OBAN

MINING CORPORATION

(formerly Braeval Mining Corporation)

Condensed Interim Consolidated Financial Statements

For the three and six month period ended June 30, 2014 and 2013

Presented in Canadian dollars

(Unaudited)

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OBAN MINING CORPORATION

(formerly Braeval Mining Corporation)

Condensed Interim Consolidated Statements of Financial Position
(In Canadian dollars)
(Unaudited)

As at,	**June 30, 2014**	December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	**$ 13,712,477**	$ 11,054,929
Other receivables	**90,155**	113,899
Prepaid expense and advances	**98,258**	109,608
Marketable securities (note 7)	**75,000**	15,000
Current assets	**13,975,890**	11,293,436
Non-current assets		
VAT receivable (note 5)	**1,231,076**	93,870
Restricted cash	**69,833**	129,500
Plant and equipment (note 8)	**89,549**	37,562
Exploration and evaluation assets (note 9)	**19,617,097**	196,880
Total non-current assets	**21,007,555**	457,812
Total assets	**$ 34,983,445**	$ 11,751,248
Liabilities		
Current liabilities		
Other payables	**$ 318,562**	$ 301,539
Total current liabilities	**318,562**	301,539
Equity		
Share capital (note 11)	**52,139,580**	26,859,121
Contributed surplus (note 11)	**3,155,123**	2,502,411
Accumulated other comprehensive income	**333,380**	257,743
Deficit	**(20,963,200)**	(18,169,566)
Total equity attributed to equity holders of the Corporation	**34,664,883**	11,449,709
Total liabilities and equity	**$ 34,983,445**	$ 11,751,248

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

Commitments (note 14)

OBAN MINING CORPORATION

(formerly Braeval Mining Corporation)

Condensed Interim Consolidated Statement of Loss and Comprehensive Loss
(In Canadian dollars)
(Unaudited)

	Three months ended		Six months ended	
For the period ended,	**June 30, 2014**	June 30, 2013	**June 30, 2014**	June 30, 2013
Expenses from continuing operations (note 6)				
Compensation	**$ 833,281**	$ 378,987	**$ 1,103,571**	$ 976,333
General and administration expenses	**280,920**	330,462	**503,379**	770,033
General exploration	**86,189**	11,425	**90,927**	19,902
Exploration and evaluation assets written off (note 9)	**1,121,752**	-	**1,121,752**	-
Unrealized gain from marketable securities (note 7)	**(60,000)**	-	**(60,000)**	-
Foreign currency exchange loss	**80,142**	51,272	**81,696**	16,735
Operating loss from continuing operations	**2,342,284**	772,146	**2,841,325**	1,783,003
Finance income	**(27,352)**	(24,562)	**(53,535)**	(54,482)
Finance costs	**2,591**	3,212	**5,844**	6,820
Net finance income from continuing operations	**(24,761)**	(21,350)	**(47,691)**	(47,662)
Loss for the period from continuing operations	**2,317,523**	750,796	**2,793,634**	1,735,341
Loss for the period from discontinued operations (note 10)	**-**	6,288,038	**-**	6,607,848
Total loss for the period	**$ 2,317,523**	$ 7,038,834	**$ 2,793,634**	$ 8,343,189
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss	**$ (67,310)**	$ (117,359)	**$ (75,637)**	$ (117,359)
Comprehensive income for the period	**(67,310)**	(117,359)	**(75,637)**	(117,359)
Total comprehensive loss	**$ 2,250,213**	$ 6,921,475	**$ 2,717,997**	$ 8,225,830
Basic and diluted loss per share (note 11)				
From continuing operations	**$ 0.03**	$ 0.03	**$ 0.05**	$ 0.06
From discontinued operations	**0.00**	0.21	**0.00**	0.22
Total loss per share	**0.03**	0.24	**0.05**	0.28
Basic and diluted weighted average number of shares (note 11)	**83,137,837**	29,862,353	**56,941,605**	29,862,353

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

OBAN MINING CORPORATION

(formerly Braeval Mining Corporation)

Condensed Interim Consolidated Statements of Changes in Equity
(In Canadian dollars)
(Unaudited)

Attributable equity to owners of the Corporation

	Number of Shares	Share Capital	Contributed Surplus	Accumulated other comprehensive income/(loss)	Deficit and Accumulated Deficit	Total
Balance January 1, 2013	93,767,786	$ 26,859,121	$ 1,707,437	$ (112,305)	$ (8,754,416)	$ 19,699,837
Loss for the period from continuing operations	-	-	-	-	(1,735,341)	(1,735,341)
Loss for the period from discontinued operations (note 10)	-	-	-	-	(6,607,847)	(6,607,847)
Foreign currency translation adjustment	-	-	-	401,175	-	401,175
Stock-based compensation	-	-	536,301	-	-	536,301
Balance June 30, 2013	93,767,786	$ 26,859,121	$ 2,243,738	$ 288,870	$ (17,097,604)	$ 12,294,125
Loss for the period from continuing operations	-	-	-	-	(1,945,054)	(1,945,054)
Loss for the period from discontinued operations (note 10)	-	-	-	-	873,092	873,092
Foreign currency translation adjustment	-	-	-	(31,127)	-	(31,127)
Stock-based compensation (note 11)	-	-	258,673	-	-	258,673
Balance December 31, 2013	93,767,786	$ 26,859,121	$ 2,502,411	$ 257,743	$ (18,169,566)	$ 11,449,709

