ANTIOQUIA GOLD INC

(A Development Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

SIEVERT & SAWRANTSCHUK LLP
CHARTERED ACCOUNTANTS

43 Colborne Street, PH
Toronto, Ontario M5E 1E3
Tel: (416) 979-7444 Fax: (416) 979-8432
e-mail: sievertca@baxter.net
www.sievert.on.ca

INDEPENDENT AUDITOR'S REPORT

To the shareholders of
ANTIOQUIA GOLD INC.:

We have audited the accompanying consolidated financial statements of Antioquia Gold Inc. which comprise the consolidated balance sheets as at March 31, 2011 and 2010, and the consolidated statements of loss, comprehensive loss and deficit, and consolidated statements of 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 Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's 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 auditor's judgement, 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material aspects, the financial position of Antioquia Gold Inc. as at March 31, 2011 and 2010, and its financial performance and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 13 in the consolidated financial statements which indicates that the Company has corrected an error regarding General and Administrative expenses that were deferred as part of Exploration Properties in the amounts of $576,996 (March 31, 2010) and $535,397 (March 31, 2009). The Company has corrected this error and restated the March 31, 2010 consolidated financial statements as set forth in Note 13.

Sievert & Sawrantschuk LLP CA's

July 26, 2011
Toronto, Canada

Sievert & Sawrantschuk LLP
Chartered Accountants, Licensed Public Accountants

ANTIOQUIA GOLD INC.

(A Development Stage Company)

CONSOLIDATED BALANCE SHEETS

As at March 31	**2011**	2010
		(Restated – Note 13)
Assets		
Current		
Cash and cash equivalents	**$1,036,710**	$1,664,509
Investment certificates	**6,200,000**	-
Accounts receivable	**189,703**	55,223
GST receivable	**126,511**	57,120
Prepaid expenses	**6,664**	189,605
Notes receivable (Note 10)	**-**	198,000
	7,559,588	2,164,457
Exploration property (Note 5)	**7,433,824**	4,039,939
Equipment (Note 6)	**174,215**	9,306
Goodwill (Note 4(b))	**1,048,507**	1,048,507
	$16,216,134	$7,262,209
Liabilities		
Current		
Accounts payable and accrued liabilities	**$451,478**	$399,807
Customer deposits	**-**	10,059
	451,478	409,866
Commitments and contingencies (Note 14)		
Shareholders' Equity		
Share capital (Note 4 & 8 (b))	**18,618,167**	7,810,431
Warrants (Note 8 (c))	**1,813,465**	1,933,505
Contributed surplus (Note 9)	**1,503,480**	787,359
Deficit	**(6,170,456)**	(3,678,952)
	15,764,656	6,852,343
	$16,216,134	$7,262,209

See accompanying notes to financial statements.

Approved on behalf of the Board,

Signed: "*Richard A. Thibault*"

Signed: "*R. Brian Murray*"

ANTIOQUIA GOLD INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF LOSS, COMPREHENSIVE LOSS AND DEFICIT

For the years ended March 31	**2011**	2010
		(Restated – Note 13)
Expenses		
Stock based compensation	**$596,082**	$630,059
General and administration	**500,142**	325,175
Management fees (Note 10(a))	**449,842**	353,617
Professional fees	**264,798**	408,167
Investor relations	**238,475**	178,676
Wages	**207,608**	53,546
Travel	**179,950**	98,091
Taxes and fees	**59,962**	18,819
Rent	**57,490**	20,806
Foreign exchange	**53,998**	28,234
Amortization	**15,549**	1,692
Bank charges	**2,891**	6,327
Interest on loan	**-**	107,098
	2,626,787	2,230,307
Other income		
Consulting fees	**123,164**	-
Interest	**12,119**	1,287
	135,283	1,287
Net loss and comprehensive loss for the year	**2,491,504**	2,229,020
Deficit, beginning of year	**3,678,952**	1,449,932
Deficit, end of year	**$ 6,170,456**	$3,678,952
Loss per share, basic and diluted	**$0.03**	$0.05
Weighted average number of shares outstanding (basic)	**86,626,524**	44,852,579

See accompanying notes to financial statements.

ANTIOQUIA GOLD INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31	**2011**	2010
		(Restated – Note 13)
Operating activities		
Net loss for the year	**$(2,491,504)**	$(2,229,020)
Items not affecting cash:		
Stock-based compensation	**596,082**	630,059
Amortization	**15,549**	1,692
Change in non-cash working capital		
Accounts receivable	**(134,480)**	-
GST receivable	**(69,391)**	(19,626)
Prepaid expenses	**182,941**	(161,105)
Accounts payable and accrued liabilities and customer deposits	**41,611**	(24,997)
Cash used in operating activities	**(1,859,192)**	(1,802,997)
Financing activities		
Issuance of share capital, net of share issue costs	**10,712,688**	4,317,378
Exercise of warrants	**95,048**	1,550,363
Settlement of notes receivable	**198,000**	(198,000)
Cash provided by financing activities	**11,005,736**	5,669,741
Investing activities		
Exploration expenditures	**(3,393,885)**	(1,899,697)
Equipment acquisitions	**(180,458)**	(9,306)
Purchase of investment certificates	**(6,200,000)**	-
Investment in IGTER	-	(307,491)
Cash used in investing activities	**(9,774,343)**	(2,216,494)
Net (decrease) increase in cash and cash equivalents during the year	**(627,799)**	1,650,250
Cash and cash equivalents position, beginning of the year	**1,664,509**	14,259
Cash and cash equivalents position, end of year	**$1,036,710**	$1,664,509

Supplemental cash flow information:		
Cash paid for interest	**$ nil**	$107,098
Shares issued for acquisition of mining interest (Note 8)	**$ nil**	$649,009
Shares issued for acquisition of IGTER	**$ nil**	$810,000
Shares issued for debt settlement	**$ nil**	$395,503

See accompanying notes to financial statements.

