QUIA RESOURCES INC.

Unaudited Interim Condensed Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the three month periods ended
March 31, 2013 and 2012

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim condensed financial statements of Quia Resources Inc., are the responsibility of the management and Board of Directors of the Company.

The unaudited interim condensed financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

/s/ Yannis Banks, CEO
Yannis Banks

/s/ Andres Tinajero, CFO
Andres Tinajero

NOTICE TO READER

The accompanying unaudited interim condensed financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim financial statements for the three months ended March 31, 2013 and 2012 have not been reviewed by the Company's auditors.

Quia Resources Inc.
Unaudited Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at,		March 31, 2013		December 31, 2012
Assets				
Current Assets				
Cash	$	**5,741**	$	46,596
GST/HST and other receivables (Note 13)		**6,417**		9,034
Prepaid expenses (Note 14)		**369,365**		393,484
		381,523		449,114
Property, plant and equipment (Note 6)		**100,526**		107,053
	$	**482,049**	$	556,167
Liabilities				
Current Liabilities				
Trade and other payables (Note 15)	$	**511,316**	$	491,604
Provisions (Note 18)		**26,188**		25,546
Due to related parties (Note 17)		**304,972**		195,941
Loans and interest payable (Note 17)		**281,249**		210,437
		1,123,725		923,528
Shareholders' Equity				
Share capital (Note 8 (b))		**13,431,505**		13,431,505
Reserve for warrants (Note 10 & 12)		**5,005,814**		5,005,814
Reserve for share based payments (Note 9 & 11)		**1,481,600**		1,481,600
Reserve for foreign exchange gains (losses)		**(20,829)**		30,768
Accumulated deficit		**(20,539,766)**		(20,317,048)
		(641,676)		(367,361)
	$	**482,049**	$	556,167

Nature of Operations and Going Concern (Note 1)
Segmented Information (Note 16)

Quia Resources Inc.
Unaudited Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the three month period ended March 31,	**2013**	2012
Expenses		
Management and consulting	$ **75,597**	$ 173,864
Travel and promotion	**14,793**	36,564
Office and general	**92,207**	165,943
Exploration and evaluation expenses	**32,913**	990,294
Professional fees	**11,960**	14,132
Share based payments (Note 9)	**-**	14,700
Salaries and benefits	**44,257**	39,492
Foreign exchange (gain) loss	**(49,009)**	6,828
Net loss	**(222,718)**	(1,441,817)
Other comprehensive loss		
Net loss	**(222,718)**	(1,441,817)
Exchange differences on translating foreign operations	**(51,597)**	(23,385)
	(274,315)	(1,465,202)
Loss per share-basic and diluted	$ **(0.002)**	$ (0.017)
Weighted average number of shares outstanding	**105,531,504**	84,249,466

Quia Resources Inc.
Unaudited Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital		Reserves					
	Number of shares	Amount	Share based payments	Warrants	Foreign Exchange	Shares to be issued	Deficit	Total
Balance at December 31, 2011	**62,198,164**	**$ 10,883,159**	**$ 1,442,900**	**$ 3,385,814**	**$ (21,228)**	**$ 106,773**	**$ (16,348,026)**	**$ (550,608)**
Private placements	23,333,333	3,500,000	-	-	-	(106,773)	-	3,393,227
Warrants issued on private placement		(1,404,000)	-	1,404,000	-	-	-	-
Cost of issuance								
Cash commission paid		(235,087)	-	-	-	-	-	(235,087)
Fair value assigned to broker warrants		(98,000)	-	98,000	-	-	-	-
Share based payments		-	14,700	-	-	-	-	14,700
Exchange loss on translating foreign operation		-	-	-	(23,385)	-	-	(23,385)
Net loss for the period		-	-	-	-	-	(1,441,817)	(1,441,817)
Balance at March 31, 2012	**85,531,497**	**$ 12,646,072**	**$ 1,457,600**	**$ 4,887,814**	**$ (44,613)**	**$ -**	**$ (17,789,843)**	**$ 1,157,030**
Private placements	11,164,542	558,227	-	-	-	-	-	558,227
Shares issued for settlement of debt	8,835,465	378,358	-	-	-	-	-	378,358
Warrants issued on private placement		(116,000)	-	116,000	-	-	-	-
Cost of issuance								
Cash commission paid		(33,152)	-	-	-	-	-	(33,152)
Fair value assigned to broker warrants		(2,000)	-	2,000	-	-	-	-
Share based payments		-	24,000	-	-	-	-	24,000
Exchange gain on translating foreign operation		-	-	-	75,381	-	-	75,381
Net loss for the period		-	-	-	-	-	(2,527,205)	(2,527,205)
Balance at December 31, 2012	**105,531,504**	**$ 13,431,505**	**$ 1,481,600**	**$ 5,005,814**	**$ 30,768**	**$ -**	**$ (20,317,048)**	**$ (367,361)**
Exchange gain on translating foreign operation		-	-	-	(51,597)	-	-	(51,597)
Net loss for the period		-	-	-	-	-	(222,718)	(222,718)
Balance at March 31, 2013	**105,531,504**	**$ 13,431,505**	**$ 1,481,600**	**$ 5,005,814**	**$ (20,829)**	**$ -**	**$ (20,539,766)**	**$ (641,676)**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

