CuOro Resources Corp.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
NOVEMBER 30, 2013 AND 2012

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
CuOro Resources Corp.

We have audited the accompanying consolidated financial statements of CuOro Resources Corp., which comprise the consolidated statements of financial position as at November 30, 2013 and 2012, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of CuOro Resources Corp. as at November 30, 2013 and 2012, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Accountants

March 17, 2014

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Fax (604) 687-6172

CUORO RESOURCES CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	November 30, 2013 $	November 30, 2012 $
ASSETS			
Current assets			
Cash		6,087,136	8,008,803
Amounts receivable		3,471	11,339
GST/HST receivable		26,118	86,267
Prepaid expenses		12,263	82,595
Total current assets		6,128,988	8,189,004
Non-current assets			
Property, plant and equipment	4	145,313	471,795
Exploration and evaluation assets	5	32,977	10,360,824
Total non-current assets		178,290	10,832,619
TOTAL ASSETS		6,307,278	19,021,623
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	46,039	415,741
TOTAL LIABILITIES		46,039	415,741
SHAREHOLDERS' EQUITY			
Share capital	6	24,089,879	24,089,879
Share-based payments reserve		3,464,007	3,464,007
Deficit		(21,292,647)	(8,948,004)
TOTAL SHAREHOLDERS' EQUITY		6,261,239	18,605,882
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6,307,278	19,021,623

Nature and Continuance of Operations - See Note 1

Event after the Reporting Period - See Note 12

These consolidated financial statements were approved for issue by the Board of Directors on March 17, 2014 and are signed on its behalf by:

*/s/ **Marc Cernovitch***	*/s/ **Nick DeMare***
Marc Cernovitch	Nick DeMare
Director	Director

The accompanying notes are an integral part of these consolidated financial statements.

CUORO RESOURCES CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Note	Year Ended November 30 2013 $	2012 $
Expenses			
Accounting and administration	7(b)	79,165	75,464
Audit fees		46,410	61,420
Corporate development		9,374	102,384
Depreciation		39,706	88,665
General and administrative expenses		163,028	295,928
General exploration		4,218	54,914
Investment conferences		17,817	95,687
Investor relations		35,650	86,299
IVA tax		42,422	51,903
Legal fees		31,040	274,593
Officer and director compensation	7	262,891	689,859
Professional fees		263,963	303,661
Regulatory fees		35,788	27,444
Rent		85,384	142,007
Shareholder communications		8,663	39,971
Share-based compensation	6(d)	-	60,473
Telephone, website and internet costs		39,889	65,768
Transfer agent		7,124	14,468
Travel and related		135,337	364,443
		1,307,869	2,895,351
Loss before other items		(1,307,869)	(2,895,351)
Other items			
Interest income		86,280	136,129
Foreign exchange gain (loss)		31,465	(99,961)
Loss on sale of equipment		(9,464)	(1,218)
Impairment of property, plant and equipment	4	(184,569)	-
Impairment of exploration and evaluation assets	5	(10,960,486)	(748,672)
		(11,036,774)	(713,722)
Net loss and comprehensive loss for the year		(12,344,643)	(3,609,073)
Loss per share - basic and diluted		$(0.40)	$(0.12)
Weighted average number of common shares outstanding - basic and diluted		30,527,855	30,445,543

The accompanying notes are an integral part of these consolidated financial statements.

CuOro Resources Corp.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Year Ended November 30, 2013				
	Share Capital				
	Number of Shares	Amount $	Share-Based Payments Reserve $	Deficit $	Total Equity $
Balance at November 30, 2012	30,527,855	24,089,879	3,464,007	(8,948,004)	18,605,882
Net loss	-	-	-	(12,344,643)	(12,344,643)
Balance at November 30, 2013	30,527,855	24,089,879	3,464,007	(21,292,647)	6,261,239

	Year Ended November 30, 2012				
	Share Capital				
	Number of Shares	Amount $	Share-Based Payments Reserve $	Deficit $	Total Equity $
Balance at November 30, 2011	30,304,501	23,872,067	3,426,397	(5,338,931)	21,959,533
Common shares issued for:					
Cash - exercise of warrants	148,354	118,449	-	-	118,449
Finder's fees on Santa Elena Option	75,000	76,500	-	-	76,500
Transfer on exercise of finder's warrants	-	22,863	(22,863)	-	-
Share-based compensation on share options	-	-	60,473	-	60,473
Net loss	-	-	-	(3,609,073)	(3,609,073)
Balance at November 30, 2012	30,527,855	24,089,879	3,464,007	(8,948,004)	18,605,882

The accompanying notes are an integral part of these consolidated financial statements.

