	$ 7,681,549	$ (513,170)

As at December 31, 2011	Loans and Receivables	Other Financial Liabilities
Cash	$ 127,141	$ -
Receivables	31,079	-
Accounts payable and accrued liabilities	-	(509,943)
Loans payable	-	(708,250)
	$ 158,220	$ (1,218,193)

13. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT (cont'd…)

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, accounts payable and accrued liabilities and loans payable approximated their fair value because of the short-term nature of these instruments.

As at June 30, 2012, the Company's financial instruments measured at fair value are as follows:

Financial Assets	Level 1	Level 2	Level 3	**Total**
Cash	$ 7,663,750	$ -	$ -	$ 7,663,750

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.

(Expressed in Canadian dollars)

13. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT (cont'd…)

Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in both 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 June 30, 2012, the Company is exposed to currency risk through the following assets and liabilities:

	US dollars	Colombian pesos	Total
Cash	$ 76,531	$ 256,466,174	
Receivables	-	325,265	
Accounts payable and accrued liabilities	(8,998)	(444,208,074)	
Net exposure	67,533	(187,416,635)	
Canadian dollar equivalent	$ 69,229	$ (107,932)	$ (38,703)

Based on the above net exposure as at June 30, 2012, 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 $3,870 in the Company's pre-tax earnings (loss).

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. The Company's loans payable are carried at a fixed interest rate, which have minimal interest rate risk.

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.

13. 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 June 30, 2012, included $293,607 of accounts payable and accrued liabilities and loans payable of $219,563 that have expected maturity dates of less than one year from June 30, 2012. 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.

14. EVENTS AFTER REPORTING DATE

Subsequent to June 30, 2012, the Company:

- paid the fourth option payment of US$1,050,000 as required under the El Roble option agreement (Note 6)