Quia Resources Inc.
Unaudited Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the three month periods ended March 31,		2013		2012
Operating Activities				
Net loss	$	**(222,718)**	$	(1,441,817)
Adjustments to reconcile net loss to cash flow from operating activities:				
Share based payments (Note 9)		**-**		14,700
Amortization		**5,695**		5,480
Unrealized foreign exchange loss (gain)		**(50,123)**		(23,090)
Net change in non-cash working capital items:				
Prepaid expenses		**24,119**		(172,360)
GST/HST and other receivables		**2,617**		(23,500)
Trade and other payables		**19,712**		(193,838)
Cash flow used in operating activities		**(220,698)**		(1,834,425)
Financing Activities				
Issue of common shares, net of issue costs		**-**		3,158,140
Amounts received from (paid to) related parties		**109,031**		(54,411)
Loans received		**70,812**		-
Loan repayments		**-**		(60,271)
Cash flow provided from financing activities		**179,843**		3,043,458
Investing Activities				
Purchase of property, plant and equipment		**-**		(4,546)
Cash flow used in investing activities		**-**		(4,546)
Net decrease in cash		**(40,855)**		1,204,487
Cash, beginning of period		**46,596**		71,118
Cash, end of period	$	**5,741**	$	1,275,605

1. NATURE OF OPERATIONS AND GOING CONCERN

Quia Resources Inc. (the "Company" or "Quia") was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation dated October 26, 2007. The Company is engaged in the acquisition, exploration and development of the properties for the mining of precious metals in Colombia. The Company's operations in Colombia are affected by Colombia's political and economic environment. Although the environment has been relatively stable in recent years, there is the risk that this situation could deteriorate and adversely affect the Company's operations. The address of the Company's registered office is Suite 2905 – 77 King Street West Toronto, Ontario, M5K 1H1.

The Company is in the process of exploring its exploration property for mineral resources and has not determined whether the properties contain economically recoverable reserves. The Company's principal projects are located in Bolivar and Antioquia, Colombia. The underlying value of the resource property and the recoverability of the future exploration costs are entirely dependent on the existence of one or more economic recoverable reserves, confirmation of the Company's interest in the underlying claims, and the Company's ability to obtain the necessary financing to complete the exploration, development and future profitable production.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the exploration property and the Company's continued existence is dependent upon the preservation of its interest in the underlying property, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Ownership in mineral properties involves certain risks due to the difficulties in determining the validity of certain claims as well as potential for problems arising from frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated the ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

The Company has no revenues and the ability of the Company to ensure continuing operations is dependent on the Company maintaining its mineral property interest, raising sufficient funds to finance exploration activities, identifying a commercial ore body, developing such mineral property interests, and upon the future profitable production or proceeds from the disposition of the mineral property interest. These financial statements have been prepared using accounting principles applicable to a going concern and do not reflect adjustments, which could be material, to the carrying values of the assets and liabilities, which may be required should the Company be unable to continue as a going concern.

As at March 31, 2013 the Company has a working capital deficiency of $742,202 (December 31, 2012 - $474,414 working capital deficiency), has an accumulated deficit of $20,539,766 (December 31, 2012 - $20,317,048) and has incurred losses of $222,718 for the three month period ended March 31, 2013 (2012 - $1,441,817).