Attributable equity to owners of the Corporation

	Number of Shares	Share Capital	Contributed Surplus	Accumulated other comprehensive income	Deficit and Accumulated Deficit	Total
Balance January 1, 2014	**93,767,786**	**$ 26,859,121**	**$ 2,502,411**	**$ 257,743**	**$ (18,169,566)**	**$ 11,449,709**
Loss for the period from continuing operations	**-**	**-**	**-**	**-**	**(2,793,634)**	**(2,793,634)**
Foreign currency translation adjustment	**-**	**-**	**-**	**75,637**	**-**	**75,637**
Stock-based compensation (note 11)	**-**	**-**	**652,712**	**-**	**-**	**652,712**
Consolidation of shares (note 11)	**(63,905,433)**	**-**	**-**	**-**	**-**	**-**
Issuance of shares for purchase of assets (note 11)	**70,019,208**	**25,280,459**	**-**	**-**	**-**	**25,280,459**
Balance June 30, 2014	**99,881,561**	**$ 52,139,580**	**$ 3,155,123**	**$ 333,380**	**$ (20,963,200)**	**$ 34,664,883**

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

OBAN MINING CORPORATION

(formerly Braeval Mining Corporation)

Condensed Interim Consolidated Statements of Cash Flows
(In Canadian dollars)
(Unaudited)

For the period ended	**June 30, 2014**	June 30, 2013
Cash flows used in operating activities		
Loss from continuing operations for the period	**$ (2,793,634)**	$ (1,735,341)
Adjustments for:		
Stock-based compensation (note 11)	**652,712**	536,301
Exploration and evaluation of assets write-off (note 9)	**1,121,752**	-
Depreciation (note 8)	**8,720**	6,390
Unrealized gain from marketable securities (note 7)	**(60,000)**	-
Gain from collection of VAT receivable (note 5)	**(97,108)**	-
Interest income	**(53,535)**	(54,482)
	(1,221,093)	(1,247,132)
Proceeds from collection of VAT receivable (note 5)	**97,108**	-
Change in items of working capital:		
Change in other receivables	**35,766**	43,267
Change in prepaid expenses and advances	**32,002**	10,979
Change in other payables and accrued liabilities	**33,157**	(178,156)
Change in VAT receivable (note 5)	**10,980**	(47,508)
Change in restricted cash	**59,667**	6,770
Net cash used in operating activities from continuing operations	**(952,413)**	(1,411,780)
Cash flows (used in)/provided by investing activities		
Interest received	**53,481**	46,249
Addition to exploration and evaluation expenditures (note 9)	**(841,413)**	(299,486)
Proceeds on sale of discontinued operations (note 10)	**33,141**	-
Acquisition of plant and equipment (note 8)	**(1,540)**	(9,461)
Cash received from acquisition of Oban Exploration Ltd., net of transaction costs (note 4)	**4,398,693**	-
Net cash provided by investing activities from continuing operations	**3,642,362**	(262,698)
Cash flows provided by financing activities		
IPO proceeds held in escrow, released during the period	**-**	660,660
Net cash provided by financing activities from continuing operations	**-**	660,660
Increase in cash and cash equivalents from continuing operations	**2,689,949**	(1,013,818)
Decrease in cash and cash equivalents from discontinued operations (note 10)	**(32,401)**	(1,456,037)
Increase in cash and cash equivalents	**2,657,548**	**(2,469,856)**
Cash and cash equivalents, beginning of period	**11,054,929**	**13,069,415**
Cash and cash equivalents, end of period	**$ 13,712,477**	**$ 10,599,559**

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

1) Reporting entity

Oban Mining Corporation (formerly Braeval Mining Corporation) ("**Oban**" or the "**Corporation**") is a Canadian Corporation domiciled in Canada and was incorporated on February 26, 2010 under the Ontario Business Corporations Act. The address of the Corporation's registered office is 150 York Street, Suite 410, Toronto, Ontario, Canada. The condensed interim consolidated financial statements of the Corporation at June 30, 2014 and 2013 include the Corporation and its subsidiaries, Braeval Mexico S.A. de CV, Braeval Peru S.A.C, Braeval (Barbados) Ltd., Braeval (Barbados) Mekeco Ltd., Braeval (Barbados) Avasca Ltd., and Braeval (Barbados) Nahlin Ltd., Oban Exploration Ltd., Oban Peru S.A.C, Oban Exploration (Barbados) Ltd., 2407574 Ontario Inc., (together the "Group" and individually as "Group entities"). The Corporation is primarily in the business of acquiring, exploring and developing mineral deposits in the Americas. On April 14, 2014 the Corporation completed the acquisition of Oban Exploration Limited; refer to note 4 for details on this transaction.

The business of exploring and mining for minerals involves a high degree of risk. Oban is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry; changes in government policies and regulations; the ability to obtain the necessary environmental permitting; challenges in future profitable production or, alternatively Oban's ability to dispose of its interest on an advantageous basis; as well as global economic and commodity price volatility; all of which are uncertain. There is no assurance that Oban's funding initiatives will continue to be successful. The underlying value of the mineral properties is dependent upon the existence and economic recovery of mineral reserves and is subject to, but not limited to, the risks and challenges identified above. Changes in future conditions could require material write-downs of the carrying value of mineral properties and deferred exploration.

