Eco Oro Minerals Corp.

Condensed Consolidated Interim Financial Statements

(Unaudited)

For the Three and Nine Months Ended September 30, 2012 and 2011

TABLE OF CONTENTS

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

Page

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	September 30, 2012	December 31, 2011
ASSETS			
Current assets:			
Cash and cash equivalents	7	$ 34,441	$ 56,343
Guaranteed investment certificate		-	5,580
Trade and other receivables		884	877
		35,325	62,800
Property, plant and equipment	3	1,635	1,268
Exploration and evaluation assets	1,4	18,389	18,137
		$ 55,349	$ 82,205
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Trade and other payables	5	$ 7,175	$ 4,511
Amounts payable on exploration and evaluation asset acquisition		1,194	1,107
Site restoration provision	5	508	1,618
Warrant liabilities	6	512	1,168
Current portion of equity tax liability		1,671	1,576
		11,060	9,980
Site restoration provision	5	1,553	641
Equity tax liability		1,558	2,840
		14,171	13,461
Shareholders' equity:			
Share capital	6	234,975	234,975
Equity reserves	6	20,898	19,241
Deficit		(214,695)	(185,472)
		41,178	68,744
Nature of operations	1		
Contingencies	1,4,5		
Subsequent events	6		
		$ 55,349	$ 82,205

See accompanying notes to these condensed consolidated interim financial statements.

Approved by the Board and authorized for issue on November 1, 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)

		Three months ended September 30,		Nine months ended September 30,	
	Notes	2012	2011	2012	2011
Exploration expenditures:					
Feasibility studies	4	$ 1,814	$ 1,357	$ 7,605	$ 2,667
Other exploration expenditures	4	5,639	4,988	17,178	13,793
		7,453	6,345	24,783	16,460
General and administrative expenses:					
Audit, legal and other professional fees		50	61	304	540
Depreciation		104	79	295	219
Investor relations		48	11	148	186
Management and consulting fees		101	229	315	1,486
Office facilities and administration		130	208	315	555
Salaries and benefits		497	614	1,419	3,075
Share-based compensation	6	320	150	1,586	2,284
Transfer agent, listing and filing fees		8	18	57	156
Travel		102	19	275	348
		1,360	1,389	4,714	8,849
Total expenses before other items		8,813	7,734	29,497	25,309
Other items:					
Interest income		(50)	(284)	(196)	(888)
Finance costs (income)		(15)	89	237	331
Equity tax		-	-	-	5,780
Fair value change on warrant liabilities	6	(681)	(1,979)	(656)	(5,217)
Foreign exchange loss (gain)		(131)	4,436	341	2,395
		(877)	2,262	(274)	2,401
Loss and comprehensive loss for the period		$ 7,936	$ 9,996	$ 29,223	$ 27,710
Basic and diluted loss per common share	6	$ 0.09	$ 0.12	$ 0.35	$ 0.33
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)

		Nine months ended September 30,	
	Notes	2012	2011
Operating activities:			
Loss for the period		$ (29,223)	$ (27,710)
Adjustment for non-cash items:			
Depreciation		295	219
Fair value change on warrant liabilities	6	(656)	(5,217)
Non-cash finance costs		237	331
Share-based compensation	6	1,621	2,244
Unrealized foreign exchange		379	55
Other non-cash income and expenses		(201)	(186)
Equity tax accrued (paid)		(1,785)	4,048
Change in non-cash working capital:			
Trade and other receivables		(7)	(270)
Trade and other payables		2,663	(2,591)
Cash used in operating activities		(26,677)	(29,077)
			-
Investing activities:			
Exploration and evaluation asset acquisition	4	(216)	(561)
Purchase of property, plant and equipment	3	(662)	(455)
Redemption of guarantee investment certificate		5,653	-
Net cash flows from (used in) investing activities		4,775	(1,016)
Decrease in cash and cash equivalents		(21,902)	(30,093)
Cash and cash equivalents, beginning of period		56,343	98,878
Cash and cash equivalents, end of period	7	$ 34,441	$ 68,785

