Eco Oro Minerals Corp.

Condensed Consolidated Interim Financial Statements

(Unaudited)

For the Three Months Ended March 31, 2012 and 2011

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars, unless otherwise noted and except for share and per share amounts)

ECO ORO MINERALS CORP.

Condensed Consolidated Interim Statements of Financial Position (Unaudited)

(Expressed in thousands of U.S. dollars, unless otherwise noted and except for share and per share amounts)

	Notes		March 31, 2012		December 31, 2011
ASSETS					
Current assets:					
Cash and cash equivalents	7	$	46,987	$	56,343
Guaranteed investment certificate			5,704		5,580
Trade and other receivables			1,081		877
			53,772		62,800
Property, plant and equipment	3		1,357		1,268
Exploration and evaluation assets	4		18,389		18,137
		$	73,518	$	82,205
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Trade and other payables	5	$	6,647	$	4,511
Amounts payable on exploration and evaluation asset acquisition			1,200		1,107
Site restoration provision	5		1,621		1,618
Warrant liabilities	6		3,184		1,168
Current portion of equity tax liability			1,739		1,576
			14,391		9,980
Site restoration provision	5		642		641
Equity tax liability			3,132		2,840
			18,165		13,461
Shareholders' equity:					
Share capital	6		234,975		234,975
Equity reserves	6		19,602		19,241
Deficit			(199,224)		(185,472)
Equity attributable to equity holders of the Company			55,353		68,744
Nature of operations	1				
Contingencies	4				
Subsequent event	6				
		$	73,518	$	82,205

See accompanying notes to these condensed consolidated interim financial statements.

Approved by the Board and authorized for issue on May 11, 2012.

Anna Stylianides Director ***Hubert R. Marleau*** Director

ECO ORO MINERALS CORP.
Condensed Consolidated Interim Statements of Comprehensive Loss (Unaudited)
(Expressed in thousands of U.S. Dollars, unless otherwise noted and except for share and per share amounts)
For the three months ended March 31, 2012 and 2011

	Notes	Three months ended March 31, 2012	2011
Exploration expenditures:			
Feasibility studies	4	$ 4,018	$ 1,052
Other exploration expenditures	4	5,787	4,171
		9,805	5,223
General and administrative expenses:			
Audit, legal and other professional fees		155	287
Depreciation		93	81
Investor relations		71	93
Management and consulting fees		90	910
Office facilities and administration		93	173
Salaries and benefits		446	730
Share-based compensation	6	494	1,009
Transfer agent, listing and filing fees		46	64
Travel		98	236
		1,586	3,583
Total expenses before other items		11,391	8,806
Other items:			
Interest income		(82)	(289)
Finance costs		144	120
Equity tax		-	5,780
Fair value change on warrant liabilities	6	1,995	(2,862)
Foreign exchange loss (gain)		304	(1,952)
		2,361	797
Loss and comprehensive loss for the period attributable to shareholders of the Company		$ 13,752	$ 9,603
Basic and diluted loss per common share	6	$ 0.16	$ 0.11
Weighted-average number of common shares outstanding		84,228,421	84,222,987

See accompanying notes to these condensed consolidated interim financial statements.

ECO ORO MINERALS CORP.

Condensed Consolidated Interim Statements of Cash Flows (Unaudited)

(Expressed in thousands of U.S. dollars, unless otherwise noted and except for share and per share amounts)
For the three months ended March 31, 2012 and 2011

		Three months ended March 31,	
	Notes	2012	2011
Operating activities:			
Loss for the period		$ (13,752)	$ (9,603)
Adjustment for non-cash items:			
Depreciation		93	81
Fair value change on warrant liabilities	6	1,995	(2,862)
Non-cash finance costs		144	120
Share-based compensation	6	325	1,009
Unrealized foreign exchange		322	290
Other non-cash income and expenses		(17)	(37)
Equity tax accrued		-	5,780
Change in non-cash working capital:			
Trade and other receivables		(204)	(112)
Trade and other payables		2,136	(1,877)
Cash used in operating activities		(8,958)	(7,211)
			-
Investing activities:			
Exploration and evaluation asset acquisition	4	(216)	(527)
Purchase of property, plant and equipment	3	(182)	(42)
Net cash flows used in investing activities		(398)	(569)
Decrease in cash and cash equivalents		(9,356)	(7,780)
Cash and cash equivalents, beginning of period		56,343	98,878
Cash and cash equivalents, end of period	7	$ 46,987	$ 91,098

See accompanying notes to these condensed consolidated interim financial statements.

