ATICO MINING CORPORATION

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

SEPTEMBER 30, 2015

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of Atico Mining Corporation (the "Company") for the nine months ended September 30, 2015 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)

	September 30 2015	December 31 2014
ASSETS		
Current assets		
Cash and cash equivalents (Note 15)	$ 5,297,119	$ 5,102,634
Receivables (Note 3)	4,514,436	2,822,812
Inventories (Note 4)	2,661,673	5,937,506
Prepaids and deposits	611,817	1,057,483
Total current assets	13,085,045	14,920,435
Non-current assets		
Advances to suppliers (Note 5)	120,452	26,792
Mineral property, plant and equipment (Note 5)	64,672,800	64,652,848
Total non-current assets	64,793,252	64,679,640
TOTAL ASSETS	$77,878,297	$79,600,075
LIABILITIES AND EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	$ 4,857,395	$ 4,253,439
Advance on concentrate inventories (Note 3)	-	4,677,487
Bank credit facilities (Note 7)	2,253,240	587,000
Taxes payable	734,429	252,523
Current portion of finance lease obligations (Note 8)	141,268	197,039
Current portion of long-term loans payable (Note 9)	4,587,070	6,244,228
Total current liabilities	12,573,402	16,211,716
Non-current liabilities		
Finance lease obligations (Note 8)	332,215	419,802
Long-term loans payable (Note 9)	4,585,592	5,155,519
Decommissioning and restoration provision (Note 11)	1,604,257	1,496,407
Deferred income tax liabilities	18,850,264	17,495,356
Total non-current liabilities	25,372,328	24,567,084
Total liabilities	37,945,730	40,778,800
EQUITY		
Share capital (Note 12)	37,751,114	37,751,114
Share-based payments reserve (Note 12)	2,458,489	2,179,219
Foreign currency translation reserve	(715,935)	(112,939)
Deficit	(3,367,898)	(4,490,982)
Total equity attributable to equity holders of the Company	36,125,770	35,326,412
Non-controlling interests	3,806,797	3,494,863
Total equity	39,932,567	38,821,275
TOTAL LIABILITIES AND EQUITY	$77,878,297	$79,600,075

These condensed consolidated interim financial statements were authorized for issuance by the Board of Directors on November 19, 2015.

Approved by the Board of Directors

______”*Luis F. Sáenz*”______________ 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 September 30 2015	Three months ended September 30 2014	Nine months ended September 30 2015	Nine months ended September 30 2014
Sales	$10,838,631	$ 7,486,882	$30,408,410	$17,024,149
Cost of sales				
Direct mining and processing costs	(4,944,240)	(3,455,534)	(12,650,618)	(8,359,466)
Royalties	(206,292)	(99,278)	(631,518)	(330,606)
Depletion and amortization	(3,259,383)	(1,173,210)	(7,857,385)	(2,574,665)
Total cost of sales (Note 4)	(8,409,915)	(4,728,022)	(21,139,521)	(11,264,737)
Income from mining operations	2,428,716	2,758,860	9,268,889	5,759,412
Selling, general and administrative expenses	(1,363,746)	(1,220,717)	(3,957,560)	(3,188,811)
Project investigation costs	-	(90,393)	-	(189,240)
Share-based payments (Note 12)	(62,040)	(174,850)	(279,270)	(557,535)
Income from operations	1,002,930	1,272,900	5,032,059	1,823,826
Interest on long-term loans payable (Note 9)	(228,658)	(323,004)	(667,463)	(849,637)
Accretion of decommissioning and restoration provision (Note 11)	(37,157)	(25,131)	(107,850)	(72,937)
Interest and other expenses	(81,305)	(92,625)	(320,162)	(235,790)
Foreign exchange gain (loss)	(199,891)	(3,735)	2,140	(129,023)
Income before income taxes	455,919	828,405	3,938,724	536,439
Current income tax expense (Note 10)	(141,599)	-	(1,148,798)	-
Deferred income tax expense (Note 10)	(823,760)	(464,901)	(1,354,908)	(1,158,619)
Net income (loss)	$ (509,440)	$ 363,504	$ 1,435,018	$ (622,180)
Net income (loss) attributable to:				
Equity holders of Atico Mining Corporation	$ (509,049)	$ 236,821	$ 1,123,084	$ (834,206)
Non-controlling interests (Note 14)	(391)	126,683	311,934	212,026
	$ (509,440)	$ 363,504	$ 1,435,018	$ (622,180)
Earnings (loss) per share - basic (Note 13)	$ (0.01)	$ 0.00	$ 0.01	$ (0.01)
Earnings (loss) per share - diluted (Note 13)	$ (0.01)	$ 0.00	$ 0.01	$ (0.01)
Weighted average no. of shares outstanding - basic (Note 13)	97,591,571	97,586,860	97,591,571	97,219,811
Weighted average no. of shares outstanding - diluted (Note 13)	97,591,571	97,586,860	97,591,571	97,219,811