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	-		-		1,621		-		-		1,621
Net loss and comprehensive loss	-		-		-		-		(29,223)		(29,223)
Balance, September 30, 2012	84,228,421	$	234,975	$	18,820	$	2,078	$	(214,695)	$	41,178
Balance, December 31, 2010	84,222,987	$	234,967	$	14,477	$	1,968	$	(148,698)	$	102,714
Options exercised	5,434	$	8	$	(3)		-				5
Warrants issued	-		-		-		74		-		74
Share-based compensation	-		-		2,244		-		-		2,244
Net loss and comprehensive loss	-		-		-		-		(27,710)		(27,710)
Balance, September 30, 2011	84,228,421	$	234,975	$	16,718	$	2,042	$	(176,408)	$	77,327

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 September 30, 2012, the Company had working capital of $24,265 but had not yet achieved profitable operations and expects to incur further losses in the development of its business. For the nine months ended September 30, 2012, the Company reported a comprehensive loss of $29,223 and as at September 30, 2012, had an accumulated deficit of $214,695. The ability of the Company to continue as a going concern over a longer term is dependent upon the Company arranging additional financing to complete the development of its property; obtaining the necessary permits and other regulatory approvals; and reaching 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 nine-month period ended September 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 nine months ended September 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.

The Angostura Project’s principal mining title is concession contract number 3452, which was created by the consolidation of ten previously existing titles, two concession contract requests and one exploration license request. This concession comprises an area of 5,244.85 hectares and contains both the Angostura, Móngora and Violetal deposits. This concession expires in 2027 but may be renewed for an additional 30 years. The concession is divided into phases and is currently in exploration phase.

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 Páramo of Santurbán. The Ruling relates to an action filed by an individual in September 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.

The exploration phase of concession contract number 3452, which was to expire on August 8, 2012, was eligible for three additional extensions of two years each. On May 4, 2012, the Company applied to Colombia's national mining agency (Agencia Nacional de Mineria or "ANM") for a two-year extension to this phase. Although the ANM did not issue a response to the application within the legally-prescribed time period, the Company did receive their decision, contained in Resolution VSC 002 dated August 8, 2012. In the resolution, the ANM indicated that approximately 54% of the concession was located in what they regarded as Santurbán páramo based on the cartographic information contained in the National Mining Registry prepared by the Alexander Von Humboldt Institute (Instituto Alexander Von Humboldt or "IAVH") and, on that basis, extended only the remaining 46% of the concession for 2 years. The ANM's determination of Santurbán páramo in Resolution VSC 002 went beyond the current legal understanding of the areas constituting the páramo ecosystem according to the Atlas of Páramos issued by the IAVH to include areas of high Andean forest and Andean forest in which the Company's Angostura property lies.

In response to a motion to reconsider filed by the Company on August 29, 2012, the ANM rendered a decision, contained in Resolution VSC 004 dated September 12, 2012, modifying Resolution VSC 002. Pursuant to Resolution VSC 004, the ANM granted the extension sought for concession contract 3452 in its entirety. However, Resolution VSC 004 notes that the Company must not conduct any exploration activities in the areas constituting páramo according to the Atlas of Páramos issued by the

IAVH until the ultimate boundaries of the páramo ecosystem have been determined. In the Company's view, the Angostura Project does not lie within the páramo according to the Atlas of Páramos and therefore its activities have and will continue to remain compliant with this resolution and existing law. The Ministry of Environment and Sustainable Development has responsibility for defining the ultimate boundaries of páramo in the area of the Company's Angostura Project. That process, however, has encountered ongoing delays and no decision has been made.