1. NATURE OF BUSINESS

On July 30, 2008, Antioquia Gold Inc. (formerly High American Gold Inc.) (the "Company") completed a transaction with Am-Ves Resources Inc. ("Am-Ves"), a company which was incorporated under the laws of Alberta on January 19, 2006. The transaction to acquire 100% of the outstanding shares of Am-Ves was accounted for as a reverse takeover as the control of Antioquia Gold Inc. was acquired by the shareholders of Am-Ves. On March 31, 2009 Antioquia Gold Inc. and Am-Ves were amalgamated under the laws of Alberta, and the Company began operating under the name Antioquia Gold Inc. The Company owns 100% of Antioquia Gold Ltd., a Barbados company, which in turn has a branch registered to conduct business in Colombia, South America. All mineral exploration activities of the Company are carried out in Colombia. On December 2, 2009 the company completed the 100% acquisition of Ingenieria Y Gestion Del Territorio S.A. ("IGTER") a management company incorporated under the laws of Colombia.

The Company is engaged in the acquisition, exploration and development of mineral resource properties internationally, with a current focus in Colombia. The Company considers itself to be in the development stage as it is in the process of exploring its mineral properties and has not yet determined whether they contain reserves that are economically recoverable. The success of the Company's exploration and development of its mineral properties will be influenced by significant financial risks, legal and political risks, fluctuations in commodity prices and currency exchange rates, varying levels of taxation and the ability of the Company to discover recoverable reserves and to bring such reserves into production on an economic basis. The Company will be required to obtain additional financing to develop its resource properties. While the Company seeks to manage these risks, many of these factors are beyond its control.

2. GOING CONCERN

These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") applicable for a going concern, which presumes that the Company will continue to realize its assets and discharge its liabilities in the normal course of business. At March 31, 2011, the Company had a cumulative deficit of $6,170,456 (March 31, 2010 – $3,678,952) and working capital of $7,108,111 (March 31, 2010 – $1,754,591). The Company's ability to continue as a going concern is dependent upon its ability to achieve profitable operations, generate sufficient funds and continue to obtain sufficient capital from investors to meet its current and future obligations. The recoverability of amounts shown for exploration properties is dependent on several factors. These factors include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable operations or proceeds from disposition of mineral interests.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries Antioquia Gold Ltd. and Ingenieria Y Gestion Del Territorio S.A. ("IGTER"). Intercompany transactions and balances are eliminated on consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, cash held in a financial institution or investments having a maturity of three months or less at acquisition, that are readily convertible to the contracted amounts of cash. Cash invested with a maturity greater than three months and less than one year are recognized and disclosed as investment certificates.

(c) Revenue recognition

Revenues associated with consulting fees are realized when all significant acts have been completed and when collection is reasonably assured. Interest income is accrued as earned.

(d) Resource properties and deferred exploration costs

Exploration properties are stated at cost. Exploration expenditures relating to mining properties in which an interest is retained are deferred and are carried as an asset until the results of the projects are known. If a project is successful, the acquisition cost and related deferred exploration expenditures are amortized by charges against income from future mining operations. If a project is unsuccessful or if exploration has ceased because continuation is not economically feasible, the cost of the property and the related exploration expenditures are written off.

Exploration expenditures, which are general in nature and cannot be associated with a specific group of mining claims, and general administrative expenses are written off in the year in which they are incurred.

Emerging Issues Committee ("EIC") abstract 174 – Mining Exploration Costs ("EIC-174") provides that a mining enterprise is not precluded from considering exploration costs to have the characteristics of property, plant and equipment when it has not established resource reserves objectively and therefore does not have a basis for preparing a projection of the estimated future net cash flow from the property.

The fair value of resource properties acquired in exchange for the issuance of the Company's shares is determined by the trading price of the Company's shares on a three day average trading price before and after the shares are issued. Resource property costs include initial acquisition costs and related option payments, which are recorded when paid. Exploration and development costs are capitalized until properties are brought into production, when costs are amortized on a unit-of-production basis over economically recoverable reserves, abandoned or the interest is sold. Option payments are credited against resource property costs when received. No gain or loss on disposition of a partial interest is recorded until all carrying costs of the interest have been offset by proceeds of sale or option payments received. Exploration costs related to mining properties may be initially capitalized under Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3061 "Property, Plant & Equipment" if an enterprise considers that such costs have the characteristics of property, plant and equipment and that capitalization is appropriate to its circumstances.

CICA Handbook Section 3061 also requires that property, plant and equipment be written down when the long-term expectation is that the net carrying amount will not be recovered. Further, EIC-174 references certain conditions that should be considered in determining subsequent write-downs, such as a significant drop in mineral prices, a significant deterioration in the availability of financing or a significant delay in the development activity. Management reviews such conditions to determine whether a write-down of capitalized costs is required. When the carrying value of a property exceeds its net recoverable amount, provision is made for the impairment in value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Comprehensive income
Comprehensive income is the change in equity (net assets) of the Company during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes to equity during a period except those resulting from investments by owners and distributions to owners. Comprehensive income (loss) is comprised of net income (loss) for the period and other comprehensive income (loss). This standard requires certain gains and losses that would otherwise be recorded as part of net earnings to be presented in "other comprehensive income (loss)" until it is considered appropriate to recognize into net earnings (loss).

The Company had no comprehensive income or loss transactions, other than its net loss, presented in the Consolidated Statements of Loss and Comprehensive Loss and Deficit, nor has the Company accumulated other comprehensive income during the years that have been presented.

(f) Impairment of long-lived assets
CICA Handbook Section 3063 "Impairment of long-lived assets" requires the Company to assess the impairment of long-lived assets, which consists primarily of exploration properties and equipment, whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used are measured by a comparison of the carrying value of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the amount of the impairment is measured by the amount by which the carrying amount of the asset exceeds its fair value.

