Eco Oro Minerals Corp.

Condensed Consolidated Interim Financial Statements

(Unaudited)

For the Three and Six Months Ended June 30, 2012 and 2011

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

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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		June 30, 2012		December 31, 2011
ASSETS					
Current assets:					
Cash and cash equivalents	7	$	42,735	$	56,343
Guaranteed investment certificate			-		5,580
Trade and other receivables			876		877
			43,611		62,800
Property, plant and equipment	3		1,550		1,268
Exploration and evaluation assets	4		18,389		18,137
		$	63,550	$	82,205
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Trade and other payables	5	$	6,188	$	4,511
Amounts payable on exploration and evaluation asset acquisition			1,205		1,107
Site restoration provision	5		1,686		1,618
Warrant liabilities	6		1,152		1,168
Current portion of equity tax liability			1,716		1,576
			11,947		9,980
Site restoration provision	5		514		641
Equity tax liability			2,363		2,840
			14,824		13,461
Shareholders' equity:					
Share capital	6		234,975		234,975
Equity reserves	6		20,508		19,241
Deficit			(206,757)		(185,472)
			48,726		68,744
Nature of operations	1				
Contingencies	1,4,5				
Subsequent events	1,6				
		$	63,550	$	82,205

See accompanying notes to these condensed consolidated interim financial statements.

Approved by the Board and authorized for issue on August 9, 2012.

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

	Notes	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Exploration expenditures:					
Feasibility studies	4	$ 1,773	$ 258	$ 5,791	$ 1,310
Other exploration expenditures	4	5,752	4,635	11,539	8,806
		7,525	4,893	17,330	10,116
General and administrative expenses:					
Audit, legal and other professional fees		98	191	253	479
Depreciation		99	60	192	140
Investor relations		28	82	100	175
Management and consulting fees		124	347	214	1,257
Office facilities and administration		91	175	184	347
Salaries and benefits		475	1,731	921	2,461
Share-based compensation	6	772	1,125	1,266	2,134
Transfer agent, listing and filing fees		3	75	49	139
Travel		75	93	173	329
		1,765	3,879	3,352	7,461
Total expenses before other items		9,290	8,772	20,682	17,577
Other items:					
Interest income		(63)	(316)	(146)	(604)
Finance costs		108	122	252	242
Equity tax		-	-	-	5,780
Fair value change on warrant liabilities	6	(1,970)	(376)	26	(3,238)
Foreign exchange loss (gain)		168	(90)	471	(2,041)
		(1,757)	(660)	603	139
Loss and comprehensive loss for the period		$ 7,533	$ 8,112	$ 21,285	$ 17,716
Basic and diluted loss per common share	6	$ 0.09	$ 0.10	$ 0.25	$ 0.21
Weighted-average number of common shares outstanding		84,228,421	84,222,987	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)

	Notes		Six months ended June 30, 2012		2011
Operating activities:					
Loss for the period		$	(21,285)	$	(17,716)
Adjustment for non-cash items:					
Depreciation			192		140
Fair value change on warrant liabilities	6		26		(3,238)
Non-cash finance costs			252		242
Share-based compensation	6		1,231		2,134
Unrealized foreign exchange			367		678
Other non-cash income and expenses			(129)		(78)
Equity tax accrued			(901)		4,908
Change in non-cash working capital:					
Trade and other receivables			(1)		(293)
Trade and other payables			1,677		(4,127)
Cash used in operating activities			(18,571)		(17,350)
					-
Investing activities:					
Exploration and evaluation asset acquisition	4		(216)		(527)
Purchase of property, plant and equipment	3		(474)		(78)
Redemption of guarantee investment certificate			5,653		-
Net cash flows used in investing activities			4,963		(605)
Decrease in cash and cash equivalents			(13,608)		(17,954)
Cash and cash equivalents, beginning of period			56,343		98,878
Cash and cash equivalents, end of period	7	$	42,735	$	80,924

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)