CUORO RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year Ended November 30	
	2013	2012
	$	$
Operating activities		
Net loss for the year	(12,344,643)	(3,609,073)
Adjustments for:		
Depreciation	39,706	88,665
Loss on sale of equipment	9,464	1,218
Impairment of property, plant and equipment	184,569	-
Impairment of exploration and evaluation costs	10,960,486	748,672
Share-based compensation	-	60,473
	(1,150,418)	(2,710,045)
Changes in non-cash working capital items:		
Decrease in amounts receivable	7,868	22,752
Decrease in GST/HST receivable	60,149	52,065
Decrease (increase) in prepaid expenses	70,332	(25,176)
Decrease in accounts payable and accrued liabilities	(44,841)	(156,422)
	93,508	(106,781)
Net cash used in operating activities	(1,056,910)	(2,816,826)
Investing activities		
Expenditures on exploration and evaluation assets	(957,500)	(7,297,166)
Purchases of equipment	-	(188,699)
Proceeds from sale of equipment	92,743	1,493
Net cash used in investing activities	(864,757)	(7,484,372)
Financing activities		
Issuance of common shares	-	118,449
Net cash generated from financing activities	-	118,449
Net change in cash	(1,921,667)	(10,182,749)
Cash at beginning of year	8,008,803	18,191,552
Cash at end of year	6,087,136	8,008,803
Cash comprises:		
Cash	3,566,136	281,340
Demand deposits	2,521,000	7,727,463
	6,087,136	8,008,803

Supplemental cash flow information - See Note 11

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature and Continuance of Operations

CuOro Resources Corp. (the “Company”) was incorporated under the provisions of the B.C. Business Company Act on October 23, 2007. The Company is listed and traded on the TSX Venture Exchange (“TSXV”) as a Tier 2 issuer under the symbol “CUA”. The Company’s principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

The Company is a junior mineral exploration company currently engaged in the acquisition and exploration of resource properties. As at November 30, 2013 the Company has made application for concession contracts, the Pelaya Copper Project, located in Colombia. On the basis of information to date, the Company has not yet determined whether the Pelaya Copper Project contains economically recoverable ore reserves. The underlying value of the mineral resource interest is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. Mineral resource interests represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. The Company is conducting due diligence on other opportunities.

As at November 30, 2013 the Company had cash of $6,087,136 and working capital in the amount of $6,082,949. These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. The Company’s ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to develop properties and to establish future profitable production. To date the Company has not earned significant revenues and is considered to be in the exploration stage. The Company’s operations are funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. Management considers that the Company has adequate resources to maintain its core operations and conduct mineral prospect generation activities and planned exploration programs on its existing mineral resource interests for the next twelve months. However management recognizes that exploration expenditures may change with ongoing results and, as a result, the Company may be required to obtain additional financing. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

2. Basis of Preparation

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”).

Basis of Measurement

The Company’s consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value.

Details of the Group

In addition to the Company, the consolidated financial statements include all subsidiaries. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases.

As at November 30, 2013 and 2012 the Company had one wholly-owned subsidiary, Minera CuOro S.A.S., which is incorporated in Colombia.

3. Summary of Significant Accounting Policies

Critical Judgments and Sources of Estimation Uncertainty

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

(i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

(ii) Management is required to assess the functional currency of each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

(iii) Management is required to assess impairment in respect of intangible exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

During fiscal 2013 management determined impairment indicators were present in respect of the Santa Elena Project and, as a result, an impairment test was performed. See also Note 5(b).