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These unaudited interim condensed consolidated financial statements were authorized by the Board of Directors of the Company on May 29, 2013.

2.2 Basis of presentation

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2012 annual financial statements.

2.3 Adoption of new and revised standards and interpretations

At the date of authorization of these Financial Statements, the International Accounting Standards Board ("IASB") and the International Financial Reporting Issues Committee ("IFRIC") has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted. However the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

- IFRS 9 *'Financial Instruments: Classification and Measurement'* – effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.
- IAS 32 '*Financial instruments, Presentation'* – In December 2011, effective for annual periods beginning on or after January 1, 2014, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

The Company has not early adopted these standards, amendments and interpretations, however the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

3. CAPITAL RISK MANAGEMENT

The Company considers its capital structure to consist of share capital, shares to be issued, reserve for warrants and reserve for share based payments. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital within current economic conditions by:

i) minimizing discretionary disbursements;
ii) reducing or eliminating exploration expenditures which are of limited strategic value;
iii) exploring alternate sources of liquidity.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient potential and if it has adequate financial resources to do so.

As at March 31, 2013, the Company's capital consist of share capital, shares to be issued, reserve for warrants, reserve for share based payments, reserve for foreign exchange gains (losses) and deficit in the amount of $(641,676) (December 31, 2011 - $(367,361)).

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three month period ended March 31, 2013. The Company is not subject to externally imposed capital requirements.

4. FINANCIAL AND OTHER RISK FACTORS

Fair Value

The carrying amount of cash, due to related parties, and trade and other payables approximate fair value due to the relatively short term maturity of these financial instruments. The carrying value of loans and interest payable approximate the fair value based on discounted cash flows. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price if one exist. As at March 31, 2013, cash is considered level 1.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable Canadian, United States and Colombian chartered banks which are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at March 31, 2013, the Company had a cash balance of $5,741 (December 31, 2012 - $56,725) to settle current liabilities of $1,123,725 (December 31, 2012 - $923,528).

All of the Company's financial liabilities have contractual maturities of less than 365 days and are subject to normal trade terms. The Company can't ensure there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holding cash. The Company is currently seeking sources of funding to meet short term liabilities, and short term cash requirements.

Market Risks

a) Interest Rate Risk
The Company has cash balances and no variable interest bearing debt. The Company has fixed rates on its debt, changes in interest rates could result in fair value risk on the Company's fixed rate debt.

b) Foreign Currency Risk
The Company operates in Canada, Colombia and the United States, giving rise to market risks from changes in foreign exchange rates. The Company believes that the results of the operations and cash flows would be affected by a sudden change in foreign exchange rates, but would not impair or enhance its ability to pay its U.S. dollar and Colombian pesos denominated obligations.

4. FINANCIAL AND OTHER RISK FACTORS, (continued)

Other Risk Factors

a) Political Risk

The Company has mining and exploration operations in Colombia and such operations are exposed to various levels of political, economic, and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism; hostage taking; fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes to policies and regulations impacting the mining sector; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political and economic conditions in Colombia may result in this governments adopting different policies with respect to foreign investment, and development and ownership of mineral resources. Any changes in such policies may result in changes in laws affecting ownership of assets, foreign investment, mining exploration and development, taxation, currency exchange rates, gold sales, environmental protection, labour relations, price controls, repatriation of income, and return of capital, which may affect both the ability of Quia to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore, develop, and operate those properties to which it has rights relating to exploration, development, and operation.

b) Property Risk

The Company's significant mineral properties is the San Lucas Gold Corp property as described in Note 7. Unless the Company acquires or develops additional material properties, the Company will be mainly dependent upon its existing property interests. If no additional major properties are acquired by the Company, any adverse development affecting the Company's property would have a materially adverse effect on the Company's financial condition and results of operations.

c) Commodity Price Risk

Commodity price risk could adversely affect the Company. In particular, the Company’s future profitability and viability of development depends upon the world market price of precious metals. These metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of these metals may be produced in the future, a profitable market will exist for them. As of December 31, 2012, the Company was not a producing entity. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

(i) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, loans receivable, accounts payable, due to related parties, loans and interest payable and provisions that are denominated in Colombian pesos. As at March 31, 2013, had the Canadian dollar weakened/strengthened by 10% against the Colombian peso with all other variables held constant, the Company’s comprehensive income for the three month period ended March 31, 2013 would have been approximately $4,100 higher/lower respectively as a result of foreign exchange losses/gains on translation of Canadian dollar denominated financial instruments.