(g) Asset retirement obligations
CICA Handbook Section 3110 "Asset retirement obligations" requires that the fair value of a liability or an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The estimate excludes the residual value of the related assets. The associated retirement costs are capitalized as part of the carrying amount of the long lived assets and amortized over the life of the asset. The amount of liability is subject to re-measurement at each reporting period. At the present time, the Company has concluded that there are no asset retirement obligations associated with any of its properties.

(h) Foreign currency translation
The functional currency of the Company is the Canadian dollar. The functional currency of the subsidiaries Antioquia Gold Ltd. and IGTER S.A. is the Colombian Peso and the temporal method of foreign currency translation is applied as the subsidiaries are considered to be an integrated foreign operation. Monetary assets and liabilities denominated in a foreign currency are translated to Canadian dollars at exchange rate in effect at the balance sheet date and non-monetary assets and liabilities are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at rated in effect at the time of the transactions. Foreign exchange gains and losses are included in Consolidated Statements of Loss (Earnings), Comprehensive Loss (Earnings) and Deficit.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Key areas where management has made complex or subjective judgments includes fair value of certain assets; impairment of exploration property; intangible asset impairment assessments; valuation of warrants; stock-based compensation, future tax assets and liabilities and contingencies.

(j) Income taxes

Income taxes are accounted for using the future income tax method. Under this method income taxes are recognized for the estimated income taxes payable for the current year. Future income taxes are recognized for temporary differences between tax and accounting bases of assets and liabilities and for the benefit of losses available to be carried forward for tax purposes that are likely to be realized. Future income tax assets and liabilities are measured using tax rates expected to be recovered or settled. The amount of future income tax assets recognized is limited to the amount of the benefit that is more likely than not to be recognized.

(k) Stock-based compensation cost

CICA Handbook Section 3870 "Stock-based compensation and other stock-based payments" requires that the fair value based method be applied to awards granted. The Company recognizes the stock-based compensation cost related to options granted on the basis of fair value at the date of grant in accordance with the fair value method of accounting for stock-based compensation using the Black Scholes valuation model. The fair value of the option has an offset credit to contributed surplus. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to capital stock.

(l) Income (loss) per share

Basic income (loss) per share is calculated by dividing net income (loss) and comprehensive income (loss) by the weighted average number of common shares outstanding for the period. The computation of diluted income (loss) assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted income (loss) per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. In years when the Company reports a comprehensive loss, the effect of potential issuances of shares under options and warrants would be anti-dilute, and therefore, basic and diluted loss per share are the same. The effect of converting stock options and warrants was anti-dilutive for the years ended March 31, 2011 and 2010.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Financial instruments

Held for trading
Financial assets that are held with the intention of generating profits in the near term and derivative contracts that are financial assets, except for a derivative that is a designated and effective hedging instrument, are classified as held for trading. In addition, any other financial assets can be designated by the Company upon initial recognition as held for trading. These instruments are subsequently re-measured at fair value with the change in the fair value recognized in net income or expense during the period.

Held to maturity
Financial assets that have a fixed maturity date and which the Company has a positive intention and the ability to hold to maturity are classified as held to maturity, which are subsequently re-measured at amortized cost using the effective interest rate method.

Loans and receivables
Loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets in return for a promise to repay on a specified date, or on demand usually with interest. Loans and receivables are subsequently re-measured at amortized cost using the effective interest rate method.

Available for sale
Available for sale assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. Financial assets classified as available for sale are subsequently re-measured if they have quoted market value in an active market. Otherwise, these investments are carried at cost and are written down when impairment is considered that is other than temporary. Any change in fair value is recognized in other comprehensive income.

(n) Financial liabilities

Held for trading
Financial liabilities that are held with the intention of generating profits in the near term and derivative contracts that are financial liabilities, except for a derivative that is a designated and effective hedging instrument, are classified as held for trading. In addition, any other financial liabilities can be designated by the Company upon initial recognition as held for trading. These instruments are subsequently re-measured at fair value with the change in the fair value recognized in net income during the period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Financial liabilities (cont'd)

Other financial liabilities
Non-derivative financial liabilities that have not been designated as held for trading are classified as other liabilities, which are subsequently re-measured at amortized cost using the effective interest rate method.

The Corporation has classified its financial instruments as follows:

Financial instrument	Classification
Cash and cash equivalents	Held for trading
Investment certificates	Held for trading
Account receivable	Loans and receivables
GST receivable	Loans and receivables
Notes Receivable	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities
Customer deposits	Other financial liabilities

(o) Related party transactions

All transactions with related parties are in the normal course of business and are measured at the exchange amount.

(p) Equipment

Equipment is recorded at cost. Amortization per annum is provided as follows:

Office equipment and furniture	10% declining balance
Computer equipment	20% declining balance
Vehicle	20% declining balance

(q) Goodwill and intangible assets

CICA Handbook Section 3064, Goodwill and Intangible Assets ("Section 3064") replaces CICA Handbook Section 3062, Goodwill and Intangible Assets and establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. CICA Handbook Section 1000, Financial Statement Concepts was amended to clarify criteria for recognition of an asset. CICA Handbook Section 3450, Research and Development Costs is replaced by guidance in Section 3064. EIC-27, Revenues and Expenditures During the Pre-Operating Period, is no longer applicable for entities that have adopted Section 3064. CICA Accounting Guideline 11, Enterprises in the Development Stage, was also amended to delete references to deferred costs and to provide guidance on development costs as intangible assets under Section 3064. The adoption of this Section 3064 did not have a significant effect on the Company's consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Environmental expenditures

The operations of the Company may, in the future, be occasionally affected by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company vary greatly and are not predictable.

Environmental expenditures that relate to ongoing environmental and reclamation programs are charged against earnings as incurred or capitalized and amortized depending on their future economic benefits. Estimated future removal and site restoration costs, when the ultimate liability is reasonably determinable, are charged against earnings over the estimated remaining life of the related business operation, net of expected recoveries. As at March 31, 2011, the Company has no environmental expenditures or known liabilities.