ECO ORO MINERALS CORP.

Condensed Consolidated Interim Statements of Changes in Equity (Unaudited)

(Expressed in thousands of U.S. dollars, unless otherwise noted and except for share and per share amounts)

For the three months ended March 31, 2012 and 2011

	Share Capital (note 6)			Equity Reserves (note 6)						
	Number of Shares		Amount		Contributed Surplus		Warrants		Deficit		Total
Balance, December 31, 2011	84,228,421	$	234,975	$	17,199	$	2,042	$	(185,472)	$	68,744
Change in warrants' value due to extension of expiry date	-		-		-		36		-		36
Share-based compensation	-		-		325		-		-		325
Net loss and comprehensive loss	-		-		-		-		(13,752)		(13,752)
Balance, March 31, 2012	84,228,421	$	234,975	$	17,524	$	2,078	$	(199,224)	$	55,353
Balance, December 31, 2010	84,222,987	$	234,967	$	14,477	$	1,968	$	(148,698)	$	102,714
Warrants issued	-		-		-		74		-		74
Share-based compensation	-		-		1,009				-		1,009
Net loss and comprehensive loss	-		-		-				(9,603)		(9,603)
Balance, March 31, 2011	84,222,987	$	234,967	$	15,486	$	2,042	$	(158,301)	$	94,194

See accompanying notes to these condensed consolidated interim financial statements.

1. Nature of operations

Eco Oro Minerals Corp. (the "Company") is a publicly listed company incorporated in Canada under the legislation of the Province of British Columbia. The Company's shares are listed on the Toronto Stock Exchange ("TSX") and trade under the symbol "EOM". The Company's principal business activities include the acquisition, exploration and development of exploration and evaluation assets in Colombia.

The Company is in the process of exploring, developing and evaluating its assets and has not yet determined whether they contain reserves that are economically recoverable. Management anticipates that the Company will continue to raise adequate funding through equity or debt financings, although there is no assurance that the Company will be able to obtain adequate funding on favorable terms. The recoverability of amounts shown for exploration and evaluation assets and equipment is dependent upon, among other things, the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development, confirmation of the Company's interest in the underlying concessions and licenses, the ability of the Company to obtain the necessary mining and environmental permits, and future profitable production or proceeds from the disposition of the exploration and evaluation assets.

At March 31, 2012, the Company had working capital of $39,381 but had not yet achieved profitable operations and expects to incur further losses in the development of its business. For the three months ended March 31, 2012, the Company reported a comprehensive loss of $13,752 and as at March 31, 2012, had an accumulated deficit of $199,224. The ability of the Company to continue as a going concern over a longer term is dependent upon the Company's ability to arrange additional financing to complete the development of its property, including obtaining the necessary permits and other regulatory approvals, and upon future profitable operations. The Company has sufficient cash and working capital to fund planned operations over the next operating cycle defined as the next 12 months.

During the three-month period ended March 31, 2012, the Company received the terms of reference from the Colombian National Authority for Environmental Licensing which contains guidelines for the preparation of the environmental and social assessment study that is necessary to apply for an environmental license for the Company's Angostura underground project. There were no further developments during the three months ended March 31, 2012 with respect to the Company's environmental permitting for the Angostura project as described in note 1 of the Company's 2011 annual consolidated financial statements.

2. Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. Accordingly, they do not include all of the information and disclosures required by IFRS for annual consolidated financial statements. These condensed consolidated interim financial statements should be read in conjunction with the Company's 2011 annual consolidated financial statements, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). They have been prepared using the same accounting policies and methods of application as the latest annual consolidated financial statements. In the opinion of management, all adjustments (consisting of normal and recurring accruals) considered necessary for fair presentation have been included. The results for interim periods are not necessarily indicative of results for the entire year. The preparation of these condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amounts of expenses during the period. As a result, actual amounts may differ from those estimates.

These condensed consolidated interim financial statements were approved by the Board of Directors and authorized for issue on May 11, 2012.