2) Basis of preparation

a) Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting on the basis of International Financial Reporting Standards ("IFRS") and interpretations as approved by the International Accounting Standards Board ("IASB") and are presented in Canadian dollars.

These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with the Corporation's audited annual consolidated financial statements and notes thereto for the year ended December 31, 2013. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in the Corporation's most recent audited annual consolidated financial statements, except for those described in note 3 below.

b) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is Oban's functional currency. The functional currency of all of the Corporation's foreign subsidiaries is the United States dollar, which is the currency of the primary economic environment in which those entities operates. The financial information has been rounded to the nearest dollar.

The preparation of these condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

2) Basis of preparation (continued)

b) Functional and presentation currency (continued)

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

c) Use of estimates and judgements

The estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future period.

3) Significant accounting policies

The financial framework and accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those as disclosed in its most recently completed audited consolidated annual financial statements for the year-ended December 31, 2013, except for the following new IFRS standards that became effective in the period.

International Accounting Standard 36, "Impairment of Assets" ("IAS 36")

On May 29, 2013, the IASB made amendments to the disclosure requirements of IAS 36 'Impairment of Assets' ("IAS 36"), requiring disclosure, in certain instances, of the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal, when an impairment loss is recognized or when an impairment loss is subsequently reversed. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014 and will be applied prospectively. There currently is no impact on the Corporation's financial statements upon adoption of IAS 36.

International Financial Reporting Interpretations Committee 21, "Levies" ("IFRIC 21")

IFRIC 21 'Levies' ("IFRIC 21") was issued by the IASB in May 2013, which is effective for annual periods beginning on or after January 1, 2014 and is to be applied retrospectively. IFRIC 21 provides guidance on accounting for levies in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation and confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs. The Corporation has not identified any impact from the adoption of this standard.

International Financial Reporting Standard 2, "Share-based payment" ("IFRS 2")

The amendments to IFRS 2 'Share-based payment" ("IFRS 2"), issued in December 2013 clarify the definition of "vesting conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014. The Corporation has not identified any impact from the adoption of this standard.

International Financial Reporting Standard 3, "Business combinations" ("IFRS 3")

The amendments to IFRS 3 'Business combinations' ("IFRS 3"), issued in December 2013, clarify the accounting for contingent consideration in a business combination. At each reporting period, an entity measures contingent consideration classified as an asset or a financial liability at fair value, with changes in fair value recognized in profit or loss. The amendments are effective for business combinations for which the acquisition date is on or after July 1, 2014. The Corporation has not identified any impact from the adoption of this standard.

International Financial Reporting Standard 8, "Operating segments" ("IFRS 8")

The amendments to IFRS 8 'Operating segments' ("IFRS 8"), issued in December 2013, require an entity to disclose the judgments made by management in applying the aggregation criteria for reportable segments. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014. The Corporation has not identified any impact from the adoption of this standard.

International Financial Reporting Standard 9, "Financial instruments" ("IFRS 9")

IFRS 9 'Financial Instruments' ("IFRS 9") was issued in November 2009 and subsequently amended as part of an ongoing project to replace IAS 39 'Financial instruments: Recognition and measurement' ("IAS 39"). The standard requires the classification of financial assets into two measurement categories based on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. The two categories are those measured at fair value and those measured at amortized cost. The classification and measurement of financial liabilities is primarily unchanged from IAS 39. However, for financial liabilities measured at fair value, changes in the fair value attributable to changes in an entity's "own credit risk" is now recognized in other comprehensive income instead of in profit or loss. This new standard will also impact disclosures provided under IFRS 7 'Financial instruments: disclosures' ("IFRS 7").

In November 2013, the IASB amended IFRS 9 for the significant changes to hedge accounting. In addition, an entity can now apply the "own credit requirement" in isolation without the need to change any other accounting for financial instruments. The mandatory effective date of January 1, 2015 has been removed to provide sufficient time for preparers of financial statements to make the transition to the new requirements.

International Accounting Standard 16, "Property, plant and equipment" ("IAS 16") and International Accounting Standard 38, "Intangible assets" ("IAS 38")

The amendments to IAS 16 'Property, plant and equipment' ("IAS 16") and IAS 38 'Intangible assets' ("IAS 38"), issued in December 2013, clarify how an entity calculates the gross carrying amount and accumulated depreciation when a revaluation is performed. The amendments are effective for annual periods beginning on or after July 1, 2014. The Corporation has not identified any impact from the adoption of this standard.

International Accounting Standard 24, "Related party disclosures" ("IAS 24")

The amendments to IAS 24 'Related party disclosures' ("IAS 24"), issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014. The Corporation has not identified any impact from the adoption of this standard.

(In Canadian dollars)

4) Acquisition of Oban Exploration Ltd.

On April 14, 2014 the Corporation completed the acquisition ('the Acquisition") of Oban Exploration Ltd. ("OEL"), by way of a three-cornered amalgamation, whereby OEL amalgamated with a wholly-owned subsidiary of the Corporation. In connection with the Acquisition, the Corporation amended its articles to consolidate the Common Shares on the basis of one post-consolidation Common Share for every 3.14 pre-consolidation Common Shares and changed its name to "Oban Mining Corporation". The Common Shares commenced trading on the Toronto Stock Exchange ("TSX") on a consolidated basis under the new symbol "OBM" on April 22, 2014.