(s) Impairment of goodwill

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to the tangible and identifiable intangible assets acquired, less liabilities assumed, based on their fair values. When the Company enters into a business combination, the purchase method of accounting is used. Goodwill is assigned, as of the date of the business combination, to reporting units that are expected to benefit from the business combination. Goodwill is not amortized but instead is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that the asset might be impaired. The impairment test is carried out in two steps. In the first step, the carrying amount of the reporting unit, including goodwill, is compared with its fair value. When the fair value of the reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered to be impaired and the second step of the impairment test is unnecessary. The second step is carried out when the carrying amount of a reporting unit exceeds its fair value, in which case, the implied fair value of the reporting unit's goodwill, determined in the same manner as the value of goodwill is determined in a business combination, is compared with its carrying amount to measure the amount of the impairment loss, if any.

(t) Future accounting changes

Business combinations, consolidated financial statements and non-controlling interests
CICA Handbook Section 1582 "Business Combinations", replaces CICA Handbook Section 1581 "Business Combinations" and establishes standards for the measurement of a business combination and the recognition and measurement of assets acquired and liabilities assumed. The new standard applies to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

CICA Handbook Section 1601 "Consolidated Financial Statements" establishes standards for the preparation of Consolidated Financial Statements.

CICA Handbook Section 1602 "Non-controlling Interests" establishes the accounting for a non-controlling interest in a subsidiary, in the consolidated financial statements, subsequent to a business combination. The standards apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Future accounting changes

International Financial Reporting Standards ("IFRS")
In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian public companies. The AcSB strategic plan outlines the convergence of Canadian GAAP and IFRS over an expected five year transitional period. In February 2008, the AcSB announced that January 1, 2011, is the changeover date for publicly listed companies to use IFRS, replacing Canadian GAAP, affecting interim and annual financial statements relating to fiscal years after this date. These new standards will be applicable as of January 1, 2011. Accordingly, the Company's first consolidated financial statements prepared under IFRS will be presented for its June 30, 2011 first quarter. However, this will also necessitate the restatement of comparative figures for the 2010 comparative period. As such, the Corporation's effective date of transition will be April 1, 2011.

(u) Adoption of new accounting standards

Financial instruments - fair value hierarchy disclosures
During 2009, CICA Handbook Section 3862, Financial Instruments – Disclosures, was amended to require disclosures about the inputs to fair value measurements, including their classifications within a hierarchy that prioritizes the inputs to fair value measurements

The fair value hierarchy levels are as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets and liabilities
Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3	Inputs for the asset or liability that are not based on observable market data

Cash and cash equivalents and Investment certificates are considered Level 1 in the hierarchy.

Disclosures on financial instruments and the associated risks are provided in Note 12.

4. BUSINESS ACQUISITION

(a) Am-Ves Resources Inc. ("Am-Ves")

On July 30, 2008, the Company completed a transaction which resulted in the acquisition of Am-Ves. This transaction was accounted for as a reverse takeover as the control of the Company was acquired by the shareholders of Am-Ves. The Company's common shares were listed and commenced trading on the TSX Venture Exchange on August 5, 2008. The following table summarizes the fair value of the assets and liabilities assumed in this transaction.

Cash indebtedness assumed	$ (18)
Accounts receivable assumed	8,029
Accounts payable and other liabilities assumed	(280,538)
Value assigned to common shares	$ (272,527)

(b) Ingenieria Y Gestion Del Territorio S.A. ("IGTER")

During the year ended March 31, 2010 the Company completed a transaction which resulted in the acquisition of IGTER, a company incorporated under the laws of Colombia, for US$300,000 (CDN$316,110) and 2,000,000 common shares with a value of $810,000.

The following summarizes the fair value of the assets and liabilities acquired in this transaction:

Cash assumed	$ 8,620
Accounts receivable	55,223
Exploration property	90,211
Property, plant & equipment	10,998
Accounts payable	(84,433)
Legal reserve	(3,016)
Value assigned to goodwill	1,048,507
Total consideration	$1,126,110

5. EXPLORATION PROPERTY

	Property acquisition for cash	Property acquisition for shares	Exploration expenditures	Closing balance
				(Restated - Note 13)
Balance as at March 31, 2009	$937,925	$ -	$510,372	$ 1,448,297
Transactions during the year	-	649,009	1,942,633	2,591,642
Balance as at March 31, 2010	$937,925	$649,009	$2,453,005	$4,039,939
Transactions during the year	-	-	3,393,885	3,393,885
Balance as at March 31, 2011	**$937,925**	**$649,009**	**$5,846,890**	**$7,433,824**

See Note 13 for information relating to prior period restatements.

5. EXPLORATION PROPERTY (CONT'D)

(a) Guayabito Project

On October 18, 2007, the Company entered into a purchase option agreement ("Purchase Agreement") to acquire 100% interest of the Guayabito Project located in the Antioquia Department of Colombia. The payment terms of the Purchase Agreement totaled $1,600,000 USD plus 500,000 Am-Ves common shares and the retention of a 1% royalty. The $1,600,000 was paid in a series of payments beginning on October 18, 2007 with the final payment made in August 2010 when 100% ownership of the property was registered with the Colombian National Mining Registry in the name of the Company. The Purchase Agreement also required the Company to incur $2,000,000 USD on a comprehensive exploration and development program. This commitment has been met. The objective to produce a bankable feasibility study allowing for a mine development decision to be made by December 15, 2011 is in progress.

(b) Bullet Project

On April 9, 2009 the Company signed a contract (the "Contract") with Bullet Holding Corp. ("BHC") for the purchase of a 90% interest in certain mining titles in Colombia adjacent to the core Cisneros Project. The terms of the amended Contract required the Company to issue 1,062,500 common shares and 531,250 warrants (each warrant entitled the holder to purchase one additional common share for $0.40 per share prior to expiry on November 12, 2011). All common shares and warrants were issued on November 12, 2009. The Contract also required the Company to incur $2,000,000 USD in exploration expenditures by October 9, 2010 on any of the Company's Cisneros Project. This commitment was met.