(Expressed in Canadian Dollars)

5. PROPERTY, PLANT AND EQUIPMENT

	Furniture & Fixtures	Computer Equipment & Software	Total
Cost			
As at December 31, 2011	**8,284**	**136,991**	**145,275**
Additions	4,546	-	4,546
Effects of foreign exchange	618	3,849	4,467
As at December 31, 2012	**13,448**	**140,840**	**154,288**
Effects of foreign exchange	(181)	(779)	(960)
As at March 31, 2013	**13,267**	**140,061**	**153,328**
Accumulated Amortization			
As at December 31, 2011	**2,079**	**17,050**	**19,129**
Additions	2,228	25,425	27,653
Effects of foreign exchange	69	384	453
As at December 31, 2012	**4,376**	**42,859**	**47,235**
Additions	283	5,412	5,695
Effects of foreign exchange	(62)	(66)	(128)
As at March 31, 2013	**4,597**	**48,205**	**52,802**
Net Book Value			
As at December 31, 2011	**6,205**	**119,941**	**126,146**
As at December 31, 2012	**9,072**	**97,981**	**107,053**
As at March 31, 2013	**8,670**	**91,856**	**100,526**

6. INTEREST IN MINERAL PROPERTIES

On October 26, 2007, the Company acquired 17 mineral properties in Bolivar, Colombia for $500,000. In exchange for this non-monetary transaction, the Company issued 10,000,000 common shares at a market price of $0.05 per share, to the vendor of the claims. The value of the transaction was based on the equity instrument granted, as the value of the mineral properties could not be reliably measured.

On September 13, 2008, the Company entered into an agreement with the Mining Federation from the Bolivar Department for the exploitation and exploration of the mining sites mentioned in the agreement. This agreement has been terminated by the parties.

On December 8, 2008, the Company issued 848,248 shares at a market price of $0.20 per share to some of the shareholders for the acquisition of mineral properties for $169,650. The value of the transaction was based on the equity instrument granted, as the value of the mineral properties could not be reliably measured.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value

(b) Issued

	Number of Shares	Stated Value
COMMON SHARES		
Balance, December 31, 2011	**62,198,164**	**10,883,159**
Private placement of units - January 6, 2012 - $0.15 (i)	23,333,333	3,500,000
Private placement of units - October 25, 2012 - $0.05 (ii)	2,706,742	135,337
Private placement of units - October 31, 2012 - $0.05 (iii)	8,457,800	422,890
Share issued for settlement of debt (iii)	8,835,465	378,358
Warrants issued on private placement	-	(1,520,000)
Cost of issuance		
Cash commissions paid	-	(268,239)
Fair market value assigned to broker warrants	-	(100,000)
Balance, December 31, 2012 and March 31, 2013	**105,531,504**	**13,431,505**

Under the requirement of the TSX Venture exchange, 2,444,944 common shares held by directors and officers were placed held in escrow. 10% of these shares were released from escrow on the date of the exchange bulletin and the remainder were releasable in allotments of 366,741 in 6, 12, 18, 24, 30 and 36 months following the date of the exchange bulletin. As at December 31, 2012, 1,344,717 (December 31, 2011 – 611,235) shares have been released.

(i) On January 6, 2012, the Company issued 23,333,334 units at $0.15 pursuant to a private placement for gross proceeds of $3,500,000. Each unit consisted of one common share and ½ common share purchase warrant. Each common share purchase warrant is exercisable for one common share at a price of $0.30 per share, expiring on January 6, 2014.

The fair value of the 11,666,671 share purchase warrants was estimated at $1,404,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 0.95%; volatility 100%; share price of $0.25; and an expected life of 2 years.

The Company paid a cash finder's fee equal to 7% of the gross proceeds raised from the Canadian shareholders by the brokers and 3% on certain proceeds raised by the corporation. In addition, the Company issued 1,242,250 compensation warrants ("agent warrants") equal to 7% of the number of the securities issued as brought in by the relevant finder and 3% of certain units brought in by the corporation. Each agent warrant is exercisable for one unit with the same terms as the private placement, at a price of $0.15 expiring after 24 months.