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 September 30 2015	Three months ended September 30 2014	Nine months ended September 30 2015	Nine months ended September 30 2014
Net income (loss)	$ (509,440)	$ 363,504	$ 1,435,018	$ (622,180)
Other comprehensive income (loss)				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation adjustment	-	(148,535)	(602,996)	(36,640)
Total other comprehensive income (loss)	-	(148,535)	(602,996)	(36,640)
Total comprehensive income (loss)	$ (509,440)	$ 214,969	$ 832,022	$ (658,820)
Total comprehensive income (loss) attributable to:				
Equity holders of Atico Mining Corporation	$ (509,049)	$ 88,286	$ 520,088	$ (870,846)
Non-controlling interests	(391)	126,683	311,934	212,026
	$ (509,440)	$ 214,969	$ 832,022	$ (658,820)

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 September 30 2015	Three months ended September 30 2014	Nine months ended September 30 2015	Nine months ended September 30 2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	$ (509,440)	$ 363,504	$ 1,435,018	$ (622,180)
Items not affecting cash and cash equivalents:				
Depletion and amortization	3,323,608	1,175,940	8,006,030	2,640,738
Share-based payments	62,040	174,850	279,270	557,535
Accretion of decommissioning and restoration provision	37,157	25,131	107,850	72,937
Interest on finance lease obligations	46,329	2,934	46,329	2,934
Interest income	(647)	(2,382)	(3,102)	(11,118)
Interest expense	290,226	364,282	847,904	927,810
Deferred income tax expense	823,760	464,901	1,354,908	1,158,619
Unrealized foreign exchange effect	(229,021)	(339,277)	(962,282)	(115,928)
	3,844,012	2,229,883	11,111,925	4,611,347
Changes in non-cash operating working capital items (Note 15)	1,772,134	(2,447,364)	1,767,383	(3,432,900)
Net cash provided by (used in) operating activities	5,616,146	(217,481)	12,879,308	1,178,447
CASH FLOWS FROM INVESTING ACTIVITIES				
Expenditures on mineral property, plant and equipment	(2,453,619)	(2,424,168)	(6,148,787)	(10,901,012)
Interest received	647	2,382	3,102	11,118
Net cash used in investing activities	(2,452,972)	(2,421,786)	(6,145,685)	(10,889,894)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayments of long-term loans payable	(1,353,333)	(211,319)	(3,261,987)	(549,587)
Proceeds from long-term loans payable	-	-	-	1,974,040
Payments on finance lease obligations	(45,565)	(7,425)	(91,130)	(7,425)
Advance on concentrate inventories received (paid), net	-	4,012,092	(4,671,221)	5,066,089
Bank credit facilities withdrawn, net	380,250	430,615	1,666,240	744,615
Interest paid	(61,568)	(41,278)	(180,441)	(78,173)
Shares issued	-	-	-	874,111
Net cash provided by (used in) financing activities	(1,080,216)	4,182,685	(6,538,539)	8,023,670
Effect of exchange rate changes on cash and cash equivalents	(8,817)	(20,392)	(599)	(24,314)
Change in cash and cash equivalents	2,074,141	1,523,026	194,485	(1,712,091)
Cash and cash equivalents, beginning of period	3,222,978	2,848,754	5,102,634	6,083,871
Cash and cash equivalents, end of period	$ 5,297,119	$ 4,371,780	$ 5,297,119	$ 4,371,780

Supplemental disclosure with respect to cash flows (Note 15)

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 interests	Deficit	**Total equity**
Balance as at December 31, 2014	97,591,571	$37,751,114	$ 2,179,219	$ (112,939)	$ 3,494,863	$ (4,490,982)	$ 38,821,275
Share-based payments	-	-	279,270	-	-	-	279,270
Foreign currency translation adjustment	-	-	-	(602,996)	-	-	(602,996)
Net income	-	-	-	-	311,934	1,123,084	1,435,018
Balance as at September 30, 2015	97,591,571	$37,751,114	$ 2,458,489	$ (715,935)	$ 3,806,797	$ (3,367,898)	$ 39,932,567
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 options	5,000	2,825	(547)				2,278
Exercise of finder's warrants	1,879,722	1,293,288	(421,455)	-	-	-	871,833
Share-based payments	-	-	557,535	-	-	-	557,535
Foreign currency translation adjustment	-	-	-	(36,640)	-	-	(36,640)
Net income (loss)	-	-	-	-	212,026	(834,206)	(622,180)
Balance as at September 30, 2014	97,591,571	$37,751,114	$ 2,062,483	$ (92,850)	$ 3,681,013	$ (2,068,250)	$ 41,333,510

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

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-gold mining and related activities including exploration, development, extraction, and processing in Colombia and the acquisition, exploration and development of copper and gold projects 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 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"), including International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). 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, 2014.