	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	-		-		1,231		-		-		1,231
Net loss and comprehensive loss	-		-		-		-		(21,285)		(21,285)
Balance, June 30, 2012	84,228,421	$	234,975	$	18,430	$	2,078	$	(206,757)	$	48,726
Balance, December 31, 2010	84,222,987	$	234,967	$	14,477	$	1,968	$	(148,698)	$	102,714
Warrants issued	-		-		-		74		-		74
Share-based compensation	-		-		2,134				-		2,134
Net loss and comprehensive loss	-		-		-				(17,716)		(17,716)
Balance, June 30, 2011	84,222,987	$	234,967	$	16,611	$	2,042	$	(166,414)	$	87,206

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 June 30, 2012, the Company had working capital of $31,664 but had not yet achieved profitable operations and expects to incur further losses in the development of its business. For the six months ended June 30, 2012, the Company reported a comprehensive loss of $21,285 and as at June 30, 2012, had an accumulated deficit of $206,757. 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 six-month period ended June 30, 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 (“Angostura Project”). There were no further developments during the six months ended June 30, 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.

On July 20, 2012, the Company announced that it received a ruling (the "Ruling") from the Ninth Circuit Administrative Court of the City of Bucaramanga (the "Court") wherein the Court ordered the Ministry of Mines and Energy to initiate administrative and/or judicial actions to "leave without effect resolution 3452" (the "Order"), which the Court characterized as a permit to develop mining exploration activities in an open pit in the Paramo of Santurban. The Ruling relates to an action filed by an individual in June 2010, which sought to "leave without effect" the Company’s environmental license to proceed with developing concession contract 3452, the Company's principal mining title. In fact, no such license existed. Furthermore, in 2011, the Ministry of Environment and Sustainable

Development denied the Company's 2009 request for an environmental license for the development of an open pit mine at the Angostura Project. The Court was aware of these facts and the Company expected that the Court would dismiss all demands and the action would be concluded without consequence. However, although the Court dismissed all demands, its Ruling contains the Order, which goes beyond the requests and purports to affect the Company's rights under concession contract 3452. The Company's legal advisors have confirmed that the Order exceeds the Court's authority. The Company filed an appeal to the Ruling on July 25, 2012 before the Administrative Tribunal of the Department of Santander. As a result of the appeal, the Order may not be effected before the Administrative Tribunal of the Department of Santander renders a decision in the appeal. If the Ministry of Mines and Energy abides by the Order and initiates any administrative and/or judicial actions, the Company will take all legal steps necessary to protect its rights under concession contract 3452. Concession contract 3452 is currently in good standing and remains in force and the Order has no effect on the Company's current activities. The Company has determined that it is too early to predict the outcome of the appeal or the ultimate impact to the Company's rights under its concession contract 3452.

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 August 9, 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 six months ended June 30, 2012.

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

(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 six months ended June 30, 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 six months ended June 30, 2012, the Company acquired $474 of equipment.

4. Exploration and evaluation assets

The Company's exploration and evaluation assets comprise of 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 six months ended June 30, 2012, relate to a combination of $216 cash consideration and $36 resulting from the fair value change for the extension of expiry dates on certain share purchase warrants originally issued to acquire lands and surface rights (see note 6(e)).

The details of exploration expenditures incurred during the three and six months ended June 30, 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 June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Exploration expenditures:				
General and administrative costs (Angostura project in Colombia)	$ 2,662	$ 2,239	$ 5,325	$ 4,345
Assay and metallurgy	348	181	728	370
Consulting and geology	91	-	166	2
Drilling and field costs	2,237	1,844	4,127	3,495
Environmental	75	60	325	128
Civil works	275	180	725	207
Feasibility studies	1,773	258	5,791	1,310
Taxes and surface rights	64	131	143	259
	7,525	4,893	17,330	10,116
Cumulative exploration expenditures, beginning of period	150,309	120,341	140,504	115,118
Cumulative exploration expenditures, end of period	$ 157,834	$ 125,234	$ 157,834	$ 125,234