7. SHARE CAPITAL, (continued)

The fair value of the 1,242,250 agent warrants was estimated at $98,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 0.95%; volatility 100%; unit price of $0.15; and an expected life of 2 years.

(ii) On October 25, 2012, the Company issued 5,200,661 units at $0.05 pursuant to a private placement for gross proceeds of $260,033. Each unit consisted of one common share and ½ common share purchase warrant. Each common share purchase warrant is exercisable for one common share at a price of $0.10 per share, expiring on April 25, 2014. The issuance included settlement of debt in the amount of $124,696 for 2,493,919 units to related parties. The Company did not incur a gain or loss on settlement of debt.

The fair value of the 2,600,331 share purchase warrants was estimated at $37,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 1.15%; volatility 100%; share price of $0.05; and an expected life of 1.5 years.

The Company paid a cash finder's fee equal to 7% of the gross proceeds raised from the Canadian shareholders by the brokers. In addition, the Company issued 67,672 compensation warrants ("agent warrants") equal to 7% of the number of the securities issued as brought in by the relevant finder. Each agent warrant is exercisable for one unit with the same terms as the private placement, at a price of $0.05 per unit expiring after 18 months.

The fair value of the 67,672 agent warrants was estimated at $2,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 1.15%; volatility 100% and an expected life of 1.5 years.

(iii) On October 31, 2012, the Company issued 13,519,346 units at $0.05 and 1,280,000 shares at $0.05 pursuant to a private placement for gross proceeds of $739,967. Each unit consisted of one common share and ½ common share purchase warrant. Each common share purchase warrant is exercisable for one common share at a price of $0.10 per share, expiring on April 30, 2014. The issuance included settlement of debt in the amount of $317,077 for 5,061,546 units to unrelated parties and 1,280,000 common shares issued to insiders and related parties. The Company incurred a gain on settlement of debt of $63,415 (December 31, 2011 - $nil) during the year ended December 31, 2012.

The fair value of the 6,759,673 share purchase warrants was estimated at $79,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 1.08%; volatility 100% and an expected life of 1.5 years.

Volatility on the above warrant valuations were based on the volatility of similar companies.

(Expressed in Canadian Dollars)

8. SHARE BASED PAYMENTS

Quia established a stock option to provide additional incentive to its officers, directors, employees and consultants in their effort on behalf of the Company in the conduct of its affairs. Options vest immediately and expire on the fifth anniversary from the date of issue unless otherwise specified.

A summary of stock options issued and outstanding is as follows:

	March 31, 2013			December 31, 2012		
		Weighted Average Exercise Price	**Number of Options**		Weighted Average Exercise Price	Number of Options
Outstanding at beginning of period/year	**$**	**0.53**	**4,159,500**	$	0.54	4,309,500
Transaction during the period/year:						
Granted		**-**	**-**		-	-
Exercised		**-**	**-**		-	-
Expired		**-**	**-**		0.60	(150,000)
Outstanding at end of period/year		**0.53**	**4,159,500**		0.53	4,159,500
Exercisable at end of period/year	**$**	**0.53**	**4,084,500**	$	0.53	4,084,500

The following table provides additional information about outstanding stock options at March 31, 2013:

	No. of Options Outstanding	**Weighted Average Remaining Life (Years)**		**Weighted Average Exercise Price**	**No. of Options Currently Exercisable**		**Weighted Average Exercise Price – Exercisable Options**
$ 0.15 – 0.30	**459,500**	**2.02**	**$**	**0.22**	**459,500**	**$**	**0.22**
$ 0.40	**600,000**	**2.64**	**$**	**0.40**	**600,000**	**$**	**0.40**
$ 0.60 – 0.65	**3,100,000**	**2.89**	**$**	**0.61**	**3,025,000**	**$**	**0.61**
$ 0.15 - $0.65	**4,159,500**	**2.76**	**$**	**0.53**	**4,084,500**	**$**	**0.53**

(Expressed in Canadian Dollars)

8. SHARE BASED PAYMENTS, (continued)

Share based payments

During the year ended December 31, 2012, $38,700 of share based payments expense was recognized in relation to the vesting of the options issued on April 1, 2011.