Change in functional currency

IAS 21 The Effects of Changes in Foreign Exchange Rates ("IAS 21") describes functional currency as the currency of the primary economic environment in which an entity operates. The Company now expects a significant majority of the parent entity's operating cash flow to be sourced in United States ("US") dollar. The change in functional currency reflects the accumulation over time of those factors which are the main determinants of functional currency. Having considered the aggregate effect of all relevant factors, management concluded that this point was reached. Accordingly, the Company determined that the functional currency of the parent entity had changed to US dollar from July 1, 2015. In accordance with IAS 21, this change will be accounted for prospectively.

Derivative financial instruments

Derivative instruments that do not qualify for hedge accounting are initially recorded at fair value and are re-measured at each reporting date to their fair values, and any resulting gains or losses are recognized in the consolidated statements of income (loss) for the period.

Accounting pronouncements not yet effective

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15"), which supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC 31 Revenue - Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

(Unaudited - Expressed in United States Dollars)

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

Accounting pronouncements not yet effective (cont'd…)

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.

3. RECEIVABLES

	September 30 2015	December 31 2014
Trade receivables	$ 2,225,465	$ 246,568
GST/VAT and other taxes recoverable	2,034,230	2,481,782
Other receivables	254,741	94,462
	$ 4,514,436	$ 2,822,812

As at September 30, 2015 and December 31, 2014, the Company did not have any trade receivables that were past due. The Company's allowance for doubtful accounts at September 30, 2015 is $Nil (December 31, 2014 - $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 September 30, 2015, related to this credit facility, the Company did not have any outstanding balance (December 31, 2014 - $4,677,487 which included accrued interest expense $6,266).

The Company's current concentrate off-take agreement has an expected settlement period of four months. The aging analysis of the Company's trade receivables from sales of metals concentrate is as follows:

	September 30 2015	December 31 2014
0 to 30 days	$ 1,063,817	$ -
31 to 60 days	652,347	246,568
61 to 90 days	-	-
91 to 120 days	509,301	-
Over 120 days	-	-
	$ 2,225,465	$ 246,568

(Unaudited - Expressed in United States Dollars)

4. INVENTORIES

	September 30 2015	December 31 2014
Consumable parts and supplies	$ 1,524,424	$ 1,340,660
Ore stockpiles	220,185	242,692
Metals concentrate	917,064	4,354,154
	$ 2,661,673	$ 5,937,506

For the three and nine months ended September 30, 2015 , the Company recorded a cost of sales of $8,409,915 and $21,139,521 (2014 - $4,728,022 and $11,264,737), where direct mining and processing costs include salaries and other short-term benefits, contractor charges, energy, consumables, and other production-related costs.

5. MINERAL PROPERTY, PLANT AND EQUIPMENT

	Mineral property	Land	Plant, building, machinery, and equipment	Capital work in progress	**Total**
As at December 31, 2014, net	$54,456,366	$ 275,834	$ 9,753,704	$ 166,944	$64,652,848
Changes for the period:					
Additions	2,747,550	-	4,187,425	-	6,934,975
Depletion and amortization	(4,256,747)	-	(2,490,988)	-	(6,747,735)
Currency translation adjustments	(167,288)	-	-	-	(167,288)
As at September 30, 2015, net	$52,779,881	$ 275,834	$11,450,141	$ 166,944	$64,672,800
As at December 31, 2014					
Historical cost	$59,565,251	$ 275,834	$11,294,395	$ 166,944	$71,302,424
Accumulated amortization	(5,108,885)	-	(1,540,691)	-	(6,649,576)
Net carrying amount	$54,456,366	$ 275,834	$ 9,753,704	$ 166,944	$64,652,848
As at September 30, 2015					
Historical cost	$62,145,513	$ 275,834	$15,481,820	$ 166,944	$78,070,111
Accumulated amortization	(9,365,632)	-	(4,031,679)	-	(13,397,311)
Net carrying amount	$52,779,881	$ 275,834	$11,450,141	$ 166,944	$64,672,800

Capital work in progress relates to capital costs incurred in connection with sustaining capital at the El Roble mining property. During the nine months ended September 30, 2015, certain machinery and equipment had been acquired and capitalized (totaling approximately $544,000), but was not yet available for use; therefore, no related amortization has been recognized.