In November 2009, the Company entered into a mining title assignment agreement with a private Colombian company to acquire the La Plata property, which is within the Angostura Project area and includes exploitation license 13921, comprising an area of 78.62 hectares. In February 2012, the

Company received notice that the vendor was seeking an arbitration pursuant to the arbitration clause contained in the mining title assignment agreement pursuant to which the Company acquired the license. Previously, the Company was summoned by the vendor to a settlement hearing in which the vendor sought to terminate the assignment agreement by mutual consent. The Company believes it has met all of its requirements under the assignment agreement and believes it has full title to this license and, therefore, did not consent to the termination. As the parties were also unable to agree on arbitrators at hearings held for such purpose in March, May and early June 2012, a Colombian court appointed the arbitrators. Each of the appointed arbitrators confirmed their acceptance of the appointment during a hearing held on July 18, 2012. In that hearing the arbitrators required the vendor to correct form deficiencies in their pleadings. Amended pleadings were filed on July 25, 2012 and, assuming they are accepted, the arbitration will then proceed and the Company will be informed of the vendor´s basis for seeking to terminate the assignment agreement. Until that time, the Company is unable to assess the outcome of the arbitration. The Company will, however, exercise all means to protect its rights under the assignment agreement. 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 six months ended June 30, 2012, the Company’s site restoration provision was reduced by $148 (2011 – $78) in remediation costs incurred and increased by $89 (2011 – $21) in accretion expense.

During the six months ended June 30, 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 the release of water with a pH level outside prescribed standards. 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.

During the six months ended June 30, 2012, an environmental authority in Colombia initiated an investigation into allegations that the Company pumped water out of tunnels it maintained without the proper permits to do so. As the investigation is ongoing, it is not possible to predict the outcome of this investigation and any resulting penalty that may be imposed.

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 June 30, 2012.

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

(c) Stock options:

During the six months ended June 30, 2012, the Company granted 1,852,500 options to officers, directors and employees with various vesting provisions. 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 $2,593.

During the six months ended June 30, 2011, the Company granted 1,100,000 options to an officer and directors with various vesting provisions. 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 $1,932.

The changes in stock options during the six months ended June 30, 2012 and 2011 were as follows:

	June 30, 2012		June 30, 2011	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		Cdn $		Cdn $
Balance outstanding, beginning of period	3,698,241	$3.77	6,023,555	$5.16
Options granted	1,852,500	2.39	1,100,000	3.25
Options forfeited	(134,000)	4.22	(993,751)	4.74
Options expired	-	-	(373,400)	8.19
Balance outstanding, end of period	5,416,741	$3.29	5,756,404	$4.62

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:

	June 30, 2012	June 30, 2011
Risk-free interest rate	1.45%	1.57%
Expected life	5 years	5 years
Annualized volatility	87.0%	82.5%
Expected dividends	Nil	Nil
Share price	Cdn$2.11	Cdn$3.20
Grant date fair value	Cdn$1.40	Cdn$1.76

Subsequent to June 30, 2012, 50,000 stock options were granted 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 $58.

(d) Share appreciation rights

Subsequent to June 30, 2012, the Company granted 1,000,000 share appreciation rights (“SAR”) to an officer of the Company for which the officer is entitled to receive a cash payment equal to the excess, if any, of the Company's share price and the SAR exercise price of Cdn$1.74 per share. 300,000 of the SARs are exercisable at any time after the Company receives the environmental license from the Colombian governmental authorities for its Angostura underground project and before July 1, 2015. 700,000 of the SARs are exercisable at any time after the completion of a board approved feasibility study for the Company's Angostura underground project and before July 1, 2015. If these milestones are achieved less than 90 days before July 1, 2015, then the exercise period is extended by 90 days from the date the milestones are achieved.

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

(e) Share purchase warrants:

During the six months ended June 30, 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.