The Contract provides BHC with a 10% free carried interest until December 31, 2011 (extended from December 31, 2010) or when a Feasibility Study is completed. BHC will have the option to continue in the project by providing 10% of the funds on the Santa Domingo properties going forward or convert the 10% interest into a 1% net smeltor royalty (NSR).

(c) Pacho Luis Property

On May 19, 2010 the Company entered into a purchase contract for a mining title known as the Pacho Luis lands, a part of the Cisneros Project in Colombia. The acquisition cost was comprised of a cash deposit of $50,000 USD and 150,000 common shares. According to the terms of the contract, the common shares were to be issued upon registration of 100% of the mining title at the Colombia National Mining Registry. The mining title was registered in the name of Antioquia Gold Ltd. on May 23, 2011 and 150,000 common shares were issued on June 23, 2011.

6. EQUIPMENT

	Cost	Accumulated amortization	Net book value
Balance at March 31, 2010	$14,991	$5,685	$9,306
Transactions during the year	180,458	15,549	164,909
Balance at March 31, 2011	**$195,449**	**$21,234**	**$174,215**

7. CONVERTIBLE NOTES

During the year ended March 31, 2009, the Company borrowed $337,512 from certain founder shareholders and directors, for six month terms, bearing interest at 12% per annum and, subject to regulatory approvals, convertible into units of the Company at a price of $0.20 per unit, with each unit comprised of one common share and one-half warrant. Each full warrant entitles the holder to purchase one common share of the Company at a price of $0.30 for a period of 24 months from date of advance.

During the year ended March 31, 2010, the holders of the loans converted $317,512 of principal plus $16,966 of accrued interest for a total of $334,478 to units of the Company at a revised price of $0.10 per unit, with each unit comprised of one common share and one-half warrant, where each full warrant entitles the holder to purchase one common share of the Company at a price of $0.30 per share for 24 months from date of close.

8. SHARE CAPITAL

(a) Authorized: Unlimited Common shares

(b) Issued:

Common shares	Shares	Amounts
Balance at March 31, 2009	26,151,210	$1,766,683
Private placement *(i)*	8,009,058	800,906
Shares issued for debt *(ii)*	2,573,905	257,391
Shares issued for debt *(iii)*	666,701	66,670
Shares issued for debt *(iv)*	714,423	71,442
Private placement *(v)*	1,250,000	250,000
Private placement *(vi)*	3,748,355	749,671
Private placement *(vii)*	7,142,000	1,785,500
Shares issued for the purchase of property (Note 5)	1,062,500	212,500
Shares issued for the purchase of IGTER (Note 4)	2,000,000	810,000
Shares issued for the purchase of property	1,029,502	436,509
Exercise of warrants	10,335,551	2,564,395
Exercise of warrants	-	128,142
Issuance of warrants	-	(1,633,971)
Share issue costs	-	(455,407)
Balance at March 31, 2010	64,683,205	$7,810,431
Private placement *(viii)*	12,128,101	2,425,620
Private placement *(xi)*	19,455,495	7,782,198
Exercise of Special warrant *(viii)*	4,042,700	808,540
Exercise of warrants	316,825	95,048
Share issue costs	-	(303,670)
Balance at March 31, 2011	100,626,326	$18,618,167

8. SHARE CAPITAL (CONT'D)

(c) Warrants

	Warrants	Amounts
Balance at March 31, 2009	11,042,050	$255,000
Issued:		
July 2009 *(i)*	4,004,529	177,138
July 2009 *(ii)*	1,286,953	56,928
August 2009 *(v)*	625,000	63,888
September 2009 *(vi)*	1,874,178	343,524
October 2009 *(vii)*	3,571,000	759,107
November 2009 (note 5(b))	531,250	181,263
Exercise of agents options	206,350	52,123
Issuance of agents warrants	830,200	172,676
Exercise of warrants	(9,922,852)	(128,142)
Exercise of agents options	(420,798)	-
Expiration of warrants	(1,179,750)	-
Balance at March 31, 2010	12,448,110	1,933,505
Issuance of agents warrants *(xiii)*	848,967	(144,378)
Exercise of warrants	(316,825)	24,339
Issuance of Special Warrant *(viii)*	4,042,700	808,540
Exercise of Special Warrant *(viii)*	(4,042,700)	(808,540)
Balance at March 31, 2011	**12,980,252**	**$1,813,465**

(i) On July 25, 2009 the Company issued 8,009,058 units at $0.10 per unit for cash consideration of $800,906 where one unit was comprised of one common share and one half of one common share purchase warrant where a full warrant entitles the holder to purchase one additional common share for $0.30 per share for a period of 24 months expiring on July 25, 2011. There were 4,004,529 warrants issued for this financing.

(ii) On July 25, 2009 the Company issued 2,573,905 units at $0.10 per unit for conversion of convertible loans plus accrued interest in the amount of $257,391 where one unit was comprised of one common share and one half of one common share purchase warrant where a full warrant entitles the holder to purchase one additional common share for $0.30 per share for a period of 24 months expiring on July 25, 2011. There were 1,286,953 warrants issued for this financing.

(iii) On July 25, 2009 the Company issued 666,701 common shares at $0.10 per share for conversion of convertible loans plus accrued interest in the amount of $66,670.

(iv) On July 25, 2009 the Company issued 714,423 common shares at $0.10 per share for conversion of debt owed to certain officers in the amount of $71,442.

(v) On August 25, 2009 the Company issued 1,250,000 units at $0.20 per unit for cash consideration of $250,000 where one unit was comprised of one common share and one half of one common share purchase warrant where a full warrant entitles the holder to purchase one additional common share for $0.30 per share for a period of 24 months expiring on August 28, 2011. There were 625,000 warrants issued on this financing.

