Eco Oro Minerals Corp.

Condensed Consolidated Interim Financial Statements

June 30, 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	June 30, 2013	December 31, 2012
ASSETS			
Current assets:			
Cash and cash equivalents	7	$ 15,652	$ 26,741
Guaranteed investment certificates		1,907	46
Other assets		250	882
		17,809	27,669
Property, plant and equipment		1,448	1,533
Exploration and evaluation assets	3	18,389	18,389
		$ 37,646	$ 47,591
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Trade and other payables		$ 2,614	$ 3,946
Amounts payable on exploration and evaluation asset acquisition		1,115	1,216
Site restoration provision	4	364	112
Warrant liabilities		188	301
Equity tax liability		1,587	1,732
		5,868	7,307
Share appreciation rights liabilities		87	79
Site restoration provision	4	2,271	3,006
Equity tax liability		757	1,615
		8,983	12,007
Shareholders' equity:			
Share capital		234,975	234,975
Equity reserves		21,774	21,252
Deficit		(228,086)	(220,643)
		28,663	35,584
		$ 37,646	$ 47,591

Commitments and contingencies — 10

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)

	Notes	Three months ended June 30, 2013	Three months ended June 30, 2012	Six months ended June 30, 2013	Six months ended June 30, 2012
Exploration and evaluation expenditures:					
Administrative costs		$ 1,305	$ 2,850	$ 2,870	$ 5,583
Feasibility studies		211	1,773	1,065	5,791
Surface rights		209	64	568	143
Drilling and field costs		177	2,237	501	4,127
Environmental costs		(322)	75	(58)	325
Depreciation		117	94	231	182
Geology costs		108	91	207	166
Civil works		45	275	85	725
Assay and metallurgy costs		8	348	30	728
		1,858	7,807	5,499	17,770
General and administrative expenses:					
Salaries and benefits		499	475	984	921
Share-based compensation		323	584	543	1,008
Other administrative costs		432	424	963	983
		1,254	1,483	2,490	2,912
Total expenses before other items		3,112	9,290	7,989	20,682
Other items:					
Other income	6	(51)	(63)	(81)	(146)
Finance costs		106	108	205	252
Fair value loss on warrant liabilities		(394)	(1,970)	(87)	26
Foreign exchange (gain)/loss		(392)	168	(583)	471
		(731)	(1,757)	(546)	603
Loss and comprehensive loss for the period		$ 2,381	$ 7,533	$ 7,443	$ 21,285
Basic and diluted loss per share		$ 0.03	$ 0.09	$ 0.09	$ 0.25
Weighted-average shares outstanding (thousands)		84,228	84,228	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	Six months ended June 30, 2013	2012
Operating activities:			
Loss for the period		$ (7,443)	$ (21,285)
Adjustments for:			
Remediation expenditures	4	(22)	(148)
Depreciation		239	192
Gain on disposal of asset		(16)	-
Fair value loss on warrant liabilities		(87)	26
Non-cash finance costs		198	252
Share-based compensation		522	1,231
Unrealized foreign exchange (gain)/loss		(552)	263
Other non-cash income and expenses		(10)	(66)
Equity tax paid		(867)	(901)
Change in site restoration provision	4	(278)	-
Change in non-cash working capital items	7	(700)	1,676
Cash used in operating activities		(9,016)	(18,760)
Investing activities:			
Exploration and evaluation asset acquisition	3	-	(216)
Proceeds on disposition of assets		16	-
Purchase of property, plant and equipment		(154)	(474)
Purchase of guaranteed investment certificate		(1,935)	-
Redemption of guaranteed investment certificate		-	5,653
Interest received		38	85
Cash used in investing activities		(2,035)	5,048
Effect of exchange rate fluctuations on cash held		(38)	104
Decrease in cash and cash equivalents		(11,089)	(13,608)
Cash and cash equivalents, beginning of period		26,741	56,309
Cash and cash equivalents, end of period	7	$ 15,652	$ 42,701

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 (000s)	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	-	-	-	36	-	36
Share-based compensation	-	-	1,231	-	-	1,231
Loss and comprehensive loss	-	-	-	-	(21,285)	(21,285)
Balance, June 30, 2012	84,228	234,975	$ 18,430	$ 2,078	$(206,757)	$ 48,726
Balance, December 31, 2012	84,228	$ 234,975	$ 19,174	$ 2,078	$(220,643)	$ 35,584
Expiry of warrants	-	-	982	(982)	-	-
Share-based compensation	-	-	522	-	-	522
Loss and comprehensive loss	-	-	-	-	(7,443)	(7,443)
Balance, June 30, 2013	84,228	$ 234,975	$ 20,678	$ 1,096	$(228,086)	$ 28,663

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 June 30, 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 June 30, 2013, the Company had working capital of $11,941 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, 2013, the Company reported a comprehensive loss of $7,443 and as at June 30, 2013, had an accumulated deficit of $228,086. Cash used in operating activities for the six months ended June 30, 2013 and 2012 was $9,016 and $18,760 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 August 1, 2013.