(iv) Although the Company takes steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(i) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

3. Summary of Significant Accounting Policies (continued)

(ii) The assessment of any impairment of evaluation and exploration assets, and property, plant and equipment is dependent upon estimates of the recoverable amount that take into account factors such as reserves, economic and market conditions and the useful lives of assets. In fiscal 2013, as a result of this assessment, management carried out an impairment test on Company's Santa Elena Project and an impairment charge of $10,960,486 was made. In addition, management also carried out an impairment test on the property, plant and equipment and an impairment charge of $184,569 was made.

Cash and Cash Equivalents

Cash includes cash on hand and demand deposits. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company is not exposed to significant credit or interest rate risk although cash is held in excess of federally insured limits with a major financial institution. As at November 30, 2013 and 2012 the Company did not have any cash equivalents.

Amounts Receivable

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Receivables are classified as loans and receivable. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Accounts Payable and Accrued Liabilities

Payables are obligations to pay for materials or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are classified as other financial liabilities initially at fair value and subsequently measured at amortized cost using the effective interest method.

Exploration and Evaluation Assets

The Company follows the practice of capitalizing all costs relating to the acquisition of, exploration for and evaluation of mineral properties and crediting all proceeds received against the cost of the related properties. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment, or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount, but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves.

3. Summary of Significant Accounting Policies (continued)

The Company also accounts for foreign value added taxes which relate to deferred mineral resource expenditures as part of deferred costs. The recovery of these taxes will commence on the beginning of foreign commercial operations. Should these amounts be recovered they would be treated as a reduction in the carrying costs of exploration and evaluation assets.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations.

Property, Plant and Equipment

Property, plant and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Property, plant and equipment are depreciated annually on a straight-line basis over the estimated useful life of the assets, at a rate of 10% for machinery and equipment; 10% for office furniture and equipment; 20% for computers and telephone equipment; and 20% for vehicles.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of comprehensive income or loss.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment. Expenditures incurred to replace a component of an item of plant and equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized.

The Company compares the carrying value of property, plant and equipment to estimated net recoverable amounts, based on estimated future cash flows, to determine whether there is any indication of impairment whenever events or circumstances warrant.

Impairment of Assets

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3. Summary of Significant Accounting Policies (continued)

Decommissioning Provision

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral interest by or on behalf of the Company. Costs for restoration of site damage which is created on an ongoing basis during exploration and evaluation are provided for at their net present values and charged against profits in the period such exploration and evaluation occurs. Discount rates using a pre-tax risk-free rate that reflects the time value of money are used to calculate the net present value. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. As at November 30, 2013 the Company does not have any decommissioning obligations.

Financial Instruments

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through comprehensive loss. Cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost. Amounts receivable are classified as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. At November 30, 2013 the Company has not classified any financial assets as available-for-sale.

Transaction costs associated with FVTPL are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized through comprehensive loss. At November 30, 2013 the Company has not classified any financial liabilities as FVTPL.

Share Capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

Share-Based Payment Transactions

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of share options granted is recognized as a share-based compensation expense with a corresponding increase in the equity settled share-based payments reserve in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

3. Summary of Significant Accounting Policies (continued)

For employees the fair value is measured at grant date and each tranche is recognized separately on a straight line basis over the period during which the share options vest. The fair value of the share options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the share options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

Current and Deferred Income Taxes

The tax expense comprises current and deferred tax. Tax is recognized in the statement of comprehensive loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive loss or directly in equity, respectively.

Current Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Income Tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Loss Per Share

Basic loss per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method.

3. Summary of Significant Accounting Policies (continued)

Foreign Currency Translation

Functional and Presentation Currency

The financial statements of the Company's subsidiary is prepared in the local currency of its home jurisdiction. Consolidation of the subsidiary includes re-measurement from the local currency to the subsidiary's functional currency. The subsidiary's functional currency, being the currency of the primary economic environment in which the subsidiary operates, is the Canadian dollar. The consolidated financial statements are presented in Canadian dollars.

Exchange rates published by the Bank of Canada were used to translate subsidiary financial statements into the consolidated financial statements. Income and expenses for each statement of comprehensive loss presented are translated using the rates prevailing on the transaction dates. All resulting foreign exchange differences are recognized in comprehensive loss.

Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in comprehensive loss.

Comparative Figures

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.

Accounting Standards and Interpretations Issued but Not Yet Adopted

As at the date of these consolidated financial statements, the following standards, amendments and interpretations have not been applied in these consolidated financial statements:

(i) IFRS 10 *Consolidated Financial Statements*; effective for annual periods beginning on or after January 1, 2013. Early application is permitted. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidated - Special Purpose Entities*.

(ii) IFRS 11 *Joint Arrangements*; effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. IFRS 11 supersedes the current IAS 31 *Interest in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*.

(iii) IFRS 12 *Disclosure of Interest in Other Entities*; effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity.

(iv) IFRS 13 *Fair Value Measurements*; to be applied for annual periods beginning on or after January 1, 2013. Earlier application is permitted. IFRS 13 defines fair value, sets out in a single IFRS, a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements).

Management is currently assessing the impact of these new standards on the Company's accounting policies and financial statement presentation.

(Expressed in Canadian Dollars)

4. Property, Plant and Equipment

	Office Furniture and Equipment $	Computer and Telephone Equipment $	Machinery and Equipment $	Vehicles $	Total $
Cost:					
Balance at November 30, 2011	77,143	62,695	38,412	226,800	405,050
Additions	2,029	24,080	142,114	20,476	188,699
Disposals	-	-	(2,854)	-	(2,854)
Balance at November 30, 2012	79,172	86,775	177,672	247,276	590,895
Disposals	(5,041)	(3,251)	(29,045)	(113,808)	(151,145)
Balance at November 30, 2013	74,131	83,524	148,627	133,468	439,750
Accumulated Depreciation:					
Balance at November 30, 2011	3,372	6,067	1,921	19,218	30,578
Depreciation	7,917	15,803	16,854	48,091	88,665
Disposals	-	-	(143)	-	(143)
Balance at November 30, 2012	11,289	21,870	18,632	67,309	119,100
Depreciation	3,860	8,539	8,285	19,022	39,706
Disposals	(824)	(1,214)	(4,910)	(41,990)	(48,938)
Impairment	55,549	44,009	71,396	13,615	184,569
Balance at November 30, 2013	69,874	73,204	93,403	57,956	294,437
Carrying Value:					
Balance at November 30, 2012	67,883	64,905	159,040	179,967	471,795
Balance at November 30, 2013	4,257	10,320	55,224	75,512	145,313

During fiscal 2013 the Company reviewed its assets not in use as a result of the impairment of the Santa Elena Project and recorded an impairment expense of $184,569 to a net carrying value of $145,313, to reflect management's estimate of the net realizable value of the property, plant and equipment. Management's estimate of the net realizable value was based on the their best estimate of the expected salvage value of the individual assets.

(Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets

	Pelaya Project $	Santa Elena Project $	Barranco de Loba Project $	Total $
Balance at November 30, 2011	-	3,134,138	371,797	3,505,935
Exploration Costs				
Air survey	-	147,909	-	147,909
Assays	-	151,553	67,128	218,681
Camp costs	-	233,882	63,294	297,176
Casual labour	-	778,362	40,730	819,092
Community relations	-	54,690	-	54,690
Consulting	-	237,406	63,565	300,971
Drilling	-	3,535,819	-	3,535,819
Geological	-	260,836	-	260,836
Geophysics	-	561,552	59,196	620,748
Insurance	-	1,459	-	1,459
IVA tax	-	156,633	5,377	162,010
Payroll	-	292,253	71,929	364,182
Rental and transportation	-	67,162	333	67,495
Repairs and maintenance	-	7,714	317	8,031
Supplies	-	62,979	-	62,979
Travel	-	40,112	5,006	45,118
	-	6,590,321	376,875	6,967,196
Acquisition Costs				
Option payments	-	493,714	-	493,714
Claims, lease and surface costs	-	66,151	-	66,151
Finder's fees	-	76,500	-	76,500
	-	636,365	-	636,365
Impairment	-	-	(748,672)	(748,672)
Balance at November 30, 2012	-	10,360,824	-	10,360,824
Exploration Costs				
Assays	2,127	56,967	-	59,094
Camp costs	-	48,617	-	48,617
Casual labour	-	220,671	-	220,671
Community relations	-	10,213	-	10,213
Consulting	-	47,337	-	47,337
Geological	30,850	85,893	-	116,743
Insurance	-	3,342	-	3,342
IVA tax	-	28,751	-	28,751
Payroll	-	54,945	-	54,945
Rental and transportation	-	17,809	-	17,809
Mapping	-	7,500	-	7,500
Travel	-	10,290	-	10,290
	32,977	592,335	-	625,312
Acquisition Costs				
Claims, lease and surface costs	-	7,327	-	7,327
Impairment	-	(10,960,486)		(10,960,486)
Balance at November 30, 2013	32,977	-	-	32,977

