Black Birch Capital Acquisition II Corp.

(A Capital Pool Company)

First Quarter Ended March 31, 2013

(*Unaudited*)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

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

Black Birch Capital Acquisition II Corp.

(A Capital Pool Company)

Condensed Interim Statements of Financial Position

(Unaudited - expressed in Canadian dollars)

	Note	March 31, 2013 $	December 31, 2012 $
Assets			
Current assets			
Cash and cash equivalents		359,117	421,508
HST receivable		3,974	5,139
Total assets		363,091	426,647
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	4	5,866	19,130
Shareholders' equity			
Share capital	5	453,057	453,057
Contributed surplus	5	79,012	79,012
Deficit		(174,844)	(124,552)
		357,225	407,517
Total liabilities and shareholders' equity		363,091	426,647

Nature of Operations and Future Operations (note 1)

Subsequent Events (note 9)

On behalf of the Board

(signed) "Paul Haber" (signed) "James Xiang"

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

Black Birch Capital Acquisition II Corp.

(A Capital Pool Company)

Condensed Interim Statements of Loss and Comprehensive Loss

For the three months ended March 31

(Unaudited - expressed in Canadian dollars)

	Note	2013 $	2012 $
General and administrative expenses			
Qualifying transaction costs		45,732	-
Shareholder communications		195	-
Transfer agent fees		232	-
Annual listing fees		5,200	5,200
		51,359	
Other income (expenses)			
Bank fees		(24)	(222)
Interest income		1,091	1,220
		1,067	998
Net loss and comprehensive loss for the period		(50,292)	(4,202)
Basic and diluted loss per share	7	(0.01)	0.00

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

Black Birch Capital Acquisition II Corp.

(A Capital Pool Company)

Condensed Interim Statements of Changes in Equity

(Unaudited - expressed in Canadian dollars)

	Share Capital				
	Number	Amount	Contributed Surplus	Deficit	Total Shareholders' Equity
Balance, January 1, 2013	7,365,000	453,592	79,012	(124,552)	407,517
Net loss and comprehensive loss for the period	-	-	-	(50,292)	(50,292)
Balance, March 31, 2013	7,365,000	453,057	79,012	(174,844)	357,225
Balance, January 1, 2012	7,365,000	453,592	79,012	(85,286)	446,783
Net loss and comprehensive loss for the period	-	-	-	(4,202)	(4,202)
Balance, March 31, 2012	7,365,000	453,057	79,012	(89,488)	442,581

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

Black Birch Capital Acquisition II Corp.

(A Capital Pool Company)

Condensed Interim Statements of Cash Flows

For the three months ended March 31

(Unaudited - expressed in Canadian dollars)

	2013 $	2012 $
Cash flows (used in) from operating activities		
Net loss for the period	(50,292)	(4,202)
Items not affecting cash		
Share-based payments	-	-
	(50,292)	(4,202)
Changes in non-cash operating working capital		
Change in HST receivable	1,165	(677)
Change in accounts payable and accrued liabilities	(13,264)	-
Net cash (used in) from operating activities	(62,391)	(4,879)
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Decrease in cash and cash equivalents	(62,391)	(4,879)
Cash and cash equivalents - Beginning of period	421,508	464,339
Cash and cash equivalents - End of period	359,117	459,460
Cash and cash equivalents are comprised of:		
Cash	59,117	59,460
Cash equivalents	300,000	400,000
	359,117	499,437
Supplemental cash flow information		
Interest received	-	-
Taxes paid	-	-

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

(Unaudited - expressed in Canadian dollars)

1 Nature of Operations and Future Operations

Corporate information

Black Birch Capital Acquisition II Corp. (the "Company") was incorporated pursuant to articles of incorporation dated November 3, 2009 under the *Business Corporations Act* (Ontario). The Company is a "Capital Pool Corporation" ("CPC"), as this term is defined in the policies of the TSX Venture Exchange (the "Exchange"). As at March 31, 2013, the Company has no business operations but had entered into a definitive agreement to acquire the Condor Gold Project in Ecuador. Please see subsequent events note for additional information. The Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholder approval and acceptance by the Exchange. The Company trades under the symbol BBT.P. The address of the Company's corporate office and principal place of business is 10 Pauline Avenue, Brooklin, Ontario, Canada.