As at September 30, 2015, the Company held leased assets with net carrying amount of $469,358 (December 31, 2014 - $653,019) financed by finance leases (Note 8) and carried $120,452 (December 31, 2014 - $26,792) of advances to suppliers related to the sustaining capital at the El Roble mining property.

(Unaudited - Expressed in United States Dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30 2015	December 31 2014
Trade and other payables	$ 3,232,533	$ 2,942,964
Payables to non-controlling interest of MINER	233,720	105,480
Payroll and related liabilities	440,297	307,826
Accrued liabilities	950,846	897,169
	$ 4,857,395	$ 4,253,439

7. BANK CREDIT FACILITIES

The Company has arrangements for unsecured credit facilities with a number of Colombian banks, including Banco Davivienda S.A., Banco de Occidente, and Bancolombia, of up to Colombian pesos ("COP") $16,657,000,000 (approximately $5,460,000). As at September 30, 2015, the Company owed $2,253,240 on these facilities, which included accrued interest expense of $Nil (December 31, 2014 - $587,000 and $Nil, respectively), where each draw carries interest based on the London Inter-bank Offered Rates ("LIBOR") plus 1.55% to 2.15% payable monthly and the principal portion is repayable in six months from the date of drawn down.

8. FINANCE LEASE OBLIGATIONS

During the year ended December 31, 2014, the Company acquired certain mining equipment that are classified as finance leases, with the applicable costs included in mineral property, plant and equipment (Note 5). Future minimum lease payments as at September 30, 2015 and December 31, 2014 are as follows:

	September 30 2015	December 31 2014
2015	$ 49,279	$ 197,039
2016	197,039	197,039
2017	334,732	334,732
Total minimum lease payments	581,050	728,810
Future finance charges at implicit rate	(64,056)	(116,936)
Currency translation adjustments	(43,511)	4,967
Balance of unpaid obligations	473,483	616,841
Less: current portion	141,268	197,039
Long term portion	$ 332,215	$ 419,802

(Unaudited - Expressed in United States Dollars)

9. LONG-TERM LOANS PAYABLE

	Trafigura	NCI of MINER	Nordea/ Sandvik	**Total**
As at December 31, 2014	$ 8,768,833	$ 1,675,871	$ 955,043	$11,399,747
Additions to principal	-	-	786,188	786,188
Repayments - principal	(666,667)	(748,139)	(349,752)	(1,764,558)
Repayments - interest	(1,336,459)	(116,317)	(44,653)	(1,497,429)
Interest expense	505,025	106,725	55,713	667,463
Currency translation adjustments	-	(289,592)	(129,157)	(418,749)
As at September 30, 2015	7,270,732	628,548	1,273,382	9,172,662
Less: current portion	3,270,732	628,548	687,790	4,587,070
Long term portion	$ 4,000,000	$ -	$ 585,592	$ 4,585,592

	Trafigura	NCI of MINER	Nordea/ Sandvik	**Total**
As at December 31, 2013	$ 7,958,950	$ -	$ 1,586,936	$ 9,545,886
Principal received	-	1,974,040	-	1,974,040
Repayments - principal	-	-	(453,076)	(453,076)
Repayments - interest	-	(179,267)	(124,009)	(303,276)
Interest expense	809,883	202,468	135,283	1,147,634
Currency translation adjustments	-	(321,370)	(190,091)	(511,461)
As at December 31, 2014	8,768,833	1,675,871	955,043	11,399,747
Less: current portion	4,059,974	1,675,871	508,383	6,244,228
Long term portion	$ 4,708,859	$ -	$ 446,660	$ 5,155,519

Trafigura Pte. Ltd.

In November 2013, the Company entered into a senior secured repayable debt facility for $8,000,000 with Trafigura Pte. Ltd. ("Trafigura"). The funds drawn 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. There was a $125,000 financing fee paid to Trafigura when the funds were drawn. The facility is secured by the Company's shareholding in MINER. Under the effective interest method, this loan has an effective annual interest rate of 9.53%. In February 2015, the repayment schedule was amended where the Company has the option to postpone each of the first four principal repayments for twelve months; at which, the Company has elected to postpone two of its principal repayments to May and August 2016. As at September 30, 2015, the Company was in compliance with all qualitative and quantitative covenants.