5. Exploration and Evaluation Assets (continued)

(a) The Pelaya Copper Project comprises two contiguous applications for concession contracts in the Cesar Department of the Republic of Colombia.

(b) By agreements dated December 22, 2010 and February 16, 2011, and amended March 31, 2011, the Company was granted an option (the "Santa Elena Option") to acquire a 100% undivided interest in two mining concessions (the "Santa Elena Project") located in the Antioquia District, Colombia. To earn the interest in the Santa Elena Project the Company paid a total of US $1,025,000 and was required to pay a further US $1,000,000 by April 16, 2013 and US $1,000,000 by April 16, 2014 and conduct a total of US$3,000,000 exploration expenditures by April 16, 2014.

The Company did not make the April 16, 2013 option payment and provided the concession owner with a notice of termination in May 2013. Accordingly, during fiscal 2013 the Company recorded an impairment expense of $10,960,486 for exploration and evaluation costs incurred.

(c) On December 9, 2010, as amended, the Company had entered into a letter of intent (the "Barranco LOI") whereby the vendor agreed to grant an option to the Company to acquire a 100% interest in three mineral concessions located in the Department of Sur de Bolivar, Colombia. Under the terms of the Barranco LOI and subsequent amendments the Company paid a total of $49,127. The Company and the vendor subsequently renegotiated the terms of the Barranco LOI and, effective August 16, 2011, entered into a formal option agreement (the "Barranco Option") to acquire a 100% interest in one mineral concession (the "Barranco Project"). The Company paid $44,277 for surface rights fees and was required to conduct US $1,000,000 of expenditures over two years and make option payments totalling US $800,000 (US $200,000 paid) over three years.

The Company did not make the August 16, 2012 option payment and had initiated discussions with the underlying owner of the Barranco Project to amend timing and quantum of the option payments. In October 2012 the Company, having failed to reach an agreement to amend the option terms, determined to terminate the Barranco Option and, accordingly, during fiscal 2012, recorded an impairment expense of $748,672 for exploration and evaluation costs incurred.

6. Share Capital

(a) *Authorized Share Capital*

As at November 30, 2013 and 2012 the Company's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) *Reconciliation of Changes in Share Capital*

No financings were conducted by the Company during fiscal 2013 or 2012.

(Expressed in Canadian Dollars)

6. Share Capital (continued)

(c) *Warrants*

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at November 30, 2013 and 2012 and the changes for the years ended on those dates is as follows:

	2013		2012	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Balance, beginning of year	8,726,589	1.79	8,874,943	1.78
Exercised	-	-	(148,354)	0.80
Expired	(8,726,589)	1.79	-	-
Balance, end of year	-	-	8,726,589	1.79

During May 2011 the Company conducted a financing whereby it issued, as partial consideration, 468,300 underwriters' special warrants ("the Underwriters' Special Warrants") with each Underwriters' Special Warrant exercisable to acquire one unit of the Company at $2.00 per unit on or before May 31, 2013. The Underwriters' Special Warrants expired without exercise on May 31, 2013.

(d) *Share Option Plan*

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years.

During fiscal 2013 the Company did not grant any share options or have any share options vest.