The gross proceeds raised from the IPO may only be used to identify a Qualifying Transaction, with the exception that the lesser of 30% of the gross proceeds and $210,000 may be used to cover prescribed costs of issuing the common shares in the capital of the Company (the "Common Shares") or administrative and general expenses of the Company.

Where an acquisition or participation (the "Qualifying Transaction") is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. Under the policies of the Exchange, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange. This deadline to complete a Qualifying Transaction was March 18, 2013. Accordingly, the Company's shares have been suspended from trading by the Exchange. The Company will be moved from the Exchange to the NEX Exchange in 90 days if a Qualifying Transaction has not been completed. In addition, 1,000,000 share issued to the founders will be cancelled. There is no assurance that the Company will be able to complete a Qualifying Transaction. See Note 9.

Going concern of operations

The Company does not generate revenue from operations. The Company incurred a net loss of $50,292 during the three months-ended March 31, 2013 and, as of that date the Company's deficit was $174,844. However, the Company has sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period. These condensed interim financial statements have been prepared on a going concern basis, which presumes realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. As the Company has no revenues, its ability to continue as a going concern is dependent on obtaining additional financing and completing a Qualifying Transaction. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the company be unable to continue in business.

(expressed in Canadian dollars)

2 Basis of Presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2012, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended December 31, 2012 except as outlined in Note 3.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2012.

These financial statements were approved by the board of directors for use on May 28, 2013.

3 Changes in accounting policies including initial adoption

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

The following new standards, amendments and interpretations that have been adopted for the Company's current fiscal year have not had a material impact on the Company:

- IFRS 10 *"Consolidated Financial Statements"*
- IFRS 11 *"Joint Arrangements"*
- IFRS 12 *"Disclosure of Interests in Other Entities"*
- IFRS 13 *"Fair Value Measurement"*
- IAS 1 *"Presentation of Financial Statements"* amendments

The following new standard has been issued but not yet applied.

- IFRS 9 *"Financial Instruments"* was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly

(expressed in Canadian dollars)

represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement,* except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. This new standard is effective for annual periods beginning on or after January 1, 2015 with earlier application permitted. The Company has not assessed the impact of this standard.

4 Accounts Payable and Accrued Liabilities

	March 31, 2013 $	December 31, 2012 $
Current		
Trade payables	1,467	14,130
Accrued liabilities	4,399	5,000
	5,866	19,130

5 Share Capital

a) Authorized

An unlimited number of common shares.

The holders of the common shares are entitled to one vote per share. The holders of the common shares are entitled to dividends, when and if declared by the directors of the Company, and to the distribution of the residual assets of the Company in the event of the liquidation, dissolution or winding-up of the Company. No dividends have ever been declared or paid as at March 31, 2013.

b) Issued and outstanding

	Number of common shares	Amount $
Balance – January 1, 2013	7,365,000	453,057
Additional share issue costs during the period	-	-
Balance – March 31, 2013	7,365,000	453,057

(expressed in Canadian dollars)

c) **Stock options**

Stock option plan

The Company has established a stock option plan (the "Plan") for the benefit of full-time and part-time employees, officers, directors and consultants of the Company and its affiliates. The maximum number of shares available under the Plan is limited to 10% of the issued common shares. Awards may be granted for a maximum term of ten years from the date of grant.

(i) Changes in stock options

The Company's stock options outstanding as at March 31, 2013 and the changes for the three months then ended are as follows:

	Number of options	**Weighted average price**	**Weighted average remaining contractual life (years)**
Balance – January 1, 2013	736,500	$0.10	2.96
Options granted	-	-	-
Options exercised	-	-	-
Balance outstanding – March 31, 2013	736,500	$0.10	2.74
Balance exercisable – March 31, 2013	736,500	$0.10	2.74

During the three months ended March 31, 2013, the Company recorded share-based payments of $Nil (March 31, 2012 - $Nil) in respect of stock options previously granted.

(ii) Fair value of stock options granted

The weighted average grant date fair value of options granted during the three months ended March 31, 2013 was $Nil (March 31, 2012 - $Nil), as no options were granted.

(iii) Options exercised

During the three months ended March 31, 2013, the weighted average share price at the date of exercise for stock options exercised was $Nil (March 31, 2012 - $Nil) as no options were exercised.