In September 2012, as a result of recent prejudicial rulings relating to Eco Oro's principal mining title, concession 3452, and the ongoing delay in defining the boundaries of the proposed regional park and Santurbán páramo in the area of the Angostura Project, the Company commenced implementing certain cost reduction initiatives, including staff reductions and the suspension of further exploration activities. Despite these initiatives, the Company continues to allocate the resources necessary to work with the Colombian authorities to favorably resolve these issues (see note 5).

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 November 1, 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 nine months ended September 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 nine months ended September 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 nine months ended September 30, 2012, the Company acquired $662 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 nine months ended September 30, 2012, relate to a final $216 cash payment on a land agreement 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 nine months ended September 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 and travel. in support areas for exploration activities in Colombia.

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Exploration expenditures:				
General and administrative costs (Angostura project in Colombia)	$ 2,559	$ 2,372	$ 7,882	$ 6,718
Assay and metallurgy	693	12	1,421	382
Consulting and geology	148	-	315	2
Drilling and field costs	1,594	2,058	5,721	5,551
Environmental	215	209	540	337
Civil works	386	244	1,111	451
Feasibility studies	1,814	1,357	7,605	2,667
Taxes and surface rights	44	93	188	352
	7,453	6,345	24,783	16,460
Cumulative exploration expenditures, beginning of period	157,834	125,233	140,504	115,118
Cumulative exploration expenditures, end of period	$ 165,287	$ 131,578	$ 165,287	$ 131,578

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 accepted by the arbitrators on August 6th, 2012 and the arbitration is proceeding. The Company was informed of the vendor´s basis for seeking to terminate the assignment agreement on September 3, 2012, entered a response on September 18, 2012 and attended a settlement hearing on October 23, 2012. The Company has concluded that the risk of losing the arbitration is low.

5. Provisions

In September 20, 2012, the Company started implementing certain cost reductions, which included staff reductions and the termination of certain consulting contracts. As a result of these cost reduction measures, the Company recorded a provision in the amount of $521, relating to severance payments and anticipated penalties for cancellation of contracts. These termination payments will be paid over a period of one to three months commencing in October 2012.

During the nine months ended September 30, 2012, the Company's site restoration provision was reduced by $220 (2011 – $186) in remediation costs incurred and increased by $22 (2011 – $33) in accretion expense. Assumptions used by management to determine the carrying amount of the site restoration provision are pre-tax risk-free discount rates ranging from 4.84% to 6.13%, and rates of inflation ranging from 2.7% to 3.36% over the expected years of settlement; which is estimated to be over the period from 2012 to 2031.

During the nine months ended September 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 nine months ended September 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.

(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:

As of September 30, 2012, the Company had 84,228,421 (September 30, 2011 – 84,222,987) common shares issued and outstanding.

(c) Stock options:

During the nine months ended September 30, 2012, the Company granted 1,902,500 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 $2,652.

During the nine months ended September 30, 2011, the Company granted 1,580,000 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 $2,463.

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

	September 30, 2012		September 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	$5.12
Options granted	1,902,500	2.38	1,580,000	3.25
Options exercised	-	-	(5,434)	0.85
Options forfeited	(637,252)	3.32	(1,431,907)	4.77
Options expired	(239,250)	6.60	(368,900)	8.17
Balance outstanding, end of period	4,724,239	$3.13	5,797,314	$4.54

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

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:

	September 30, 2012	September 30, 2011
Risk-free interest rate	1.47%	1.66%
Expected life	5 years	5 years
Annualized volatility	87.2%	86.9%
Expected dividends	Nil	Nil
Share price	Cdn$2.10	Cdn$2.82
Grant date fair value	Cdn$1.39	Cdn$3.25

Subsequent to September 30, 2012, 450,000 stock options were granted to 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 $273.

(d) Share appreciation rights

During the nine months ended September 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. 700,000 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. 300,000 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.