During fiscal 2012 the Company granted 36,000 share options to its directors, officers and consultants and recorded compensation expense of $25,968. In addition the Company recorded $34,505 compensation expense attributed to the vesting of share options previously granted. The fair values of the share options granted and/or vested during fiscal 2012 have been estimated using the Black-Scholes option pricing model using the following assumptions: risk-free interest rate of 0.98% - 1.54%; estimated volatility of 95.49% - 128.8%; expected life of 1.5 years - 4.75 years; expected dividend yield of 0%; and estimated forfeiture rate of 0%.

The weighted average fair value of all share options granted and/or vested during fiscal 2012 was $0.72 per option.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's share options.

(Expressed in Canadian Dollars)

6. Share Capital (continued)

A summary of the Company's share options at November 30, 2013 and 2012 and the changes for the years ending on those dates, is as follows:

	2013		2012	
	Number of Options Outstanding	Weighted Average Exercise Price $	Number of Options Outstanding	Weighted Average Exercise Price $
Balance, beginning of year	2,722,752	1.07	2,906,752	1.12
Granted	-	-	36,000	0.52
Expired	(534,786)	0.52	-	-
Cancelled	(1,346,966)	1.11	(220,000)	1.68
Balance, end of year	841,000	1.35	2,722,752	1.07

The following table summarizes information about the share options outstanding and exercisable at November 30, 2013:

Number Outstanding	Exercise Price $	Expiry Date
36,000	0.52	February 16, 2014
20,000	2.00	July 7, 2014
495,000	1.00	April 20, 2016
290,000	2.00	August 24, 2016
841,000		

See also Note 12.

(e) *Escrow Shares*

As at November 30, 2013, 234,000 common shares remain held in escrow.

7. Related Party Disclosures

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Transactions with Key Management Personnel*

In October 2012 Mr. Robert Sedgemore resigned as the Company's President and Chief Executive Officer ("CEO") and Mr. John Seaman was appointed as the interim President and CEO. Mr. Iain Kelso was also appointed as the Company's Vice-President of Exploration. In July 2013 Mr. John Seaman resigned as the interim President and CEO and Mr. Marc Cernovitch was appointed as the Company's President and CEO.

During fiscal 2013 the Company incurred:

(i) $25,000 (2012 - $nil) for Mr. Cernovitch's services as the Company's President and CEO;
(ii) $37,303 (2012 - $nil) for Mr. Seaman's services as the Company's interim President and CEO;
(iii) $30,000 (2012 - $30,000) for Nick DeMare's services as the Company's Chief Financial Officer ("CFO"); and

(Expressed in Canadian Dollars)

7. Related Party Disclosures (continued)

(iv) $167,310 (2012 - $28,019) for Mr. Kelso's services as the Company's Vice-President of Exploration, of which $78,152 (2012 - $6,600) was expensed to officer and director compensation and $89,158 (2012 - $21,419) was capitalized to exploration and evaluation assets.

During fiscal 2012 the Company paid $504,780 salaries and other compensation to Mr. Sedgemore and $29,152 secretarial fees to his spouse. In addition the Company paid $52,111 for apartment rental in Colombia provided for Mr. Sedgemore and his family.

As at November 30, 2013, $14,243 (2012 - $2,500) remained unpaid and has been included in accounts payable and accrued liabilities.

(b) *Transactions with Other Related Parties*

During fiscal 2013 the Company incurred:

(i) $92,436 (2012 - $148,479) for services provided by other officers and non-management directors of the Company; and

(ii) a total of $37,600 (2012 - $46,250) with Chase Management Ltd. ("Chase"), a private corporation owned by the CFO of the Company, for accounting and administration services provided by Chase personnel, excluding the CFO.

As at November 30, 2013, $4,300 (2012 - $9,481) remained unpaid and has been included in accounts payable and accrued liabilities.

8. Income Taxes

A reconciliation of income taxes at the statutory rate with the reported taxes is as follows:

	2013 $	2012 $
Loss for the year	(12,344,643)	(3,609,073)
Expected income tax recovery	(3,168,000)	(906,000)
Changes in statutory and foreign tax	9,000	(135,000)
Permanent difference	2,672,000	249,000
Change in foreign exchange and other	72,000	(81,000)
Change in unrecognized deductible temporary differences	415,000	873,000
Total income tax expense (recovery)	-	-

The Canadian income tax rate declined during the year due to changes in the law that reduced corporate income tax rates in Canada.