Under the terms of the Acquisition, the holders of the Common Shares of OEL received 0.914 of a Common Share (on a post-consolidation basis) for each Common Share of OEL so held, for an aggregate of 70,019,211 Common Shares. Upon completion of the Acquisition, including the consolidation, the Corporation had 99,881,563 Common Shares issued and outstanding on an undiluted basis, approximately 70% of which were held by former shareholders of OEL and approximately 30% of which were held by former shareholders of the Corporation immediately prior to the effective time of the Acquisition.

This transaction has been accounted for as an acquisition of assets and liabilities as neither the Corporation nor OEL meet the definition of a business under IFRS 3. The acquisition of OEL assets was recorded at the fair value of the assets acquired of $25,280,459, plus directly attributable transactions costs of $505,577. Additional transactions costs incurred by OEL in the amount of $160,373 were also incurred, which have been capitalized to the exploration and evaluation assets acquired.

The following table describes the estimated fair value of assets acquired and liabilities assumed as at the date of the Acquisition:

Net Assets Acquired	
Cash	4,904,270
Current Assets	79,387
Taxes Receivable	1,148,186
Plant and Equipment	59,167
Exploration and Evaluation Assets	19,875,430
Current Liabilities	(280,404)
Total Net Assets acquired	**25,786,036**

Consideration	
Share Capital	25,280,459
Transaction Costs	505,577
Total Net Assets acquired	**25,786,036**

On April 22, the fair value of the identifiable assets acquired and liabilities assumed is supported by a formal independent valuation of the range of values representing the fair market value of OEL assets acquired by the Corporation.

Notes to Condensed Interim Consolidated Financial Statements
For the three and six month period ended June 30, 2014 and 2013
(In Canadian dollars)
(Unaudited)

5) VAT recoverable

Value Added Tax ("VAT") recoverable represents input tax credits, claimable from the government of Peru and is in respect of the Corporation's exploration and development activities. This VAT is recoverable against future VAT payable; therefore the Corporation classified them as non-current, as the actual timing of receipt is uncertain.

Further, the VAT recoverable balance also contains amounts claimable from the government of Mexico, from which as of June 30, 2014, the Corporation has successfully collected a total of $97,108.

6) Expenses from continuing operations

The following table summarizes information regarding the Corporation's expenses from operations for the three and six month period ended June 30, 2014 and 2013:

For the period ended	**Three months ended June 30, 2014**	Three months ended June 30, 2013	**Six months ended June 30, 2014**	Six months ended June 30, 2013
Compensation expense				
Stock-based compensation (note 11)	**$ 547,697**	$ 179,936	**$ 652,712**	$ 536,301
Salaries and benefits	**285,584**	199,051	**450,859**	440,032
Total compensation expenses	**$ 833,281**	$ 378,987	**$ 1,103,571**	$ 976,333
General and administration expense				
Shareholder and regulatory expense	**$ 6,793**	$ 6,150	**$ 36,258**	$ 36,171
Administrative services	**10,020**	60,000	**40,020**	136,701
Travel expense	**46,620**	71,885	**70,834**	132,324
Professional fees	**121,236**	107,799	**240,947**	301,243
Office expense	**96,251**	84,628	**115,320**	163,594
Total general and administration expenses	**$ 280,920**	$ 330,462	**$ 503,379**	$ 770,033
General exploration				
Mexico	**$ 11,558**	$ 8,685	**$ 16,051**	$ 17,162
Peru	**39,575**	2,740	**39,820**	2,740
Canada	**35,056**	-	**35,056**	-
Total exploration expenses	**$ 86,189**	$ 11,425	**$ 90,927**	$ 19,902
Exploration and evaluation assets written-off	**$ 1,121,752**	$ -	**$ 1,121,752**	$ -
Foreign currency exchange				
Realized Foreign currency exchange loss	**$ 172,437**	$ 54,111	**$ 173,991**	$ 20,814
Unrealized Foreign currency exchange (gain)	**(92,295)**	(2,839)	**(92,295)**	$ (4,079)
Total foreign exchange loss	**$ 80,142**	$ 51,272	**$ 81,696**	$ 16,735

7) Marketable Securities

As of June 30, 2014, marketable securities consist of 1,500,000 shares of the public company Quia Resources Inc., which were acquired in exchange for consulting services, on November 11, 2013. The shares were marked-to-market as at June 30, 2014, resulting in an unrealized gain of $60,000 for the six-month period ended June 30, 2014.

(In Canadian dollars)

8) Plant and Equipment

The following table summarizes information regarding the Corporation's plant and equipment as at June 30, 2014 and December 31, 2013:

June 30, 2014									
	Cost				Accumulated Depreciation				
Class	Opening Balance	Additions	Oban Exploration Ltd. Cost Balance	Closing Balance	Opening Balance	Depreciation expense	Oban Exploration Ltd. Depreciation	Closing Balance	Net book value
Computer Equipment	$ 47,719	$ -	$ 59,555	$ 107,274	$ 22,319	$ 6,023	$ 33,305	$ 61,647	$ 45,627
Office Equipment	10,983	1,540	31,337	43,860	2,112	2,092	11,990	16,194	27,666
Leasehold Improvements	4,030	-	14,443	18,473	739	605	873	2,217	16,256
	$ 62,732	$ 1,540	$ 105,335	$ 169,607	$ 25,170	$ 8,720	$ 46,168	$ 80,058	$ 89,549