8. SHARE CAPITAL (CONT'D)

(vi) On September 25, 2009 the Company issued 3,748,355 units at $0.20 per unit for cash consideration of $749,671 where one unit was comprised of one common share and one half of one common share purchase warrant where a full warrant entitles the holder to purchase one additional common share for $0.30 per share for a period of 24 months expiring on September 25, 2011. There were 1,874,178 warrants and 130,000 broker warrants issued in this financing.

(vii) On October 22, 2009 the Company, pursuant to a non-brokered private placement, issued 7,142,000 units at $0.25 per unit for cash consideration of $1,785,500 where one unit was comprised of one common share and one half of one common share purchase warrant where a full warrant entitles the holder to purchase one additional common share for $0.40 per share for a period of 18 months expiring on April 22, 2011. There were 3,571,000 warrants and 700,200 broker warrants issued in this financing.

The fair value of the warrants issued in the prior year was determined using the Black-Scholes option pricing model with the following assumptions: dividend yield – NIL, expected volatility – 85%, risk free rate of return – 1.19% to 1.37% and the weighted average life – 1.5 to 2 years.

(viii) On August 13, 2010 the Company issued 12,128,101 common shares at $0.20 per share for cash consideration of $2,425,620. The Company also issued a Special Warrant that was convertible into 4,042,700 common shares for proceeds of $808,540. The Special Warrant was exercised on October 28, 2010 and proceeds of $808,540 were released from escrow. In connection with the private placement, the Company granted 848,967 agents warrants exercisable at $0.20 expiring on August 13, 2012.

The fair value of the warrants issued was determined using the Black-Scholes options pricing model with the following assumptions: dividend yield – NIL, expected volatility – 129%, risk free rate of return – 1.03% and a life of two years.

(ix) On February 4, 2011 the Company issued 19,455,495 common shares at $0.40 per share for cash consideration of $7,782,198 pursuant to a non-brokered private placement.

The following table summarizes warrants outstanding at March 31, 2011:

Date of expiry	Warrants Outstanding	Exercise price
July 25, 2011	4,779,657	$0.30
August 28, 2011	615,131	$0.30
September 22, 2011	4,271,200	$0.40
September 25, 2011	1,934,047	$0.30
November 12, 2011	531,250	$0.40
August 13, 2012	848,967	$0.20
	12,980,252	

8. SHARE CAPITAL (CONT'D)

(d) Stock Options

The Company has a stock option plan that provides for the issuance to its directors, officers, employees and consultants options to purchase from treasury a number of common shares not exceeding 10% of the common shares that are outstanding from time to time which is the number of shares reserved for issuance under the plan. Options granted under the plan vest at the time of the grant. The options are non-transferable if not exercised.

The following tables summarize information regarding stock options for the years ended March 31, 2010 and 2011:

	Number	Weighted average exercise price
Balance, March 31, 2009	2,350,000	$0.30
Granted	3,239,780	0.39
Forfeited and cancelled	(100,000)	0.30
Balance, March 31, 2010	5,489,780	0.36
Granted	2,568,000	0.33
Forfeited and cancelled	(1,582,500)	0.30
Balance, March 31, 2011	**6,475,280**	**$0.36**

Date of grant	Number of options outstanding	Exercise price	Remaining life *(yrs)*	Date of Expiry	Exercisable Options
Aug 25, 2008	2,100,000	$0.30	0.40 years	Aug 25, 2011	2,100,000
Sep 22, 2009	618,350	$0.30	1.48 years	Sep 22, 2012	618,350
Sep 22, 2009	71,430	$0.30	0.33 years	Jul 31, 2011	71,430
Dec 23, 2009	1,400,000	$0.49	1.73 years	Dec 23, 2012	1,400,000
Apr 12, 2010	80,000	$0.34	2.04 years	Apr 12, 2013	80,000
Aug 18, 2010	48,000	$0.25	0.33 years	Jul 31, 2013	36,000
Sep 14, 2010	150,000	$0.25	2.46 years	Sep 14, 2010	150,000
Oct 26, 2010	1,057,500	$0.35	4.58 years	Oct 26, 2015	1,057,500
Nov 11, 2010	400,000	$0.35	4.62 years	Nov 11, 2015	100,000
Feb 3, 2011	300,000	$0.32	4.85 years	Feb 3, 2016	300,000
March 23, 2011	250,000	$0.365	4.98 years	Mar 23, 2016	250,000
Total	**6,475,280**				**6,163,280**

8. SHARE CAPITAL (CONT'D)

During the year, the Company granted 1,970,000 (2010 – 2,818,350) stock options to directors, officers, employees. These options vest immediately and expire in three to five years from date of grant. The Company also granted 598,000 (2010 – 421,430) stock options during the year to consultants conducting investor relations activities for the Company. These options vest as to 25% every three months after the date of grant such that that the consultant will be able to exercise 100% of the option upon the conclusion of twelve months from the date of grant. These options generally expire in one – five years from the date of grant.

The fair value per option was estimated using the Black-Scholes option pricing model with the following assumptions for stock options issued during the year ended March 31, 2011; dividend yield – nil, expected volatility – 129%, risk free rate of return 2.5 to 3.5% and the weighted average life – 1 to 3 years. The following assumptions were used for stock options issued on or before March 31, 2010; dividend yield – nil, expected volatility – 85%, risk free rate of return - 1.50% to 2.73% and the weighted average life – 1.5 to 3 years.

9. CONTRIBUTED SURPLUS

The following table presents changes in contributed surplus:

For the years ended March 31	**2011**	2010
Balance, beginning of year	$787,359	$157,300
Black-Scholes on stock options granted	596,082	630,059
Black-Scholes on warrants granted	144,378	-
Exercise of warrants	(24,339)	-
Balance, end of year	**$1,503,480**	**$787,359**

10. RELATED PARTY TRANSACTIONS

During the year, the following related party transactions occurred:

(a) Included in Management fees was $449,842 (2010 - $353,617) paid to companies owned by three officers and one former officer of the Company.