(Expressed in Canadian Dollars)

8. Income Taxes (continued)

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	2013		2012	
	$	Expiry Date Range	$	Expiry Date Range
Temporary differences				
Property, plant and equipment	177,000	No expiry date	37,000	No expiry date
Share issue costs	596,000	2014 to 2016	898,000	2013 to 2016
Non-capital losses available for future period	8,153,000	2014 to 2033	6,156,000	2014 to 2032

Tax attributes are subject to review and potential adjustment by tax authorities.

9. Segmented Information

Substantially all of the Company's operations are in one industry, the exploration for precious metals. Management reviews the financial results according to expenditures by property. The Company's mineral properties are located in Colombia and its corporate assets are located in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results.

	As at November 30, 2013		
	Corporate Canada $	Mineral Operations Colombia $	Total $
Current assets	6,128,521	467	6,128,988
Exploration and evaluation assets	-	32,977	32,977
Property, plant and equipment	-	145,313	145,313
	6,128,521	178,757	6,307,278

	As at November 30, 2012		
	Corporate Canada $	Mineral Operations Colombia $	Total $
Current assets	7,980,305	208,699	8,189,004
Exploration and evaluation assets	-	10,360,824	10,360,824
Property, plant and equipment	-	471,795	471,795
	7,980,305	11,041,318	19,021,623

(Expressed in Canadian Dollars)

10. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following four categories: FVTPL; held-to-maturity investments; loans and receivables; and available-for-sale. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	November 30, 2013 $	November 30, 2012 $
Cash	FVTPL	6,087,136	8,008,803
Amounts receivable	Loans and receivables	3,471	11,339
Accounts payable and accrued liabilities	Other liabilities	(46,039)	(415,741)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for amounts receivable, and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company's cash under the fair value hierarchy are measured using Level 1 inputs.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

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 and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash and amounts receivable is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

10. Financial Instruments and Risk Management (continued)

	Contractual Maturity Analysis at November 30, 2013				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash	6,087,136	-	-	-	6,087,136
Amounts receivable	3,471	-	-	-	3,471
Accounts payable and accrued liabilities	(46,039)	-	-	-	(46,039)

	Contractual Maturity Analysis at November 30, 2012				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash	8,008,803	-	-	-	8,008,803
Amounts receivable	11,339	-	-	-	11,339
Accounts payable and accrued liabilities	(415,741)	-	-	-	(415,741)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents bear floating rates of interest. The interest rate risk on cash and short-term investments and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk

The Company has operations in Canada and Colombia subject to foreign currency fluctuations. The Company's operating expenses are incurred in Canadian Dollars and Colombian Pesos and the fluctuation of the Canadian dollar in relation to other currencies will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks. At November 30, 2013, 1 Canadian Dollar was equal to 1,821 Colombian Pesos.

Balances are as follows:

	Colombian Pesos	CDN $ Equivalent
Cash	850,750	467
Accounts payable and accrued liabilities	(29,722,438)	(16,318)
	(28,871,688)	(15,851)

Based on the net exposures as of November 30, 2013 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the Colombian Peso would result in an increase or decrease of approximately $1,800.

(Expressed in Canadian Dollars)

10. Financial Instruments and Risk Management (continued)

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration 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 to sustain future development of the business. The Company defines capital that it manages as share capital. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

11. Supplemental Cash Flow Information

Non-cash activities conducted by the Company during fiscal 2013 and 2012, are as follows:

	2013 $	2012 $
Operating activity		
Accounts payable and accrued liabilities related to exploration and evaluation assets	(21,564)	346,425
Financing activities		
Issuance of common shares for fees	-	76,500
Share-based payments reserve	-	(22,863)
Transfer on exercise of finder's warrants	-	22,863
	-	76,500
Investing activities		
Common shares issued for property finder's fee	-	(76,500)
Accounts payable and accrued liabilities related to exploration and evaluation assets	21,564	(346,425)
	21,564	(422,925)

12. Event after the Reporting Period

Subsequent to November 30, 2013 share options to purchase 36,000 common shares of the Company at $0.52 per share expired without exercise.