9. WARRANTS

Month of Expiry	**No. of Warrants**	**Exercise Price**
		($)
January 6, 2014	11,666,671	0.30
January 6, 2014 – agent warrants (1)	1,218,917	0.15
April 25, 2014	2,600,331	0.10
April 25, 2014 – agent warrants (2)	67,672	0.05
April 30, 2014	6,759,673	0.10
	22,313,264	

(1) Upon exercise, 609,459 broker warrants exercisable at $0.30 will be issued and outstanding.
(2) Upon exercise, 67,672 broker warrants exercisable at $0.10 will be issued and outstanding.

The following table summarizes the assumptions used with the Black-Scholes valuation model during the year ended December 31, 2012:

Grant date	**January 6, 2012**	**January 6, 2012**	**October 25, 2012**	**October 25, 2012**	**October 31, 2012**	**Totals**
No. of warrants	11,666,671	1,242,250	2,600,331	67,672	6,759,673	22,336,599
Exercise price	$ 0.30	$ 0.15	$ 0.10	$ 0.05	$ 0.10	
Share/unit price	$ 0.25	$ 0.25	$ 0.05	$ 0.05	$ 0.05	
Expected life in years	2	2	1.5	1.5	1.5	
Volatility	100%	100%	100%	100%	100%	
Risk-free interest rate	0.95%	0.95%	1.15%	1.15%	1.08%	
Dividend yield	-	-	-	-	-	

Volatility on the above warrant valuations were based on the volatility of similar companies.

10. RESERVE FOR SHARE BASED PAYMENTS

Period/Year ended	**March 31, 2013**	December 31, 2012
Balance at beginning of period/year	**$ 1,481,600**	$ 1,442,900
Share based payments	**-**	38,700
Balance at end of period/year	**$ 1,481,600**	$ 1,481,600

(Expressed in Canadian Dollars)

11. RESERVE FOR WARRANTS

Period/Year ended		**March 31, 2013**		December 31, 2012
Balance at beginning of period/year	**$**	**5,005,814**	$	3,385,814
Warrants issued		**-**		1,620,000
Balance at end of period/year	**$**	**5,005,814**	$	5,005,814

12. GST/HST AND OTHER RECEIVABLES

The Company's HST and other receivables arise from two main sources: harmonized services tax ("HST") receivable and value added taxes ("VAT") due from government taxation authorities. These are broken down as follows:

		March 31, 2013		December 31, 2012
GST/HST and VAT receivable	**$**	**6,417**	$	9,034
Total trade and other receivables	**$**	**6,417**	$	9,034

Below is an aged analysis of the Company's trade and other receivables:

	As at,			
		March 31, 2013		December 31, 2012
Less than 1 month	**$**	**6,417**	$	9,034
Total trade and other receivables	**$**	**6,417**	$	9,034

At March 31, 2013, trade and other receivables outstanding are HST receivable. The Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables.

The Company holds no collateral for any receivable amounts outstanding as at March 31, 2013.

13. PREPAID EXPENSES

	As at,			
		March 31, 2013		December 31, 2012
Advances to suppliers	**$**	**89,266**	$	87,971
Rent deposit		**36,107**		36,454
Deposit on drilling contract		**194,404**		196,181
Insurance		**833**		2,083
Other		**48,755**		79,795
Total prepaid expenses	**$**	**369,365**	$	393,484

(Expressed in Canadian Dollars)

14. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities, amounts payable for financing activities and payroll liabilities. The usual credit period taken for trade purchases is between 30 to 90 days.

The following is an aged analysis of the trade and other payables:

		March 31, 2013		December 31, 2012
Less than 1 month	**$**	**48,933**	$	90,998
1 to 3 months		**22,629**		40,921
Over 3 months		**439,754**		359,685
Total Trade and Other Payables	**$**	**511,316**	$	491,604

15. SEGMENTED INFORMATION

Operating Segments

At March 31, 2013 the Company's operations comprise a single reporting operating segment engaged in mineral exploration in Colombia. The Company's corporate division only earns revenues that are considered incidental to the activities of the Company and therefore does not meet the definition of an operating segment as defined in IFRS 8 *'Operating Segments'*. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent operating segment amounts.

An operating segment is defined as a component of the Company:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- for which discrete financial information is available.

