Eco Oro Minerals Corp.

Condensed Consolidated Interim Financial Statements

March 31, 2013

(unaudited)

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Eco Oro Minerals Corp.
Consolidated Statement of Financial Position
(expressed in thousands of US dollars -- unaudited)

	Notes	March 31, 2013	December 31, 2012
ASSETS			
Current assets:			
Cash and cash equivalents	6	$ 22,404	$ 26,741
Guaranteed investment certificates		91	46
Other assets		279	882
		22,774	27,669
Property, plant and equipment		1,419	1,533
Exploration and evaluation assets	3	18,389	18,389
		$ 42,582	$ 47,591
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Trade and other payables		$ 3,380	$ 3,946
Amounts payable on exploration and evaluation asset acquisition		1,173	1,216
Site restoration provision	4	195	112
Warrant liabilities		602	301
Equity tax liability		1,700	1,732
		7,050	7,307
Share appreciation rights liabilities		123	79
Site restoration provision	4	3,004	3,006
Equity tax liability		1,585	1,615
		11,762	12,007
Shareholders' equity:			
Share capital		234,975	234,975
Equity reserves		21,550	21,252
Deficit		(225,705)	(220,643)
		30,820	35,584
		$ 42,582	$ 47,591
Commitments and contingencies	9		

See accompanying notes to these consolidated financial statements.

Eco Oro Minerals Corp.

Consolidated Statement of Comprehensive Loss

(expressed in thousands of US dollars, except for per share amounts - unaudited)

	Three months ended March 31, 2013	2012
Exploration and evaluation expenditures:		
Administrative costs	$ 1,565	$ 2,732
Feasibility studies	854	4,018
Surface rights	359	79
Drilling and field costs	324	1,890
Environmental costs	264	250
Depreciation	114	93
Geology costs	99	75
Civil works	40	450
Assay and metallurgy costs	22	380
	3,641	9,967
General and administrative expenses:		
Salaries and benefits	485	446
Share-based compensation	220	425
Other administrative costs	531	553
	1,236	1,424
Total expenses before other items	4,877	11,391
Other items:		
Interest income	(30)	(82)
Finance costs	99	144
Fair value loss on warrant liabilities	307	1,995
Foreign exchange (gain)/loss	(191)	304
	185	2,361
Loss and comprehensive loss for the period	$ 5,062	$ 13,752
Basic and diluted loss per share	$ 0.06	$ 0.16
Weighted-average shares outstanding (thousands)	84,228	84,228

See accompanying notes to these consolidated financial statements.

Eco Oro Minerals Corp.

Consolidated Statement of Cash Flows

(expressed in thousands of US dollars - unaudited)

	Notes	Three months ended March 31, 2013	2012
Operating activities:			
Loss for the period		$ (5,062)	$ (13,752)
Adjustments for:			
Remediation expenditures	4	(21)	(42)
Depreciation		114	93
Fair value loss on warrant liabilities		307	1,995
Non-cash finance costs		99	144
Share-based compensation		298	325
Unrealized foreign exchange (gain)/loss		(185)	265
Other non-cash income and expenses		27	(24)
Change in site restoration provision		170	-
Change in non-cash working capital items	6	36	1,932
Cash used in operating activities		(4,217)	(9,064)
Investing activities:			
Exploration and evaluation asset acquisition	3	-	(216)
Purchase of property, plant and equipment		-	(182)
Purchase of guaranteed investment certificate		(45)	-
Interest received		18	48
Cash used in investing activities		(27)	(350)
Effect of exchange rate fluctuations on cash held		(93)	58
Decrease in cash and cash equivalents		(4,337)	(9,356)
Cash and cash equivalents, beginning of period		26,741	56,308
Cash and cash equivalents, end of period	6	$ 22,404	$ 46,952

See accompanying notes to these consolidated financial statements.

Eco Oro Minerals Corp.

Consolidated Statement of Changes in Equity

(expressed in thousands of US dollars - unaudited)

	Share Capital (note 5)		Equity Reserves (note 5)			
	Number of Shares (in thousands)	Amount	Contributed Surplus	Warrants	Deficit	Total
	-					
Balance, December 31, 2011	84,228	$ 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
Loss and comprehensive loss	-	-	-	-	(13,752)	(13,752)
Balance, March 31, 2012	84,228	$ 234,975	$ 17,524	$ 2,078	$ (199,223)	$ 55,354
Balance, December 31, 2012	84,228	$ 234,975	$ 19,174	$ 2,078	$ (220,643)	$ 35,584
Expiry of warrants	-	-	390	(390)	-	-
Share-based compensation	-	-	298	-	-	298
Loss and comprehensive loss	-	-	-	-	(5,062)	(5,062)
Balance, March 31, 2013	84,228	$ 234,975	$ 19,862	$ 1,688	$ (225,705)	$ 30,820

See accompanying notes to these consolidated financial statements.

1. Nature of operations, uncertainties and going concern

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 head office is located at Suite 1430, 333 Seymour Street, Vancouver, British Columbia, V6B 5A6. The consolidated financial statements of the Company as at and for the period ended March 31, 2013 comprise the Company, its Colombian branch and its subsidiaries. The Company’s principal business activities include the acquisition, exploration and development of assets in Colombia.