December 31, 2013									
	Cost				Accumulated Depreciation				
Class	Opening Balance	Additions	Write-off / Disposals	Closing Balance	Opening Balance	Depreciation expense	Write-off / Disposals	Closing Balance	Net book value
Computer Equipment	$ 47,401	$ 6,954	$ (6,636)	$ 47,719	$ 11,376	$ 12,274	$ (1,331)	$ 22,319	$ 25,400
Office Equipment	5,575	14,367	(8,959)	10,983	-	3,232	(1,120)	2,112	8,871
Leasehold Improvements	-	16,576	(12,546)	4,030	-	2,420	(1,681)	739	3,291
	$ 52,976	$ 37,897	$ (28,141)	$ 62,732	$ 11,376	$ 17,926	$ (4,132)	$ 25,170	$ 37,562

9) Exploration and evaluation assets

	December 31, 2013	Acquisition of Oban Exploration Ltd. exploration and evaluation assets	Additions in the period	Write offs in the period	June 30, 2014
Peru properties					
Arcopunco	$ 196,880	$ -	$ 133,277	$ -	$ 330,157
Antamayo	-	11,803,165	473,638	-	12,276,803
Marcahui	-	6,412,333	25,444	-	6,437,777
Magdalena	-	289,183	1,165	-	290,348
Bermejo	-	41,958	-	-	41,958
Chosicano	-	950,367	-	(950,367)	-
Generative properties					
Peru - Lithocaps	-	115,678	2,004	(27,481)	90,201
Peru - Low Capex	-	171,268	12,868	(59,690)	124,446
Peru - Deep Target	-	91,478	18,143	(84,214)	25,407
Total exploration and evaluation assets	$ 196,880	$ 19,875,430	$ 666,539	$(1,121,752)	$ 19,617,097

(In Canadian dollars)

9) Exploration and evaluation assets (continued)

	December 31, 2012	Additions in the year	Write offs in the year	Written off to discontinued operations	December 31, 2013
Colombia properties					
Mina Seca - Snow Mine	$ 1,085,917	$ 130,460	$ -	$(1,216,377)	$ -
Las Nieves - Snow Mine	3,430,627	760,308	-	(4,190,935)	-
Casa de Barro - Snow Mine	234,568	125,431	-	(359,999)	-
La Nevera - Snow Mine	156,959	67,001	-	(223,960)	-
Mexico properties					
Guaynopa	295,205	461,609	(756,814)	-	-
El Petate	-	77,334	(77,334)	-	-
Peru properties					
Arcopunco	155,507	182,351	(140,978)	-	196,880
Retazos	226,460	65,382	(291,842)	-	-
Terciopelo	37,126	37,918	(75,044)	-	-
Generative properties					
Peru - Lithocaps	127,568	30,276	(157,844)	-	-
Nicaragua	684	96,558	-	(97,242)	-
Honduras	23,942	44,031	-	(67,973)	-
Total exploration and evaluation assets	$ 5,774,563	$ 2,078,659	$(1,499,856)	$(6,156,486)	$ 196,880

Peru properties

a) Arcopunco

On January 26, 2012, the Corporation signed a letter of intention ("LOI") for 100% of the exploration authorization from Trabante de Huancavelica, Las Anima and Tres Mosqueteros in Peru. On August 2, 2012, the Corporation signed the final agreement with all three parties. The Corporation upon signing paid USD$60,000, and USD$100,000 on February 21, 2014. Additional payments due of USD$200,000 on February 22, 2015 and USD$2,000,000 on February 22, 2016, for 80% interest in the property are also required. An additional payment of USD$3,000,000 can be made within 90 days of the exercise of the first option to earn up to 100% of the property. Upon commencement of production, the agreement is subject to a Net Smelter Royalty ("NSR") of 1.5% The Corporation may repurchase the NSR for a total amount of USD$15,000,000. On August 16, 2013, the Corporation extended the terms of the last option payment of USD$2,000,000 to USD$1,000,000 due on the third anniversary date upon signing and USD$1,000,000 due on the fourth anniversary date upon signing.

As a result of the Acquisition of OEL (note 4), the Corporation acquired the following exploration and evaluation assets, listed below:

b) Antamayo property

On June 30, 2011, the Corporation entered into an option agreement with a titleholder to earn an undivided 100% interest in the Antamayo property located in Peru. In order to complete the acquisition, the Corporation is required to make payments to the titleholder totalling USD$1,000,000 over three years for a 70% interest, and an additional payment of USD$9,000,000 to earn the remaining 30% interest. The Corporation was required to incur a total of USD$3,000,000 of minimum exploration expenditures over the three year term of the agreement, which has been fulfilled as of June 30, 2014. The Corporation paid USD$50,000 on signing the agreement, USD$100,000 on August 2012, and USD$250,000 on August 2013. If the Corporation decides not to earn the additional 30% interest after the cash payments and expenditures have been completed a joint venture will be formed with the Corporation as sole operator of the venture.