(b) Included in Exploration costs was $264,000 (2010 – $165,300) paid to companies owned by one officer and one consultant of the Company.

There were no warrants issued to officers, directors or relatives of directors during the year ended March 31, 2011. During the year ended March 31, 2010, 366,649 warrants were issued to certain officers, directors and relatives of directors.

There were no warrants exercised by officers, directors or relatives of directors during the year ended March 31, 2011. During the year ended March 31, 2010, two companies owned by directors exercised warrants for 990,000 common shares for total consideration of $198,000 which was recorded as notes receivable at March 31, 2010. The notes receivable were paid in full in December, 2010.

There were 1,250,000 stock options granted to officers and directors during the year ended March 31, 2011. During the year ended March 31, 2010, 1,693,350 stock options were granted to officers and directors.

10. RELATED PARTY TRANSACTIONS (CONT'D)

There were no common shares issued to officers, directors or relatives of directors during the year ended March 31, 2010. During the year ended March 31, 2010, 2,114,423 common shares were issued to officers, directors and relatives of directors for gross proceeds of $211,332.

11. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base with the objectives of maintaining financial flexibility, creditor and market confidence and to sustain the future development of the business. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company ensures as much as possible that it will have sufficient liquidity to meet liabilities when due. The Company considers its capital structure to include working capital, and common share capital. In order to maintain or adjust the capital structure, the Company may from time to time issue common shares or other securities, sell assets or adjust its capital spending to manage current and projected working capital levels.

For the year ended March 31	**2011**	2010
Cash and cash equivalents	$1,036,710	$1,664,509
Investment certificates	6,200,000	-
Other current assets	322,878	499,948
Accounts payable	(451,478)	(399,807)
Customer deposits	-	(10,059)
Net working capital	7,108,110	1,754,591
Common share capital	$18,618,167	$ 7,810,431

Due to long lead times on several of the Company's exploration and development projects, from time to time the Company secures capital to fund its investments in mineral projects in advance which results in a net working capital balance. As exploration projects progress the Company expects the net working capital balance to significantly decrease from current levels, and additional capital will be required to fund additional projects. If the Company is unsuccessful in raising additional capital, the Company may have to sell, farm out or forfeit rights to some or all of its mineral properties. The Company is not subject to externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, market risk, foreign currency risk, commodity price risk, interest rate risk and fair value.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management framework and monitors risk management activities. Management identifies and analyzes the risks faced by the Company and may utilize financial instruments to mitigate these risks.

12. FINANCIAL INSTRUMENTS (CONT'D)

Credit risk

Cash and cash equivalent consist of bank balances and short term deposits maturing in less than three months. The Company manages the credit exposure related to short term investments by selecting counterparties based on credit ratings and monitors all investments to ensure a stable return, avoiding complex investment vehicles with higher risk such as asset backed commercial paper. At March 31, 2011 cash deposits were concentrated at one major Canadian bank.

The carrying amounts of accounts receivable and cash and cash equivalents represent the maximum credit exposure. The Company does not have an allowance for doubtful accounts as at March 31, 2011, and did not provide for any doubtful accounts nor was it required to write off any receivables during the year ended March 31, 2011 or the year ended March 31, 2010.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as much as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and unusual conditions without incurring unacceptable losses, relinquishment of properties or risking harm to the Company's reputation.

The Company prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary to provide current cash flow estimates. The Company also utilizes authorizations for expenditures on projects to further manage capital expenditures. To facilitate the capital expenditure program, the Company has raised capital through the issuance of common shares. Additional financing will be required to complete planned capital programs.

The Company's financial liabilities as at March 31, 2011, consist of accounts payable and accrued liabilities.

Market risk

Market risk is the risk that changes in market factors, such as foreign exchange rates, commodity prices, and interest rates will affect the Company's net income or the value of financial instruments. The objective of market risk management is to mitigate risk exposures within acceptable limits, while maximizing returns. The Company currently does not manage market risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Company is exposed to foreign currency fluctuations as certain transactions are denominated in Colombian Pesos and United States of America dollars. Foreign exchange expense for the year ended March 31, 2011 was $53,998 and for the year ended March 31, 2010 was $28,234.

The Company had no forward exchange rate contracts in place as at or during the years ended March 31, 2011 and 2010.

12. FINANCIAL INSTRUMENTS (CONT'D)

Commodity price risk

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Significant changes in commodity prices can materially impact the Company's financial results. Lower commodity prices can reduce the Company's ability to raise capital. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand.

Interest rate

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's sensitivity to interest rates is currently immaterial. The Company had no interest rate swaps in place as at or during the year ended March 31, 2011.

Fair value

Fair value is determined using the following methods and assumptions:

The carrying value of cash and cash equivalents, accounts receivable, GST receivable, accounts payable and accrued liabilities, and customer deposits approximate their fair value due to the relatively short periods to maturity of these instruments.

Sensitivity analysis

i) The Company believes that the movements in investments held for trading that are reasonably possible over the next twelve-month period will not have a significant impact on the Company. The Company believes that its cash position and short-term investments provide adequate liquidity to meet all of the Company's near-term obligations.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk is minimal as there are no interest-bearing outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

(iii) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars and US dollars and the Company funds major exploration expenses in Colombia pesos. If the Colombian peso appreciated by 10%, the Company's net loss would increase by approximately $216,000 and total assets would increase by approximately $532,000. If the Colombian peso depreciated by 10%, the Company's net loss would decrease by the same amounts. The Company does not manage its foreign currency risk.

(iv) Commodity price risk

Commodity prices, and in particular gold spot prices, fluctuate and are affected by factors outside of the Company's control. The current and expected future spot prices have a significant impact on the market sentiment for investment in mineral exploration companies and may impact the Company's ability to raise equity financing for its ongoing working capital requirements.