(b) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are disclosed in note 3(d) of the Company's 2011 annual consolidated financial statements. There have been no changes to the Company's critical accounting estimates and judgements during the three months ended March 31, 2012.

(c) New accounting standards

New accounting standards applicable to the Company are disclosed in note 3 of the Company's 2011 annual consolidated financial statements. There have been no changes in accounting standards during the three months ended March 31, 2012 that have an impact on the Company's financial statements.

3. Property, plant and equipment

The Company's property, plant and equipment consist of buildings, machinery and equipment used in exploration activities. During the three months ended March 31, 2012, the Company acquired $182 of equipment.

4. Exploration and evaluation assets

The Company's exploration and evaluation assets comprise land ("Tangible Assets") and mineral property surface rights, mining titles, exploration licenses, exploitation permits, and concession contracts ("Intangible Assets") that provide for gold, silver and other precious metals exploration in an area located in the Municipality of California, Santander, Colombia, collectively known as the Angostura Project. Additions to exploration and evaluation assets during the three months ended March 31, 2012, relate to a combination of $216 cash consideration and $36 in fair value resulting from the extension of expiry dates on certain share purchase warrants originally issued to acquire lands and surface rights (see note 6(d)).

(Expressed in thousands of U.S. dollars, unless otherwise noted and except for share and per share amounts)

The details of exploration expenditures incurred during the three months ended March 31, 2012 and 2011 with cumulative amounts are provided in the table below. General and administrative costs include items such as salaries and benefits, consulting fees, legal, travel, etc. in support areas for exploration activities in Colombia.

	Three months ended March 31, 2012	2011
Exploration expenditures:		
General and administrative costs (Angostura project in Colombia)	$ 2,663	$ 2,106
Assay and metallurgy	380	189
Consulting and geology	75	2
Drilling and field costs	1,890	1,651
Environmental	250	68
Civil works	450	28
Feasibility studies	4,018	1,052
Taxes and surface rights	79	127
	9,805	5,223
Cumulative exploration expenditures, beginning of period	140,504	115,118
Cumulative exploration expenditures, end of period	$ 150,309	$ 120,341

In February 2012, the Company received notice that the vendor was seeking to terminate the La Plata purchase agreement and has requested an arbitration hearing. The Company believes it has met all of its requirements under the agreement and believes it has full title to the La Plata property, therefore the Company did not consent to the termination sought. The Company and the vendor were unable to mutually agree on the arbitrators. It is expected that the arbitrators will be designated by a court within the next few months. The Company has yet to be informed of the vendor's basis for seeking to terminate the assignment agreement and is therefore unable to assess the outcome of the arbitration at this time. The Company will, however, exercise all means to protect its rights under the agreement. The outcome of this dispute is not determinable at this time. Adjustments, if any, to exploration and evaluation assets will only be recorded when an outcome to this dispute is probable and a reliable estimate of the adjustment can be made.

5. Provisions

During the three months ended March 31, 2012, the Company's site restoration provision was reduced by $42 in remediation costs incurred and increased by $45 in accretion expense.

During the three months ended March 31, 2012, the Company recorded a provision of $112 in trade and other payables as a result of a penalty imposed by an environmental authority in Colombia for a purported breach of an environmental regulation relating to water with a pH level outside prescribed standards that was discharged into a nearby creek. The Company is appealing this penalty and is awaiting a decision from the environmental authority. The Company is not aware of any other penalties, obligations or actions related to this matter.

(Expressed in thousands of U.S. dollars, unless otherwise noted and except for share and per share amounts)

6. Share capital

(a) Authorized:

Unlimited common shares without par value.

(b) Issued and outstanding:

The Company had 84,228,421 (2011 – 84,222,987) common shares issued and outstanding as of March 31, 2012.

(c) Stock options:

During the three months ended March 31, 2012, the Company granted 100,000 options to a director that vested on the date of grant. The options are exercisable for up to five years from date of grant. The estimated fair value of the stock options granted at the date of option grant was $144.

During the three months ended March 31, 2011, the Company granted 400,000 to an officer that had a vesting period of one third on each one year anniversary from the date of grant. The options are exercisable for up to five years from date of grant. The estimated fair value of the stock options granted at the date of option grant was $838.