(Unaudited - Expressed in United States Dollars)

9. LONG-TERM LOANS PAYABLE (cont'd…)

Nordea Bank Finland plc and Sandvik AB

On the acquisition of MINER, the Company assumed two loans for an aggregate amount of €1,254,600 in connection with purchase financings of equipment from Sandvik AB ("Sandvik"). Under the terms of these arrangements, the Company makes quarterly installments totaling €104,550, along with applicable interest at a stated annual interest rate of 8.5% over three years. The facility is secured by the equipment financed. Sandvik subsequently assigned the loans to Nordea Bank Finland plc ("Nordea"), where the terms remained unchanged.

During the nine months ended September 30, 2015, the Company entered into loan agreements for an aggregate of €708,900 in connection with purchase financing of equipment from Sandvik. Under the terms of the arrangement, the Company makes quarterly installments totaling €59,075, along with applicable interest at a stated annual interest rate of 7.5% over three years.

Non-controlling interest of MINER

In January 2014, the Company entered into a loan agreement with certain non-controlling interest ("NCI") shareholders of MINER to borrow up to COP$3,900,000,000 (approximately $1,980,000), where each tranche of principal drawn has a repayment term of 12 months with a 12% annual implicit interest rate payable monthly. In February 2014, the full balance was drawn. In October 2014, the repayment date was extended to October 30, 2015 without any changes to other terms or any additional consideration. During the nine months ended September 30, 2015, the Company repaid COP$2,000,000,000 (approximately $748,000) of the loan principal.

The schedule of maturities on outstanding loan obligations is as follows:

	September 30 2015
2015	$ 1,431,825
2016	4,609,169
2017	2,932,382
2018	199,286
Total	$ 9,172,662

(Unaudited - Expressed in United States Dollars)

10. 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:

For the nine months ended	September 30 2015	September 30 2014
Income before income taxes	$ 3,938,724	$ 536,439
Canadian federal and provincial income tax rates	26.00%	25.75%
Expected income tax expense at statutory income tax rate	1,024,068	138,133
Difference between Canadian and foreign tax rates	862,449	404,160
Change in effective tax rate	(243,582)	-
Items not deductible for income tax purposes	47,490	121,339
Changes in recognized deferred tax assets and liabilities	(943,540)	-
Changes in unrecognized deferred tax assets	63,154	316,147
Impact of foreign exchange on deferred tax assets and liabilities	1,693,667	178,840
Total income tax expense	$ 2,503,706	$ 1,158,619
Current income tax expense	$ 1,148,798	$ -
Deferred income tax expense	1,354,908	1,158,619

The Company recognizes deferred tax assets and liabilities for temporary differences between their tax basis (calculated at the foreign exchange rate on the reporting date) and carrying amount (calculated at historical foreign rate). As a result, the Company recognized deferred income tax expense of $1,693,667 (2014 - recovery of $123,822) due to the effect of changes in foreign exchange rate on non-monetary assets and liabilities with functional currency different from the local currency. Recognition of this expense is required by IFRS, even if the revalued tax basis may not generate any tax obligation in the future.

11. DECOMMISSIONING AND RESTORATION PROVISION

	Nine months ended September 30 2015	Year ended December 31 2014
Opening balance	$ 1,496,407	$ 1,012,003
Change in estimates	-	385,762
Accretion expense	107,850	98,642
Ending balance	$ 1,604,257	$ 1,496,407

(Unaudited - Expressed in United States Dollars)

11. DECOMMISSIONING AND RESTORATION PROVISION (cont'd…)

In view of the uncertainties concerning environmental reclamation, the ultimate cost of reclamation activities could differ materially from the estimated amount recorded. The estimate of the Company's decommissioning and restoration liability relating to the El Roble mining property is subject to change based on amendments to laws and regulations and as new information regarding the Company's operations becomes available. Future changes, if any, to the estimated liability as a result of amended requirements, laws, regulations, operating assumptions, estimated timing and amount of obligations may be significant and would be recognized prospectively as a change in accounting estimate. Any such change would result in an increase or decrease to the liability and a corresponding increase or decrease to the mineral property, plant and equipment balance.

12. SHARE CAPITAL

Authorized share capital consists of an unlimited number of common shares without par value. As at September 30, 2015, the Company did not have any common shares held in escrow (December 31, 2014 - 1,922,910).

Issued share capital

During the nine months ended September 30, 2015 , the Company issued Nil (2014 - 5,000), Nil (2014 - 12,222), and Nil (2014 - 1,867,500) common shares for the exercise of stock options, share purchase warrants, and finder's warrants respectively, for aggregate proceeds of $Nil (2014 - $874,111).