Uncertainties

In June 2011, the Colombian Congress enacted the National Development Plan which, among other things, forbids mining activities in páramo ecosystems and requires the Colombian Government to determine the boundaries of the páramo ecosystems based on a 1:25,000 scale and technical, social, environmental and economic criteria. The minimum reference for the páramo ecosystem is the Atlas of Páramos prepared by the Alexander von Humboldt Institute. During 2012, in conjunction with granting an extension to the exploration phase of Concession 3452, Colombia’s national mining agency noted that the Company must not conduct any exploration activities in the areas constituting páramo according to the Atlas of Páramos 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. However, the Colombian Government determines the ultimate boundaries. The relevant authorities have been visiting and performing technical assessments in Santurbán, where the Angostura Project is located, to determine the boundaries of the páramo ecosystem in that area. That process, however, has encountered ongoing delays and no decision has yet been made.

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 wherein the Ministry of Mines and Energy was ordered 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 June 2010, which sought to "leave without effect" the Company’s environmental license to proceed with developing the Angostura Project as an open pit mine. In fact, no such license existed. 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. 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 3452. The Company believes the Order exceeds the Court’s authority and has appealed the Ruling before the Administrative Tribunal of the Department of Santander. The Order is suspended until the Administrative Tribunal of the Department of Santander renders a decision in the appeal. Concession 3452 is currently in good standing and remains in force and the Order has no effect on the Company's current activities. While the Company believes the probability of a favorable decision is more likely than not, 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 3452. An adverse decision resulting from the appeal process would have a material adverse effect on the ability of the Company to carry out its planned business operations with respect to the Angostura Project.

The Company and the vendors of the La Plata Mining concession are in arbitration, and the vendors of permit 3452 are seeking annulment of the original sales agreement entered into by the Company and the vendors. Any adverse decision by such challenges would have a material adverse effect on the ability of the Company to carry out its planned business operations.

In 2011, the Ministry of Environment and Sustainable Development (“MADS”) denied the Company's 2009 request for an environmental license for the development of an open pit mine at the Angostura Project. The previous MADS’s resolutions and comments in respect of the extent of the páramo ecosystem to be protected may be considered in relation to any future applications by the Company for approvals. The MADS’s resolutions denying the Company’s previous requests may have an adverse effect on any such future application.

Going concern

At March 31, 2013, the Company had working capital of $15,723 but had not yet achieved profitable operations and expects to incur further losses in the development of its business. For the period ended March 31, 2013, the Company reported a comprehensive loss of $5,062 and as at March 31, 2013, had an accumulated deficit of $225,705. Cash used in operating activities for the periods ended March 31, 2013 and 2012 was $4,217 and $9,064 respectively. 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; favorably resolve the uncertainties surrounding the Angostura Project; complete the development of its property, including obtaining the necessary permits and other regulatory approvals; and achieve future profitable operations. Although the Company has sufficient cash and working capital to fund planned operations over the next operating cycle, defined as the next twelve months, the Company is subject to various legal, regulatory and environmental challenges and uncertainties as discussed above that could negatively affect budgeted cash flows. These uncertainties and their effect on cash flows result in material uncertainties that may cast significant doubt on whether the Company will continue on as a going concern in the foreseeable future. The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used.

2. Basis of preparation

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and follow the same accounting policies and methods of application as the Company’s most recent annual financial statements, except as outlined in note 11. These condensed consolidated interim financial statements do not include all of the information required for full consolidated annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended December 31, 2012 prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

(expressed in thousands of US dollars - unaudited)

These condensed consolidated interim financial statements were approved by the Board of Directors and authorized for issue on May 1, 2013.

3. Exploration and evaluation assets

		Intangible Assets		Tangible Assets		Total
Cost at December 31, 2012	$	6,662	$	11,727	$	18,389
Additions		-		-		-
Cost at March 31, 2013	$	6,662	$	11,727	$	18,389

4. Site restoration provision

		March 31, 2013
Beginning of period, current and long-term	$	3,118
Increase/decrease in liability due to change in estimate		61
Remediation work performed		(21)
Accretion during the period		41
End of period, current and long-term	$	3,199
Current portion		195
Long-term portion		3,004
	$	3,199

5. Share-based payment arrangements

(a) Stock options

During the three months ended March 31, 2013, the Company granted 250,000 options to an officer. One third of the options vested on the date of grant; and one third to vest every year thereafter. The options are exercisable for up to five years from date of grant. The estimated fair value of the stock options granted was $108.

During the three months ended March 31, 2013, 115,166 stock options were forfeited.

(b) Share purchase warrants

During the three months ended March 31, 2013, 100,000 common share purchase warrants expired. These warrants were originally issued to acquire surface rights in the area of the Company’s Angostura Project.