9) Exploration and evaluation assets (continued)

Peru properties (continued)

b) Antamayo property (continued)

As a result of the Acquisition of the Antamayo property from OEL (note 4), a total of $8,355,119 was added to the book value of this property, to reflect the fair value determined by the independent valuator as well as a portion of the costs directly attributable to this transaction.

c) Marcahui property

On June 30, 2011, the Corporation entered into an option agreement with a titleholder to earn an undivided 100% interest in the Marcahui property located in Peru. In order to complete the acquisition, the Corporation is required to make payments to the titleholder totalling USD$2,360,000 over three years for an 80% interest and an additional payment of $3,000,000 to earn the remaining 20%. The Corporation was also required to complete a total of 1,000 m of drilling by the second anniversary date after signing, which was fulfilled at the end of June 2012. The Corporation paid USD$30,000 on signing the agreement, and an additional US$130,000 was paid during 2012. No option payments were made during 2013. If the Corporation decides not to earn the additional 20% interest after the cash payments and expenditures have been completed, a joint venture will be formed with the Corporation as sole operator. Once the joint venture is formed, each participating party can convert 10% of their participating interest into a 1.5% NSR.

On October 15, 2013, the Corporation entered into an option agreement with a non-related party (‘optionee”) under which the optionee has the option to acquire 75% of the Corporation’s interest in the Marcahui project through a joint arrangement, by incurring an aggregate of US$6,000,000 in exploration expenditures, including 10,000 m of drilling, from which a minimum of US$1,000,000 including 1,500 m of drilling, are to be incurred on or before August 31, 2014 and the remaining expenditures are to be incurred on or before August 31, 2017. Subsequent to June 30, 2014, the optionee notified the Corporation of the termination of this option agreement; accordingly, the Corporation extended the due date of the final USD$2,000,000 payment one year, to September 06, 2015.

As a result of the Acquisition of the Marcahui property from OEL (note 4), a total of $4,699,755 was added to the book value of this property, to reflect the fair value determined by the independent valuator as well as a portion of the costs directly attributable to this transaction.

d) Magdalena property

On October 31, 2011, the Corporation entered into an option agreement with a titleholder to earn an undivided 100% interest in the Magdalena property located in Peru. In order to complete the acquisition, the Corporation is required to make payments to the titleholder totalling USD$605,000 over three years in order to earn the 100% interest. Oban is also required to incur a total of $75,000 of exploration expenditures by the second anniversary date after signing subject to water permit and approval of the environmental assessment study by the local authorities. As of December 31, 2013, the required permits have not been obtained; therefore this exploration commitment continues to be outstanding. The Corporation paid USD$5,000 on signing the agreement.

9) Exploration and evaluation assets (continued)

d) Magdalena property (continued)

On October 5, 2012, the Corporation signed an option agreement with Peru Minerals SAC, Peruvian subsidiary of Promesa, an Australian entity under which the Corporation optioned-out the rights and obligations on the Magdalena property, including payments due to the titleholder. The optionee is committed to fulfill the remaining US$605,000 payments due over the three year period and is required to pay the Corporation a total of US$218,000 either upon execution of the option agreement, or after 2015 (US$100,000 in 2015 and US$118,000 in 2016). In addition, upon execution of the agreement the parties will incorporate a new company in which the Corporation will hold 30% interest while the Peruvian subsidiary will hold the remaining 70% interest.

e) Bermejo property

The Corporation acquired exploration rights on the Bermejo property, located in the Huaura region, by the cost in the north of Lima, and which is primarily focused on copper-gold and base metals.

f) Chosicano property

On June 14, 2011, the Corporation entered into an agreement to acquire 100% of the exploration claims from one titleholder for the Chosicano property in Peru. The Corporation paid USD$70,000 upon signing the agreement, USD$90,000 in September 2012, and USD$234,000 during 2013. Additional payments of USD$150,000 on June 15, 2014, USD$220,000 on December 15, 2014, USD$430,000 on June 15, 2015 and USD$1,050,000 on December 15, 2015 were also required. The agreement is also subject to a 1% NSR upon commercial production.

During the quarter-ended June 30, 2014, the Corporation decided to not to continue with the project, terminating the contract and therefore recognizing a write-off of $950,367.

Generative properties

a) Lithocaps properties

The Company acquired exploration rights to properties located throughout Peru by staking claims. The properties are primarily focused on copper-gold and base metals. During the quarter ended June 30, 2014, the Company performed an assessment, concluding not to pursue various claims in the region, therefore recognizing a write-off of $27,481.

b) Low capital cost properties

The Company acquired exploration rights to properties located in Peru by staking claims along the coast. The properties are primarily focused on copper and base metals. During the quarter ended June 30, 2014, the Company performed an assessment concluding not to pursue various claims in the region, therefore recognizing a write-off of $59,690.

c) Deep-skarn properties

The Company acquired exploration rights to properties located in Peru by staking claims in the Central Andes. The properties are primarily focused on copper and base metals. During the quarter ended June 30, 2014, the Company performed an assessment, concluding not to pursue various claims in the region, therefore recognizing a write-off of $84,214.

(In Canadian dollars)

10) Discontinued operations

In the prior year, ended December 31, 2013, the Corporation decided to close its subsidiaries located in Colombia, Nicaragua and Honduras. The Corporation has classified these subsidiaries as discontinued operations as required per IFRS 5.