The fair value of each option granted is estimated at the time of grant using the Black-Scholes option pricing model with weighted average assumptions used to estimate the fair value as follows:

	March 31, 2012	March 31, 2011
Risk-free interest rate	1.25%	1.69%
Expected life	5 years	5 years
Annualized volatility	86.0%	97.8%
Expected dividends	Nil	Nil
Share price	Cdn$1.99	Cdn$3.21
Grant date fair value	Cdn$1.44	Cdn$2.10

During the three months ended March 31, 2012, no stock options expired (2011 – 355,500). During the three months ended March 31, 2012, 31,501 (2011 – nil) stock options were forfeited.

Subsequent to March 31, 2012, 1,745,000 stock options were granted to directors and employees with various vesting provisions. The options are exercisable for up to five years from date of grant.

(d) Share purchase warrants:

During the three months ended March 31, 2012, the Company extended the terms of 63,500 common share purchase warrants by four years from their original expiry dates. All other provisions of the warrants remain unchanged. These warrants were originally issued to acquire surface rights in the area of the Company's Angostura project. As a result of the extensions, the Company recorded an additional $36 in equity reserves with a corresponding amount in exploration and evaluation assets.

(Expressed in thousands of U.S. dollars, unless otherwise noted and except for share and per share amounts)

The fair value of the Company's outstanding warrants that are treated as warrant liabilities increased during the three months ended March 31, 2012 by $2,016 (2011 – decrease of $2,697) including $21 foreign exchange (2011 – net of $165)

The fair value of warrants outstanding was determined using the Black-Scholes option pricing model, with the following weighted average assumptions at the end of each reporting period:

	March 31, 2012	December 31, 2011
Risk-free interest rate	1.12% - 2.23%	1.01% - 2.23%
Expected life	3 - 4 years	3 - 4 years
Annualized volatility	84.51 - 84.54%	80.7% - 84.5%
Expected dividends	Nil	Nil
Share price	Cdn$2.75	Cdn$2.75
Grant date fair value per share (1)	Cdn$2.45	Cdn$2.45

(1) Excludes 2,467,186 warrants that are treated as warrant liabilities and revalued at the end of each reporting period. As at March 31, 2012, these warrants had a fair value of Cdn$1.29 per warrant (2011 - Cdn$1.7).

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

(e) Loss per share

The loss per share is based on the weighted-average number of common shares outstanding.

At March 31, 2012, 3,766,740 stock options (2011 – 6,068,055) and 3,365,686 share purchase warrants (2011 – 3,365,686) were excluded from the weighted-average number of common shares outstanding calculation as their effect would have been anti-dilutive.

7. Supplementary cash flow information

During the three months ended March 31, 2012, the Company extended the terms of 63,500 common share purchase warrants by four years from their original expiry dates. As a result of the extensions, the Company recorded an additional $36 (2011 – nil) in equity reserves with a corresponding non-cash amount in exploration and evaluation assets (see note 6(d)).

Cash and cash equivalents are comprised of:

	March 31, 2012		December 31, 2011	
Cash	$	46,952	$	51,380
Bank short-term deposits		35		4,963
	$	46,987	$	56,343

(Expressed in thousands of U.S. dollars, unless otherwise noted and except for share and per share amounts)

8. Segment disclosures

The Company operates in a single segment, being resource exploration and development. Other geographic information is as follows:

	Canada	Colombia	Total
Three months ended March 31, 2012:			
Loss for the period	$ (3,141)	$ (10,611)	$ (13,752)
Interest Income	77	5	82
Three months ended March 31, 2011:			
Income (loss) for the period	$ 1,363	$ (10,966)	$ (9,603)
Interest Income	279	10	289
As at March 31, 2012:			
Total assets	$ 58,964	$ 14,554	$ 73,518
Total liabilities	3,849	14,316	18,165
As at December 31, 2011:			
Total assets	$ 68,162	$ 14,043	$ 82,205
Total liabilities	1,736	11,725	13,461

9. Financial instruments and financial risk management

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest risk and price risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations. There have been no significant changes to the Company's credit risk, liquidity risk, interest risk and price risk as disclosed in note 14 of the Company's 2011 annual consolidated financial statements.