Geographic Segments

Quia is in the business of mineral exploration in Colombia. As such, management has organized the Company's reportable segments by geographic area. The Colombia segment is responsible for that country's mineral exploration and production activities while the Canadian segment manages corporate head office activities. Information concerning Quia's reportable segments is as follows:

(Expressed in Canadian Dollars)

15. SEGMENTED INFORMATION, (continued)

	March 31, 2013	December 31, 2012
	$	$
Consolidated net loss		
Canada	**87,813**	1,214,206
Colombia	**134,905**	2,754,816
	222,718	3,969,022
Significant non-cash items		
Share based payments		
Canada	-	38,700
	-	38,700

As at,	**March 31, 2013**	December 31, 2012
Total assets		
Canada	**132,976**	158,545
Colombia	**349,073**	397,622
	482,049	556,167

16. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Related party transactions and key management compensation are as follows:

During the three months ended March 31, 2013, $nil (2012 - $10,135) was paid for consulting fees to Foundation Market Inc. (“FMI”), a company in which the Secretary and Director and CEO and Director of the Company are directors and have an indirect interest. In addition, $nil and $4,050 (2012 - $5,000 and $16,200) was paid for consulting fees and rent respectively to Foundation Opportunities Inc. (“FOI”), a company in which the Secretary and Director and CEO and Director of the Company are directors and have an indirect interest. At March 31, 2013 included due to related parties is $9,324 (December 31, 2012 - $4,748) payable to FOI.

During the three months ended March 31, 2013, $12,000 (2012 - $12,000) was paid for consulting fees to Cavalry Corporate Solutions Inc. (“Cavalry”), a company in which the Secretary and Director of the Company has an indirect interest and in which the CEO and Director is a director and has an indirect interest. At March 31, 2013 included due to related parties is $34,720 (December 31, 2012 - $21,160) payable to the Company.

During the three months ended March 31, 2013, $5,255 (2012 - $26,422) was paid for legal fees to a company in which the Secretary and Director of the Company is a partner. At March 31, 2013, included in due to related parties is $27,581 (December 31, 2012 - $22,118) payable to this company.

During the three months ended March 31, 2013, $nil (2012 - $36,000) was paid to the VP of exploration. As at March 31, 2013, $28,840 is included in due to related parties (December 31, 2012, $28,840) payable to this VP.

(Expressed in Canadian Dollars)

16. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION, (continued)

During the three months ended March 31, 2013, $6,000 (2012 - $2,000) was paid to the Vice-President, Business Development and a Director for exploration related costs. As at March 31, 2013, due to related parties included $20,526 (December 31, 2012 - $14,526) payable to this individual.

During the three months ended March 31, 2013, $37,500 (2012 - $18,750) was paid for services to the chief executive officer. As at March 31, 2013, $140,732 is included in due to related parties (December 31, 2012, $78,250) due to this individual.

During the three months ended March 31, 2013, $15,000 (2012 - $15,000) was paid for services to the chief financial officer. As at March 31, 2013 included in due to related parties is $43,250 (December 31, 2012 - $26,300) payable to the chief financial officer.

As of March 31, 2013, the Company received non-secured loans of $93,500 from various directors at the rate of 10% per annum payable the earlier of December 31, 2012 or the closing of financing. As at March 31, 2013, $38,500 (December 31, 2012 - $31,000) is included as loan and interest payable.

During 2012, the Company received non-secured loans of $60,000 from the CFO at the rate of 10% per annum payable the earlier of December 31, 2012 or the closing of financing. As at March 31, 2013 $30,000 (December 31, 2012 - $30,000) is included as loan and interest payable.

During 2012, the Company received non-secured loans of $294,400 from the CEO at the rate of 10% per annum payable the earlier of December 31, 2012 or the closing of financing. As at March 31, 2013, $200,704 (December 31, 2012 - $143,189) is included as loan and interest payable.

Interest payable related to the above loans as at March 31, 2013 amounts to $6,248 (December 31, 2012 - $6,248).

All transactions with related parties were in the normal course of operations.

All key management compensation has been included above.

17. PROVISIONS

	March 31, 2013	December 31, 2012
	$	$
Balance beginning of period/year	**25,546**	24,778
Effect of foreign exchange	**642**	768
Balance end of period/year	**$ 26,188**	$ 25,546

As at March 31, 2013, management accrued an estimated amount of $26,188 (December 31, 2011 - $25,546) related to a discrepancy between reported values by San Lucas Gold Corp. and the reported value by the Banco de la República. Colombian companies are required to disclose funds received from foreign affiliates.