(expressed in thousands of US dollars - unaudited)

6. Supplementary cash flow information

	Three months ended March 31, 2013	2012
Change in non-cash working capital items:		
Other assets	$ 602	$ (205)
Trade and other payables	(566)	2,137
	$ 36	$ 1,932
Non-cash investing and financing activities:		
Change in warrants' value due to extension of expiry date	$ -	$ 36

Cash and cash equivalents are comprised of:

	March 31, 2013	December 31, 2012
Cash	$ 19,419	$ 23,892
Short-term deposits	2,985	2,849
	$ 22,404	$ 26,741

7. Segment disclosures

	Canada	Colombia	Total
Three months ended March 31, 2013			
Loss for the period	$ (1,814)	$ (3,248)	$ (5,062)
Interest income	28	2	30
Three months ended March 31, 2012			
Loss for the period	$ (3,141)	$ (10,611)	$ (13,752)
Interest income	77	5	82
As at March 31, 2013			
Total assets	28,138	14,444	42,582
Total liabilities	1,090	10,672	11,762
As at December 31, 2012			
Total assets	$ 33,141	$ 14,450	$ 47,591
Total liabilities	738	11,269	12,007

(expressed in thousands of US dollars - unaudited)

8. Fair value measurements

The fair values of financial assets and liabilities, together with their carrying amounts, are presented by class in the following table.

	March 31, 2013		December 31, 2012	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial Assets				
Loans and receivables:				
Guaranteed investment certificate	$ 91	$ 91	$ 46	$ 46
Cash and cash equivalents	22,404	22,404	26,741	26,741
Accounts receivable	87	87	87	87
Financial Liabilities				
Other financial liabilities:				
Trade and other payables	$ 3,380	$ 3,380	$ 3,946	$ 3,946
Amounts payable on exploration and evaluation asset acquisition	1,173	1,173	1,216	1,216
Equity tax liability	3,285	3,377	3,347	3,434
Fair value through profit and loss (FVTPL):				
Share appreciation rights (SARs) liabilities	123	123	79	79
Warrant liabilities	602	602	301	301

There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability. Level 2 fair values are determined using the Black-Scholes model, where the inputs are readily observable, including risk-free interest rate, historic share price volatility, and share price.

Level 3 – Unobservable (supported by little or no market activity) prices.

(expressed in thousands of US dollars - unaudited)

	Level 1	Level 2	Level 3	Total
March 31, 2013				
Financial Liabilities:				
SARs liabilities	-	123	-	123
Warrants liabilities	-	602	-	602
Total financial liabilities at fair value	$ -	$ 725	$ -	$ 725
December 31, 2012				
Financial Liabilities:				
SARs liabilities	-	79	-	79
Warrants liabilities	-	301	-	301
Total financial liabilities at fair value	$ -	$ 380	$ -	$ 380

9. Commitments and contingencies

a) Commitments

The following is a schedule of the Company's commitments as at March 31, 2013:

	2013	2014	2015	2016	2017	2018 and Thereafter
Consulting & contract services	$ 479	$ -	$ -	$ -	$ -	$ -
Office operating leases	112	148	133	39	-	-
	$ 591	$ 148	$ 133	$ 39	$ -	$ -

b) Contingencies

The Company is from time to time involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which it may be required to pay by reason thereof, will have material effect on the financial condition or future results of operations of the Company.

10. Related parties

Key management personnel include the members of the Board of Directors and executive officers of the Company. During the three months ended March 31, 2013, the Company incurred total compensation expenses of $600 for its key management personnel (2012 - $686).

The aggregate value of transactions with other related parties, including entities over which key management personnel have control or significant influence, is as follows:

Key management personnel	Transaction	Company		Three months ended March 31, 2013	2012
Anna Stylianides	Salaries and directors' fees	Fintec Holdings Corp.	(i)	$ 15	$ 60
Paul Robertson	Salaries	Quantum Advisory Partners LLP	(i)	16	56

(i) These amounts are included in the total compensation amounts.

As at March 31, 2013, there was a $15 balance owing to Fintec Holdings Corp.

11. Adoption of new and amended IFRS pronouncements

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning before or on January 1, 2013.

The adoption of the following new IFRS pronouncement will result in enhanced financial statement disclosures in the Company's annual consolidated financial statements. This pronouncement does not affect the Company's financial results nor does it result in adjustments to previously-reported figures.

- IFRS 13, "Fair Value Measurements"

  IFRS 13 defines fair value and sets out a single framework for measuring fair value which is applicable to all IFRSs that require or permit fair value measurements. It also enhances disclosures about fair value measurements.

  The adoption of IFRS 13 did not have an effect on the consolidated financial statements for the current period. The disclosure requirements of IFRS 13 will be incorporated in the annual consolidated financial statements for the year ended December 31, 2013. This will include disclosures about fair values of financial assets and liabilities measured on a recurring basis and non-financial assets and liabilities measured on a non-recurring basis.

The adoption of the following new or amended IFRS pronouncements did not affect the Company's financial results or disclosures as the Company's analysis determined that no changes were required to its existing accounting treatment.

- IFRS 10, "Consolidated Financial Statements"
- IFRS 12, "Disclosure of Interests in Other Entities"
- IFRS 11, "Joint Arrangements"
- IAS 1, "Presentation of Financial Statements"
- IAS 19, "Employee Benefits"