(a) Currency risk:

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and Colombia and a portion of its expenses are incurred in Canadian dollars and Colombian pesos. A significant change in the currency exchange rates between the U.S. dollar relative to foreign currencies could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. However, the Company holds the majority of its cash balances in U.S. dollars.

(Expressed in thousands of U.S. dollars, unless otherwise noted and except for share and per share amounts)

The Company's exposure to the Colombian peso, expressed in U.S. dollars and denominated in Colombian pesos, on financial instruments is as follows:

	March 31, 2012		December 31, 2011	
	US$	Colombian Peso	US$	Colombian Peso
Cash and cash equivalents	$ 373	$ 667,892	$ 425	$ 824,915
Trade and receivables	963	1,725,654	710	1,379,678
Trade and other payables	6,202	11,115,078	3,944	7,661,896
Equity tax liability	4,871	8,729,085	4,416	8,578,079
Amounts payable on exploration and evaluation asset acquisition	1,200	2,150,328	1,107	2,150,002
	$ 13,609	$ 24,388,037	$ 10,602	$ 20,594,570

As at March 31, 2012, with other variables unchanged, a 10% depreciation or appreciation of the U.S. dollar against the Colombian peso would change the values of the Colombian peso-denominated financial instruments and would affect the consolidated statement of operations and comprehensive loss by approximately $1,361.

The Company's exposure to the Colombian peso on annual exploration expenditures throughout the three months ended March 31, 2012 was COP17,160,106 having the U.S. dollar equivalent of $9,757. As at March 31, 2012, with other variables unchanged,10% depreciation or appreciation of the U.S. dollar against the Colombian peso would affect the consolidated statement of operations and comprehensive loss by approximately $976.

The Company's exposure to the Canadian dollar, expressed in U.S. dollars and denominated in Canadian dollars, on financial instruments is as follows:

	March 31, 2012		December 31, 2011	
	US$	CDN$	US$	CDN$
Cash and cash equivalents	$ 1,313	$ 1,312	$ 17,546	$ 17,844
Guaranteed investment certificate	5,704	5,699	5,580	5,675
Trade and receivables	92	92	161	163
Trade and other payables	567	566	544	553
	$ 7,676	$ 7,669	$ 23,831	$ 24,235

As at March 31, 2012, with other variables unchanged, a 10% depreciation or appreciation of the U.S. dollar against the Canadian dollar would change the values of the Canadian dollar-denominated financial instruments and would affect the consolidated statement of operations and comprehensive loss by approximately $768.

The Company's exposure to the Canadian dollar on annual exploration expenditures throughout the three months ended March 31, 2012 was Cdn$48 having the U.S. dollar equivalent of $48. As at March 31, 2012, with other variables unchanged,10% depreciation or appreciation of the U.S. dollar against the Canadian dollar would affect the consolidated statement of operations and comprehensive loss by approximately $5.

10. Related party transactions

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Company and other related parties are disclosed below.

(a) Trading transactions

The Company's related parties consist of companies owned by executive officers and directors as follows:

Name	Nature of transactions
Fintec Holdings Corp.	Salaries and directors' fees
Quantum Advisory Partners LLP	Salaries
Ionic Management Corp.	Consulting and administrative
Rovig Minerals, Inc.	Consulting and management

The Company incurred the following fees, salaries and expenses in the normal course of operations in connection with companies owned by key management and directors. Expenses have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
Fintec Holdings Corp.	$ 60	$ -
Quantum Advisory Partners LLP	56	-
Rovig Minerals Inc.	-	73
Ionic Management Corp.	-	17

(Expressed in thousands of U.S. dollars, unless otherwise noted and except for share and per share amounts)

(b) Compensation of key management personnel

The remuneration of directors and officers of the Company during three months ended March 31, 2012 and 2011 were as follows:

	Notes	Three months ended March 31, 2012	2011
Salaries and directors' fees	(i)	$ 361	$ 694
Share-based payments	(ii)	325	810
		$ 686	$ 1,504

(i) Salaries and directors' fees include consulting and management fees disclosed in note 10(a). This amount is included in salaries and benefits and other exploration expenditures in the condensed consolidated interim statements of comprehensive loss.

(ii) Share-based payments are based on the fair value of options granted to directors and key management personnel.