The following table summarizes the results of discontinued operations for the three and six month period ended June 30, 2014 and 2013. There were no expenditures related to discontinued operations during the period ended June 30, 2014:

	Three months		Six months	
For the period ended	**June 30, 2014**	June 30, 2013	**June 30, 2014**	June 30, 2013
Colombia				
Compensation expense	**$ -**	$ 77,115	**$ -**	$ 149,775
General administrative expense	**-**	134,822	**-**	291,752
General exploration expense	**-**	24,526	**-**	24,526
Exploration and evaluation assets writen-off	**-**	5,991,272	**-**	5,991,272
Foreign currency exchange loss	**-**	10,935	**-**	48,937
Finance costs	**-**	6,587	**-**	10,169
Loss from Colombian operations	-	6,245,257	-	6,516,431
Honduras and Nicaragua				
General administrative expense	**-**	17,668	**-**	43,183
General exploration expense	**-**	23,299	**-**	46,052
Exploration and evaluation assets writen-off	**-**	-	**-**	-
Foreign currency exchange loss	**-**	400	**-**	592
Finance costs	**-**	1,414	**-**	1,590
Loss from Honduras and Nicaragua	-	42,781	-	91,417
Total loss from discontinued operations	$ -	$ 6,288,038	$ -	$ 6,607,848

(In Canadian dollars)

10) Discontinued operations (continued)

The following table summarizes the results of cash flows from discontinued operations included in the consolidated statements of cash flows for the three and six month period ended June 30, 2014 and 2013**:**

For the period ended	**June 30, 2014**	June 30, 2013
Cash flows (used in)/provided by operating activities		
Loss from discontinued operations	**$ -**	$ (6,607,848)
Adjustments for:		
Exploration and evaluation assets written-off	**-**	5,991,272
Write-off of plant and equipment and other receivables	**-**	-
Depreciation	**-**	3,010
Finance costs	**-**	11,759
	-	(601,807)
Change in items of working capital:		
Change in other receivables	**13,572**	65,571
Change in prepaid expenses and advances	**-**	23,291
Change in other payables and accrued liabilities	**(45,973)**	(116,459)
Net cash used in operating activities from discontinued operations	**(32,401)**	(629,404)
Cash flows used in investing activities		
Finance costs paid	**-**	(11,759)
Additions to exploration and evaluation assets	**-**	(785,279)
Acquisition of plant and equipment	**-**	(29,595)
Net cash used by investing activities from discontinued operations	**-**	(826,633)
Cash flows provided by financing activities	**-**	-
Decrease in cash and cash equivalents from discontinued operations	**$ (32,401)**	$ (1,456,037)

During the prior year ended December 31, 2013, the Corporation entered into an agreement to sell its Colombian subsidiary Inversiones Cummings to a non-related party, in the amount of US$40,000, payable in four instalments, from which at June 30, 2014 three were received on January 31, 2014, March 11, 2014, and May 15, 2014. The Nicaragua subsidiary is expected to be closed by the end of 2014; whereas Braeval Minera Honduras S.A. was closed during the quarter ended June 30, 2014.

(In Canadian dollars)

11) Capital and other components of equity

a) Share capital - Authorized

	Number of Common Shares		Amount
Balance January 1, 2013, June 30, 2013 and December 31, 2013	93,767,786	$	26,859,121
Consolidation of shares	**(63,905,433)**		**-**
Issuance of shares on acquisition of Oban Exploration Ltd.	**70,019,208**		**25,280,459**
Balance June 30, 2014	**99,881,561**	**$**	**52,139,580**

The authorized capital of Oban consists of an unlimited number of common shares. The holders of common shares are entitled to one vote per share at shareholder meetings of the Corporation. All shares rank equally with regard to the Corporation's residual assets.

On April 14, 2014, as described in note 4, the Corporation consolidated the common shares on the basis of one post-consolidation common share for every 3.14 pre-consolidation common shares. Furthermore, in consideration for the Acquisition of OEL, the Corporation issued 0.914 of a common share (on a post-consolidation basis) for each common share of OEL so held, for an aggregate of 70,019,208 post-consolidation common shares.

b) Loss per share

The calculation of basic loss per share for the three and six month period ended June 30, 2014 and 2013 was based on the loss attributable to common shareholders and a weighted average number of common shares outstanding, calculated as follows:

For the period ended	**Three months ended June 30, 2014**	June 30, 2013	**Six months ended June 30, 2014**	June 30, 2013
Common shares outstanding, at beginning of the period	**93,767,786**	93,767,786	**93,767,786**	93,767,786
Consolidation of shares	**(63,905,433)**	(63,905,433)	**(63,905,433)**	(63,905,433)
Common shares issued during the period	**53,275,484**	-	**27,079,252**	-
Balance, June 30	**83,137,837**	29,862,353	**56,941,605**	29,862,353
Net loss for the period from continuing operations	**2,317,523**	750,796	**2,793,634**	1,735,341
Net loss for the period from discontinued operations (note 10)	**-**	6,288,038	**-**	6,607,848
Net loss for the period	**2,317,523**	7,038,834	**2,793,634**	8,343,189
Loss per share from continuing operations	**$ 0.03**	$ 0.03	**$ 0.05**	$ 0.06
Loss per share from discontinued operations	**0.00**	0.21	**0.00**	0.22
Loss per share for the period	**$ 0.03**	$ 0.24	**$ 0.05**	$ 0.28

c) Dilutive earnings per share

The calculation of fully diluted loss per share has not been described in the note, as there were no dilutive instruments outstanding during the period. As at June 30, 2014, the Corporation had 7,040,000 (2013 – 6,050,000) stock-options outstanding that have not been included as the impact would be anti-dilutive.