Stock options

The continuity of stock options for the nine months ended September 30, 2015 is as follows:

Expiry Date	Exercise Price (CAD)	**Balance December 31 2014**	Granted	Exercised	Expired/ Cancelled	**Balance September 30 2015**
June 30, 2016	$ 0.50	1,710,000	-	-	-	1,710,000
July 11, 2016	0.50	140,000	-	-	-	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	1,815,000	-	-	(5,000)	1,810,000
March 1, 2018	0.98	340,000	-	-	-	340,000
July 11, 2019	0.79	2,870,671	-	-	-	2,870,671
Outstanding		7,255,671	-	-	(5,000)	7,250,671
Weighted average exercise price		$ 0.76	$ -	$ -	$ 0.98	$ 0.76
Exercisable		4,385,000				4,954,134

As at September 30, 2015, the weighted average remaining life of the stock options outstanding is 2.47 (December 31, 2014 - 3.22) years with vesting period ranging from 0 to 36 months.

(Unaudited - Expressed in United States Dollars)

12. SHARE CAPITAL (cont'd…)

Warrants

The continuity of share purchase warrants and finder's warrants for the nine months ended September 30, 2015, all of which were exercisable, is as follows:

Expiry Date	Exercise Price (CAD)	**Balance December 31 2014**	Issued	Exercised	Expired/ Cancelled	**Balance September 30 2015**
September 19, 2015	0.65	21,676,650	-	-	(21,676,650)	-
Total		21,676,650	-	-	(21,676,650)	-
Weighted average exercise price		$ 0.65	$ -	$ -	$ 0.65	$ -

As at December 31, 2014, the weighted average remaining life of the share purchase warrants and finder's warrants outstanding is 0.72 years.

Share-based payments and share-based payment reserve

During the nine months ended September 30, 2015 and 2014, no stock options were granted. However, in accordance with the vesting terms, the Company recorded a charge to share-based payments expense with the offsetting credit to share-based payments reserve of $279,270 (2014 - $557,535) during the nine months ended September 30, 2015.

13. EARNINGS (LOSS) PER SHARE

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

	Three months ended September 30 2015	Three months ended September 30 2014	Nine months ended September 30 2015	Nine months ended September 30 2014
Net income (loss)[1]	$ (509,049)	$ 236,821	$ 1,123,084	$ (834,206)
Weighted average number of common shares outstanding - basic	97,591,571	97,586,860	97,591,571	97,219,811
Dilutive effect of stock options outstanding[2]	-	-	-	-
Weighted average number of common shares outstanding - diluted	97,591,571	97,586,860	97,591,571	97,219,811
Basic earnings (loss) per share[1]	$ (0.01)	$ 0.00	$ 0.01	$ (0.01)
Diluted earnings (loss) per share[1]	$ (0.01)	$ 0.00	$ 0.01	$ (0.01)

[1] Attributable to equity holders of the Company
[2] Amounts are Nil for periods with basic loss per share, as the effects would be anti-dilutive

(Unaudited - Expressed in United States Dollars)

14. RELATED PARTY BALANCES AND TRANSACTIONS

MINER non-controlling interests

MINER is a 90%-owned subsidiary of the Company and is 10% owned by a minority shareholders group. On the acquisition date, the Company allocated $3,508,384 to the non-controlling interests based on the fair value of assets acquired and liabilities assumed on the acquisition of MINER. For the nine months ended September 30, 2015, income of $311,934 (2014 - $212,026) has been allocated to the non-controlling interests of MINER. Summarized financial information about MINER is as follows:

For the nine months ended	September 30 2015	September 30 2014
Current assets	$12,327,571	$10,509,197
Non-current assets	61,444,258	47,802,158
Current liabilities	8,652,504	10,734,972
Non-current liabilities	21,372,328	16,306,617
Net income and total comprehensive income	$ 3,119,340	$ 853,425

Compensation of key management personnel

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

Nine months ended September 30, 2015	Salary or fees	Share-based payments	**Total**
Management	$ 616,950	$ 148,679	$ 765,629
Outside directors	64,500	111,055	175,555
Seabord Services Corp.	141,608	-	141,608
	$ 823,058	$ 259,734	$ 1,082,792

Nine months ended September 30, 2014	Salary or fees	Share-based payments	**Total**
Management	$ 556,890	$ 285,506	$ 842,396
Outside directors	-	183,748	183,748
Seabord Services Corp.	134,995	-	134,995
	$ 691,885	$ 469,254	$ 1,161,139

As at September 30, 2015, the Company had $387,150 (December 31, 2014 - $315,000) due to directors and management related to remuneration and performance-based remuneration, which have been included in accounts payable and accrued liabilities.