3. Exploration and evaluation assets

	Intangible assets	Tangible assets	Total
Cost			
At December 31, 2012	6,662	11,727	18,389
Additions	-	-	-
At June 30, 2013	6,662	11,727	18,389

4. Site restoration provision

At December 31, 2012	3,118
Increase/(decrease) in liability due to changes in estimates	(548)
Remediation work performed	(22)
Accretion during the period	87
At June 30, 2013	2,635
Current portion	364
Long-term portion	2,271
At June 30, 2013	2,635

The site restoration provision at the date of the statement of financial position represents management's best estimate of the present value of the future site restoration costs required. Changes to estimated future costs are recognized in the statement of financial position by adjusting the site restoration provision and associated asset. To the extent that the site restoration provision was created due to exploration activities which do not yet qualify for capitalization, the amount of the associated asset is reduced immediately by a charge to exploration expenses for the same amount.

Significant estimates and assumptions are made in determining the site restoration provision as there are numerous factors that will affect the ultimate liability payable. Those uncertainties may result in future actual expenditure differing from the amount currently provided. During the six months ended June 30, 2013, there were changes in the extent of the required rehabilitation activities, timing of these activities, changes in discount rates and foreign exchange rate. These changes resulted in a $548 decrease in the site restoration provision, of which $278 is recorded as income within environmental costs and $270 is included in foreign exchange gain.

(expressed in thousands of US dollars - unaudited)

5. Share-based payment arrangements

(a) Stock options

During the three months ended June 30, 2013, the Company granted 1,400,000 options to directors, officers and employees. With respect to the directors, all of the options vested on the date of grant. With respect to the officers and employees, one third of the options will vest on the first anniversary 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 $844.

During the three months ended June 30, 2013, 654,790 stock options were forfeited or cancelled.

(b) Share purchase warrants

During the three months ended June 30, 2013, 430,000 common share purchase warrants expired. These warrants were originally issued to acquire surface rights in the area of the Company's Angostura Project.

6. Other income

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Interest income	28	57	56	135
Other income	23	6	25	11
	51	63	81	146

7. Supplementary cash flow information

(a) Cash and equivalents

	June 30, 2013	December 31, 2012
Cash	15,520	23,892
Short-term deposits	131	2,849
	15,652	26,741

(expressed in thousands of US dollars - unaudited)

(b) Other items

	Six months ended June 30,	
	2013	2012
Change in non-cash working capital		
Other assets	633	(1)
Trade and other payables	(1,333)	1,677
	(700)	1,676
Non-cash investing and financing activities		
Change in warrants' value due to extension of expiry date	-	36

8. Segment disclosures

The Company's operations comprise a single reporting operating segment engaged in the acquisition, exploration and development of assets in Colombia. As the operations comprise a single reporting segment, amounts disclosed in the consolidated financial statements also represent segment amounts.

Geographical Information

The following geographical information is provided as supplemental information to users of the financial statements to further describe the Company's operations:

	Canada	Colombia	Other	Total
As at and for the six months ended June 30, 2013				
Loss for the period	2,643	4,764	36	7,443
Total assets	23,778	13,854	14	37,646
Total liabilities	461	8,513	9	8,983
As at and for the six months ended June 30, 2012				
Loss for the period	3,112	18,144	29	21,285
Total assets	48,419	15,121	10	63,550
Total liabilities	1,602	13,218	4	14,824

Other includes subsidiaries operating in the Netherlands, Barbados and Spain.

(expressed in thousands of US dollars - unaudited)

9. Fair value measurements

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

	June 30, 2013		December 31, 2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans and receivables:				
Cash and equivalents	15,652	15,652	26,741	26,741
Guaranteed investment certificates	1,907	1,907	46	46
Accounts receivable	46	46	87	87
Financial liabilities				
Other financial liabilities:				
Trade and other payables	2,670	2,670	3,946	3,946
Amounts payable on exploration and evaluation asset acquisition	1,115	1,115	1,216	1,216
Equity tax liability	2,344	2,396	3,347	3,434
Fair value through profit and loss (FVTPL):				
Share appreciation rights liabilities	87	87	79	79
Warrant liabilities	188	188	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.

	Level 1	Level 2	Level 3	Total
June 30, 2013				
Financial liabilities:				
Share appreciation rights liabilities	-	87	-	87
Warrant liabilities	-	188	-	188
	-	275	-	275

(expressed in thousands of US dollars - unaudited)

December 31, 2012				
Financial liabilities:				
Share appreciation rights liabilities	-	79	-	79
Warrant liabilities	-	301	-	301
	-	308	-	308

10. Commitments and contingencies

a) Commitments

The following is a schedule of the Company's commitments as at June 30, 2013:

	2013	2014	2015	2016	2017	2018 and thereafter
Consulting and contract services	404	-	-	-	-	-
Operating leases	154	182	182	61	-	-
	558	182	182	61	-	-

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.

11. Related parties

Key management personnel include the members of the Board of Directors and executive officers of the Company. During the three months ended June 30, 2013, the Company incurred total compensation expenses of $669 for its key management personnel (2012 - $955).

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

(expressed in thousands of US dollars - unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Fintec Holdings Corp.				
Director's fees	15	15	30	30
Salaries	-	143	-	188
	15	158	30	218
Quantum Advisory Partners LLP				
Salaries	-	49	16	105

There were no balances owing to related parties at period end.

12. 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"