(expressed in Canadian dollars)

(iv) Options outstanding at the end of the period

The following table summarizes information concerning outstanding and exercisable options at March 31, 2012:

Number Outstanding	**Number Exercisable**	**Exercise Price**	**Expiry Date**
736,500	736,500	$0.10	Dec. 20, 2015

d) **Warrants**

(i) Changes in warrants

The Company's warrants outstanding as at March 31, 2013 and the changes for the three months then ended are as follows:

	Number of warrants	**Weighted average price**
Balance – January 1, 2013	536,500	$0.10
Warrants issued	-	-
Warrants expired	536,000	$0.10
Balance – March 31, 2013	-	-

(ii) Warrants exercised

During the three months ended March 31, 2013, the weighted average share price at the date of exercise for warrants exercised was $Nil (March 31, 2012 - $Nil) as no warrants were exercised.

(iii) Warrants outstanding at the end of the period

All warrants granted expired March 17, 2013, as such no warrants remain outstanding.

e) **Contributed surplus**

The Company's contributed surplus balance as at March 31, 2013 and the changes for the three months then ended are as follows:

	$
Balance – January 1, 2013	79,012
Activity during the period	-
Balance – March 31, 2013	79,012

(expressed in Canadian dollars)

The above balance is comprised of $30,281 related to the warrants issued and $48,731 for stock-based payments incurred on the granting of stock options. These amounts remain unchanged since year-end.

6 Related Party Transactions

The Company's related parties consist of directors and officers or companies associated with them. The Company incurred no transactions with related parties during the three months ended March 31, 2013 and 2012.

Key management includes the Chief Executive Officer and the Chief Financial Officer. In accordance with Exchange policies for CPCs, no salaries or other benefits may be paid or accrued to key management.

7 Basic and Diluted Loss Per Share

The calculation of basic and diluted loss per share for the three months ended March 31, 2013 and 2012 was based on the following:

	March 31, 2013 $	**March 31, 2012 $**
Net loss and comprehensive loss for the period	-	-
Weighted average number of shares outstanding	5,365,000	5,365,000

At March 31, 2013, diluted loss per share did not include the effect of 736,500 (March 31, 2012 – 1,273,000) options (March 31, 2012 – options and warrants) outstanding as they are anti-dilutive. In addition, 2,000,000 founders shares been excluded from the calculation as they are subject to escrow provisions.

8 Segment Information

The Company's operations are limited to a single industry segment, being the identification, evaluation, and acquisition of assets, properties or businesses. All assets and liabilities of the Company are located in Canada.

9 Subsequent Events

Effective January 4, 2013 the Company announced a qualifying transaction with GS International Mining Co., Ltd. ("GSI") to acquire Mineral Guangshou Ecuador S.A. of Ecuador (the "Acquisition"). Mineral Guangshou Ecuador S.A. ("Guangshou") holds a 70% interest in the Ecuador company, JVChinapintza Mining S.A. ("JV Chinapintza"), which holds a 100% interest in and title to an Ecuador gold mineral property located in the Viche Conguime I Concession of the Condor Gold Project in the Zamora Province of Ecuador (the "Chinapintza Property"). The Company plans to acquire Guangshou in exchange for the issuance of 35,000,000 common shares of the Company.

(Unaudited - expressed in Canadian dollars)

In connection with the Acquisition, the Company intends to complete a private placement for minimum gross aggregate proceeds of up to $55,000 and maximum gross proceeds of $500,000 (the "Private Placement").

Pursuant to the Private Placement, the Company has entered into a sponsorship agreement (“Sponsorship Agreement”), whereby the sponsor will provide a sponsorship report pursuant to the policies of the Exchange for a fee of $35,000 plus applicable taxes. Under the Sponsorship Agreement, the Sponsor will be entitled to a cash commission of 10% of the gross proceeds raised from investors introduced to the Company and 6% if not otherwise introduced plus a number of Resulting Issuer Warrants (the “Agent’s Warrants”) equal to 10% of the number of the Company’s common shares purchased by investors introduced by the sponsor to the Company and 6% of the number of the Company’s shares purchased by investors not introduced by the sponsor. Each Agent’s Warrant will entitle the holder to acquire one post-Acquisition common share of the Company for a period of 24 months from the date of issue at a price of $0.10 per share.

The above transaction is subject to a number of conditions including the completion of due diligence and Exchange approval.