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 to the agreement with Seabord, the Company entered into rental agreements with companies with common directors for office space for $2,200 and $800 per month, respectively.

(Unaudited - Expressed in United States Dollars)

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Components of cash and cash equivalents

	September 30 2015	December 31 2014
Cash	$ 5,210,869	$ 5,016,384
Short-term deposits	86,250	86,250
	$ 5,297,119	$ 5,102,634

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 September 30 2015	Three months ended September 30 2014	Nine months ended September 30 2015	Nine months ended September 30 2014
Receivables	$ 417,619	$ (1,269,825)	$ (1,691,624)	$ (3,388,003)
Inventories	1,121,084	68,961	2,021,139	(1,757,814)
Prepaids and deposits	13,407	648,608	445,666	928,989
Accounts payable and accrued liabilities	336,878	(1,717,048)	510,296	922,104
Taxes payable	(116,854)	(178,060)	481,906	(138,176)
Net change in non-cash working capital	$ 1,772,134	$ (2,447,364)	$ 1,767,383	$ (3,432,900)

Significant non-cash investing and financing activities

During the nine months ended September 30, 2015, the Company:

a) reallocated mineral property depletion of $508,389 to the carrying amount of ore stockpile and metals concentrate inventories produced but not yet sold at the reporting date;
b) reallocated mineral property depletion of $1,763,083 previously recognized in carrying amounts of metals concentrate inventories sold to cost of sales;
c) recorded advances to suppliers of $93,660 in accounts payable and accrued liabilities; and
d) recorded mineral property, plant and equipment additions of $786,188 in long-term loans payable.

During the nine months ended September 30, 2014, the Company:

a) reallocated mineral property depletion of $1,481,238 to the carrying amount of ore stockpile and 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 finder's warrants exercised;
d) recorded mineral property, plant and equipment additions and advances to suppliers of $150,726 in accounts payable and accrued liabilities; and
e) recorded mineral property, plant and equipment additions of $734,647 in finance lease obligations.

(Unaudited - Expressed in United States Dollars)

16. 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 September 30, 2015 are sufficient for its present needs for at least the next twelve months. The Company is not subject to externally imposed capital requirements.

17. DERIVATIVE INSTRUMENT

During the nine months ended September 30, 2015, the Company entered into a zero cost collar commodity forward sale arrangement with its customer whereby both parties set the final settlement price on metals to be shipped and provisionally invoiced. Derivative instruments are marked-to-market at the end of each reporting period and the mark-to-market adjustment is recorded as a gain or loss on commodity derivatives in the statement of income (loss). The expected settlement price is the anticipated metal price on the shipment and provisional invoicing date. The Company has not applied hedge accounting to these derivative transactions.

The details of the arrangement are as follows:

As at September 30, 2015	Quantity[1]	Settlment prices (ceiling - floor)	Expected settlement price	Fair value
Copper - collar (on shipment in 2015)	350	$5,475 - 5,050	$ 5,070	$ -

[1]Copper quantity in metric tonnes ("MT")

Any resulting fair value would have been recognized in other current assets or liabilities on the consolidated statement of financial position. During the nine months ended September 30, 2015, the Company did not recognize any unrealized gains or losses on derivative instruments in the consolidated statement of income (loss).

18. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

As at September 30, 2015	Loans and receivables	Fair value through profit or loss	Other financial liabilities
Cash and cash equivalents	$ 5,297,119	$ -	$ -
Receivables	254,741	2,225,465	-
Accounts payable and accrued liabilities	-	-	4,857,395
Bank credit facilities	-	-	2,253,240
Long-term loans payable	-	-	9,172,662
Finance lease obligations	-	-	473,483
	$ 5,551,860	$ 2,225,465	$16,756,780

(Unaudited - Expressed in United States Dollars)

18. FINANCIAL INSTRUMENTS (cont'd…)

As at December 31, 2014	Loans and receivables	Fair value through profit or loss	Other financial liabilities
Cash and cash equivalents	$ 5,102,634	$ -	$ -
Receivables	94,462	246,568	-
Accounts payable and accrued liabilities	-	-	4,253,439
Advance on concentrate inventories	-	-	4,677,487
Bank credit facilities	-	-	587,000
Long-term loans payable	-	-	11,399,747
Finance lease obligations	-	-	616,841
	$ 5,197,096	$ 246,568	$21,534,514

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.