A liability of $52 for the SARs is included in trade and other payables as at September 31, 2012, with a corresponding expense in share-based compensation for the period. The fair value of these SARs liability as at September 30, 2012, is measured using the Black-Scholes option model with the following weighted average assumptions:

	September 30, 2012
Risk-free interest rate	1.16%
Expected life	3 years
Annualized volatility	86.92%
Expected dividends	Nil
Share price	Cdn$0.92
Grant date fair value	Cdn$0.35

(e) Share purchase warrants:

During the nine months ended September 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.

(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 classified as warrant liabilities decreased during the nine months ended September 30, 2012 by $652 (2011 – $5,318) including $4 of foreign exchange (2011 – $101).

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:

	September 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 September 30, 2012, these warrants had a fair value of Cdn$0.18 per warrant (2011 - Cdn$0.72).

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 September 30, 2012, 4,724,239 stock options (2011 – 5,797,314) 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 nine months ended September 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)).

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

Cash and cash equivalents are comprised of:

	September 30, 2012	December 31, 2011
Cash	$ 34,394	$ 51,380
Bank short-term deposits	47	4,963
	$ 34,441	$ 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 September 30, 2012:			
Loss for the period	$ 609	$ 7,327	$ 7,936
Interest income	(47)	(3)	(50)
Three months ended September 30, 2011:			
Loss for the period	$ 4,397	$ 5,599	$ 9,996
Interest income	(263)	(21)	(284)
Nine months ended September 30, 2012			
Loss for the period	$ 3,749	$ 25,474	$ 29,223
Interest income	(181)	(15)	(196)
Nine months ended September 30, 2011:			
Loss for the period	$ 5,665	$ 22,045	$ 27,710
Interest income	(834)	(54)	(888)
As at September 30, 2012:			
Total assets	$ 39,264	$ 16,085	$ 55,349
Total liabilities	864	13,307	14,171
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.

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

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:

	September 30, 2012		December 31, 2011	
	US$	Colombian Peso	US$	Colombian Peso
Cash and cash equivalents	$ 1,847	$ 3,325,038	$ 425	$ 824,915
Trade and receivables	735	1,323,577	710	1,379,678
Trade and other payables	(6,821)	(12,281,117)	(3,944)	(7,661,896)
Equity tax liability	(3,229)	(5,814,012)	(4,416)	(8,578,079)
Amounts payable on exploration and evaluation asset acquisition	(1,194)	(2,150,000)	(1,107)	(2,150,002)
	$ (8,662)	$ (15,596,514)	$ (8,332)	$ (16,185,384)

As at September 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 $866.

The Company's exposure to the Colombian peso on annual exploration expenditures throughout the nine months ended September 30, 2012 was COP30,188,393 having the U.S. dollar equivalent of $16,950. As at September 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 $1,695.

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

	September 30, 2012		December 31, 2011	
	US$	CDN$	US$	CDN$
Cash and cash equivalents	$ 5,027	$ 4,945	$ 17,546	$ 17,844
Guaranteed investment certificate	-	-	5,580	5,675
Trade and receivables	110	108	161	163
Trade and other payables	(298)	(293)	(544)	(553)
	$ 4,839	$ 4,760	$ 22,743	$ 23,129

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

As at September 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 $484.

The Company's exposure to the Canadian dollar on annual exploration expenditures throughout the nine months ended September 30, 2012 was Cdn$568 having the U.S. dollar equivalent of $569. As at September 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 $57.

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 September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Fintec Holdings Corp.	$ 15	$ -	$ 233	$ -
Quantum Advisory Partners LLP	47	-	152	-
Ionic Management Corp.	-	-	-	34
Rovig Minerals Inc.	-	-	-	112

(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 the three and nine months ended September 30, 2012 and 2011 were as follows:

		Three months ended September 30		Nine months ended September 30	
	Notes	2012	2011	2012	2011
Salaries and directors' fees	(i)	$ 325	$ 788	$ 1,028	$ 3,267
Share-based payments	(ii)	471	87	1,385	2,147
		$ 796	$ 875	$ 2,413	$ 5,414

(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.