The fair value of the Company's outstanding warrants that are treated as warrant liabilities decreased during the six months ended June 30, 2012 by $16 (2011 – $3,053) including $42 of foreign exchange (2011 – net of $185)

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:

	June 30, 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 (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 June 30, 2012, these warrants had a fair value of Cdn$0.48 per warrant (2011 - Cdn$1.55).

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.

(f) Loss per share

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

At June 30, 2012, 5,416,741 stock options (2011 – 5,756,404) 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.

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

7. Supplementary cash flow information

During the six months ended June 30, 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(e)).

Cash and cash equivalents are comprised of:

		June 30, 2012		December 31, 2011
Cash	$	42,701	$	51,380
Bank short-term deposits		34		4,963
	$	42,735	$	56,343

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 June 30, 2012:						
Loss for the period	$	-	$	(7,533)	$	(7,533)
Interest income		56		7		63
Three months ended June 30, 2011:						
Loss for the period	$	(2,631)	$	(5,481)	$	(8,112)
Interest income		293		23		316
Six months ended June 30, 2012						
Loss for the period	$	(3,141)	$	(18,144)	$	(21,285)
Interest income		134		12		146
Six months ended June 30, 2011						
Loss for the period	$	(1,268)	$	(16,448)	$	(17,716)
Interest income		571		33		604
As at June 30, 2012:						
Total assets	$	48,429	$	15,121	$	63,550
Total liabilities		1,606		13,218		14,824
As at December 31, 2011:						
Total assets	$	68,162	$	14,043	$	82,205
Total liabilities		1,736		11,725		13,461

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

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.

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.

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

	June 30, 2012		December 31, 2011	
	US$	Colombian Peso	US$	Colombian Peso
Cash and cash equivalents	$ 937	$ 1,672,719	$ 425	$ 824,915
Trade and receivables	768	1,370,085	710	1,379,678
Trade and other payables	(5,734)	(10,232,463)	(3,944)	(7,661,896)
Equity tax liability	(4,079)	(7,279,458)	(4,416)	(8,578,079)
Amounts payable on exploration and evaluation asset acquisition	(1,205)	(2,150,000)	(1,107)	(2,150,002)
	$ (9,313)	$ (16,619,117)	$ (8,332)	$ (16,185,384)

As at June 30, 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 $913.

The Company's exposure to the Colombian peso on annual exploration expenditures throughout the six months ended June 30, 2012 was COP31,976,277 having the U.S. dollar equivalent of $16,984. As at June 30, 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 $1,698.

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

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

	June 30, 2012		December 31, 2011	
	US$	CDN$	US$	CDN$
Cash and cash equivalents	$ 5,902	$ 6,015	$ 17,546	$ 17,844
Guaranteed investment certificate	-	-	5,580	5,675
Trade and receivables	99	100	161	163
Trade and other payables	(416)	(424)	(544)	(553)
	$ 5,585	$ 5,691	$ 22,743	$ 23,129

As at June 30, 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 $559.

The Company's exposure to the Canadian dollar on annual exploration expenditures throughout the six months ended June 30, 2012 was Cdn$347 having the U.S. dollar equivalent of $345. As at June 30, 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 $35.

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.

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

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Fintec Holdings Corp.	$ 157	$ -	$ 218	$ -
Quantum Advisory Partners LLP	49	-	105	-
Ionic Management Corp.	-	17	-	34
Rovig Minerals Inc.	-	56	-	112

(b) Compensation of key management personnel

The remuneration of directors and officers of the Company during the three and six months ended June 30, 2012 and 2011 were as follows:

	Notes	Three months ended June 30 2012	Three months ended June 30 2011	Six months ended June 30 2012	Six months ended June 30 2011
Salaries and directors' fees	(i)	$ 342	$ 1,784	$ 703	$ 2,478
Share-based payments	(ii)	613	1,250	915	2,060
		$ 955	$ 3,034	$ 1,618	$ 4,538

(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.