As at September 30, 2015, the Company's financial instruments measured at fair value are as follows:

Financial assets and liabilities	Level 1	Level 2	Level 3	Total
Trade receivable from provisional sales	$ -	$ 2,225,465	$ -	$ 2,225,465

The carrying value of cash and cash equivalents, receivables (excluding trade receivable from provisional sales of metals concentrate), accounts payable and accrued liabilities, advance on concentrate inventories, and bank credit facilities approximated their fair value because of the short-term nature of these instruments. The fair values of the Company's long-term loans payable and finance lease obligations are approximated by their carrying values as their interest rates are comparable to current interest rates.

Trade receivable from provisional sales of metals concentrate includes provisional pricing, and final price and assay adjustments. Derivative instruments are valued using pricing models which require a variety of inputs such as expected gold price. The trade receivable from sales of metals concentrate and derivative instruments are valued using observable market commodity prices and thereby classified within Level 2 of the fair value hierarchy.

The Company's activities expose it to financial risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are metal price risk, credit risk, liquidity risk, currency risk, and interest rate risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis. There have been no significant changes in the Company's exposure to these financial risks since December 31, 2014.

18. FINANCIAL INSTRUMENTS (cont'd…)

Metal price risk

The Company is exposed to metal price risk. A 1% change in copper and gold prices would result in an increase/decrease of approximately $109,000 and $78,000 in the Company's pre-tax income or loss on an annualized basis, respectively.

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

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 its committed liabilities. The maturities of the Company's non-current liabilities are disclosed in Notes 8 and 9. All current liabilities are settled within one year.

Interest rate risk

As at September 30, 2015, a 10% change in LIBOR rates would result in an increase/decrease of approximately $23,000 in the Company's pre-tax income or loss on an annualized basis based on the debt facilities used.

Currency risk

As at September 30, 2015, 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	$ 137,674	$ 48,203	$ -	$ 792,216
Receivables	5,234	129,481	-	6,851,698
Accounts payable and accrued liabilities	(255,042)	(154,820)	-	(12,847,139)
Taxes payable	-	-	-	(2,242,263)
Finance lease obligations	-	-	(421,069)	-
Loans payable	-	-	(1,132,419)	(1,919,000)
Net exposure	(112,134)	22,864	(1,553,488)	(9,364,488)
US dollar equivalent	$ (83,626)	$ 7,216	$ (1,746,866)	$ (3,067,236)

Based on the above net exposure, as at September 30, 2015, and assuming that all other variables remain constant, a 1% 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 $49,000 in the Company's pre-tax income or loss.

(Unaudited - Expressed in United States Dollars)

19. CONTINGENCIES

While the outcome of these matters is uncertain, based upon the information currently available, the Company does not believe that these matters in aggregate will have a material adverse effect on its consolidated financial position or results of operations. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements on the date such changes occur.

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. The trial of this matter is scheduled to commence in December 2015. As at September 30, 2015, the Company believes it is too early to make a formal determination as to the claim.

During the nine months ended September 30, 2015, the Company's operating subsidiary, Minera El Roble S.A. ("MINER"), received notice of claim from the mining authority in Colombia requesting payment of royalties related to past copper production. The mining authority is basing its claim on the current mining law, which is subsequent to the prevailing mining law under which MINER executed the contract regulating its royalty obligations. The current mining law in Colombia explicitly states that it does not affect contracts executed prior to his law entering into force. Therefore, the Company and its legal counsel's position is that MINER has complied rigorously with it royalty payments due and called for under the current contractual obligations. The claim of approximately $2,000,000 is at an administrative level and the Company will attempt to favorably resolve the claim at this level, and if necessary, will vigorously defend itself should legal action be required. As at September 30, 2015, no provisions have been recorded for any potential liability arising from this matter.

20. 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% or more of the total revenues or assets of the Company. As at September 30, 2015, the Company only has a single off-take agreement for metals concentrate produced at the El Roble mining property.

Geographic segment details

As at September 30, 2015	Canada	Colombia	Other	**Total**
Cash and other current assets	$ 804,967	$12,207,476	$ 72,602	$13,085,045
Advances to suppliers	-	120,452	-	120,452
Mineral property, plant and equipment	-	64,669,090	3,710	64,672,800
Total assets	$ 804,967	$76,997,018	$ 76,312	$77,878,297

As at December 31, 2014	Canada	Colombia	Other	**Total**
Cash and other current assets	$ 1,149,698	$13,726,193	$ 44,544	$14,920,435
Advances to suppliers	-	26,792	-	26,792
Mineral property, plant and equipment	-	64,645,196	7,652	64,652,848
Total assets	$ 1,149,698	$78,398,181	$ 52,196	$79,600,075