13. PRIOR PERIOD ADJUSTMENTS

Correction of error in accumulated mineral exploration expenses
The restatement to the 2010 consolidated financial statements, as previously reported, resulted from the correction of general and administrative expenses recognized as part of exploration property in 2010 ($576,996) and 2009 ($535,397) in error as these expenses were ineligible for deferral.

The following table outlines the impact of the adjustments by financial statement line item in the Company's consolidated balance sheet as at March 31, 2010 and consolidated statements of loss and comprehensive loss for the year ended March 31, 2010. Only those line items impacted by the restatement have been disclosed below.

	As Previously Recorded March 31, 2010	Adjustment	As Restated March 31, 2010
Consolidated Balance Sheets			
Exploration Properties	5,152,332	1,112,393	4,039,939
Deficit, beginning of year	914,535	535,397	1,449,932
Deficit, end of year	2,566,559	1,112,393	3,678,952
Consolidated Statements of Loss and Comprehensive Loss and Deficit			
General and administration	43,416	281,760	325,176
Wages	-	53,546	53,546
Professional Fees	38,805	369,362	408,167
Travel	92,276	5,815	98,091
Loss from Continuing Operations	1,653,311	576,996	2,230,307
Net Loss and Comprehensive Loss for the year	1,652,024	576,996	2,229,020
Loss per share, basic and diluted	0.03	0.02	0.05

14. COMMITMENTS AND CONTINGENCY

The Company has the following commitments under agreements entered into before March 31, 2011:

(a) The Company has four service contracts in place with companies providing consulting services to the Company. The total commitment with respect to these contracts is $57,000 per month. The service contracts are renewable at December 31, 2011.

(b) On July 19, 2010, the Company entered into an office lease agreement for approximately $6,500 per month for a period of five years commencing September 1, 2010 and ending August 31, 2015. The Company sublet the office space effective February 1, 2011 for the duration of the lease at a net loss of $212 per month.

14. COMMITMENTS AND CONTINGENCY (CONT'D)

(c) Effective March 1, 2010 the Company adopted a resolution whereby each non-contracted Director be paid a $1,500 monthly fee to be earned at the time that any stock options or warrants are exercised by the director. The Director will be required to pay for the stock options or warrants exercised in full at the time of exercise. Upon exercise and payment of the stock options or warrants, the Director will then receive payment for contingent Directors' fees to date, which amount shall not exceed the amount of the exercise of stock options or warrants. This amount represents a contingent liability and will only be paid to a Director under the following conditions; 1) they continue to be a Director, 2) they pay for the options and warrants exercised in full at the time of exercise, and 3) they exercise their options and warrants. The potential commitment at March 31, 2011 is $70,500.

(d) Prior to March 31, 2011 the Company received an action started by a former consultant. Legal counsel has determined the action is without merit and the action is being defended.

15. INCOME TAXES

The provision for income taxes reported differs from the amounts computed by applying the cumulative Canadian federal and provincial income tax rates to the net loss and comprehensive loss due to the following:

	2011	2010 (Restated – Note 13)
Statutory Rate	28.5%	29%
Loss before income taxes	710,079	646,416
Non-deductible portion of meals and entertainment	327	351
Stock based compensation	169,883	182,720
Share issue costs	(154,968)	(21,274)
Loss carry-forward available	(725,321)	(808,213)
Income tax (recovery) expense	$ -	$ -

The tax effect of temporary differences that would give rise to significant portions of the future tax assets and future tax liabilities at March 31, 2011 were as follows:

	2011	2010 (Restated – Note 13)
Statutory Rate	25%	25%
Non-capital losses available	$ 869,845	$ 424,128
Other	211,728	14,672
Future income tax assets	1,081,573	438,800
Future income tax liabilities	-	-
Less: Valuation allowance	(1,081,573)	(438,800)
Net future income tax assets and liabilities	$ -	$ -

15. INCOME TAX (CONT'D)

The Company has placed a full valuation allowance on its excess tax assets due to a lack of past taxable profits. It does not believe significant income tax obligations will occur in the near future. At March 31, 2011, the Company has the following unused tax losses available for tax carry-forward purposes in Canada:

Expiry	Amount
2014	$ 24,000
2015	24,000
2026	30,941
2027	5,097
2028	501,447
2029	231,917
2030	879,111
2031	1,782,866
	$ 3,479,379

As at March 31, 2011 the unused tax losses available for tax carry forward purposes is $3,479,379 (2010 - $1,696,513). The estimated taxable income for the year ended March 31, 2011 is $Nil (2010: $Nil). It cannot be reasonably estimated at this time if it is more likely than not that the Company will realize the benefits from future income tax assets of the amounts owing from future income tax liabilities. Consequently, the future recovery or loss arising from differences in tax values and accounting values has been reduced by an equivalent estimated taxable temporary difference valuation adjustment.

The estimated taxable temporary valuation allowance will be adjusted in the period in which it is determined that it is more likely than not that some portion or all of the future tax assets or future tax liabilities will be realized.

16. SUBSEQUENT EVENTS

a) On April 21, 2011, the expiry date for 3,571,000 warrants issued on October 22, 2009 was extended from April 22, 2011 to September 22, 2011. Brokers warrants (700,200) issued on the same date were not extended and expired on April 22, 2011.
b) On May 11, 2011, 100,000 stock options were granted to Contrary Investors Café, a company that has been retained for a twelve-month contract to provide investor awareness services to the Company beginning May 1, 2011. The options are exercisable at $0.40 each, vest in accordance with the existing stock option plan with respect to investor relations firms and expire in five years.
c) On June 9, 2011, 250,000 stock options were granted to a newly appointed board member. The options are exercisable at $0.40 each, vest immediately and expire in five years.
d) On June 23, 2011, 150,000 common shares were issued as a result of the mining title known as the Pacho Luis lands being registered in the name of Antioquia Gold Ltd. on May 23, 2011.

17. COMPARATIVE

Certain of the comparative figures have been reclassified to conform with the presentation adopted for the current year and in accordance with Note 13.