(In Canadian dollars)

11) Capital and other components of equity (continued)

d) Contributed surplus

On June 2011, the Board of Directors established an incentive stock-option plan to provide additional incentive to its directors, officers, employees and consultants. The maximum number of shares reserved for issuance under the incentive stock option plan is 10% of the issued and outstanding comment shares. The options issued under the Plan may vest at the discretion of the board of directors and are exercisable for a period of up to 5 years from the date of grant.

The following table summarizes the stock option transactions for the period ended June 30, 2014:

	Number of stock options	Weighted-average exercise price
Outstanding, Jauary 1, 2013	5,850,000	$ 0.60
Granted	250,000	0.60
Forfeited	(50,000)	0.60
Outstanding, June 30, 2013	**6,050,000**	**0.60**
Forfeited	(100,000)	0.60
Outstanding, December 31, 2013	**5,950,000**	**0.60**
Forfeited (pre-consolidation)	**(50,000)**	**0.60**
Cancelled (pre-consolidation)	**(5,900,000)**	**0.60**
Balance pre-consolidation	**-**	**-**
Granted	**7,040,000**	**0.22**

On February 28, 2014, 50,000 options granted to an employee were forfeited.

On April 22, 2014, the 5,900,000 stock options outstanding were cancelled and replaced with 7,040,000 new stock options issued to directors, management and employees, at an exercise price of $0.22 for a period of 5 years. The options have been fair valued at $0.16 per option using the Black-Scholes option-pricing model. One third of these options vest immediately with the remaining thirds each vesting on the first and second anniversaries from the date of grant.

The total recognized expense for stock options for the three and six month period ended June 30, 2014 was $547,697/$652,712 (2013 - $179,936/$536,301), from which $54,082 resulted from the stock options cancelled on April 22, 2014.

The following table summarizes information regarding the Corporation's outstanding and exercisable stock options as at June 30, 2014:

Exercise Price	Number of Stock Options Outstanding	Weighted-Average Remaining periods of Contractual Life	Number of Stock Options Exercisable	Weighted Average Exercisable Price
$0.22	**7,040,000**	**4.810**	**2,346,663**	**$ 0.22**

(In Canadian dollars)

11) Capital and other components of equity (continued)

d) Contributed surplus (continued)

The fair value of the Company's options granted during the quarter ended June 30, 2014, was estimated using the following Black-Scholes option-pricing model using the following assumptions:

For the period ended June 30,		**2014**
Fair value at grant date	**$**	**0.16**
Forfeiture rate		**0.0%**
Share price at grant date	**$**	**0.22**
Exercise price	**$**	**0.22**
Expected volatility		**98.7%**
Dividend yield		**0.0%**
Option life (weighted average life)		**5 years**
Risk-free interest rate (based on government bonds)		**1.70%**

12) Related party transactions

Balances and transactions between the Corporation and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Corporation and other related parties are disclosed below.

During the three and six month period ended June 30, 2014 and 2013, the Corporation paid rent amounting to $Nil/$Nil (2013 - $Nil/$2,093) to Osisko Mining Corporation, a company related to Mr. John Burzynski, chairman and director of the Corporation. This amount has been recorded at their exchange amount – being the amount agreed to by the parties and is included within continuing operations.

Further, during the three and six month period ended June 30, 2014 and 2013, consulting fees of $40,020/$70,020 (2013 – $60,000/$136,701) were paid to Talisker Exploration Services Inc., a company related to Mr. Chris Lodder, Mr. Terence Harbort, and Mr. Ruben Padilla, members of the Advisory Committee of the Corporation. These consulting fees have been recorded at their exchange amount – being the amount agreed to by the parties and are included within continuing operations.

On April 14, 2014, the Corporation completed the Acquisition of OEL (note 4), which, was a related party to the Corporation due to having common directors and officers with the Corporation, being Mr. Jose Vizquerra, Mr. Blair Zaritsky, Mr. Gernot Wober, and Mr. John Burzynski.

13) Segmented information

The Corporation is involved in the exploration and development of mineral deposits. Segmented information is provided on the basis of geographical segments as the Corporation manages its business and exploration activities through geographical regions – Canada, Mexico, and Peru. Previous business segments in Colombia, Nicaragua and Honduras have been recorded as discontinued operations.

(In Canadian dollars)

13) Segmented information (continued)

The business segments presented reflect the management structure of the Corporation and the way in which the Corporation's management reviews business performance. The Corporation evaluates performance of its operating segments as follows:

For the period ended June 30, 2014		**Assets**		**Loss for the period**
Canada	**$**	**14,678,050**	**$**	**1,458,589**
Mexico		**142,010**		**(33,080)**
Peru		**20,163,385**		**1,368,125**
Total	**$**	**34,983,445**	**$**	**2,793,634**

For the year ended December 31, 2013		Assets		Loss for the year
Canada	$	11,293,549	$	1,715,213
Mexico		88,593		1,029,793
Peru		239,331		935,389
Discontinued operations		129,775		5,734,755
Total	$	11,751,248	$	9,415,150

14) Commitments

The Corporation has the following commitments as at June 30, 2014:

(In USD$)	**Total**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Arcopunco Project	$ 5,200,000	$ -	$ 200,000	$ 1,000,000	$ 4,000,000	$ -
Antamayo Project	$ 600,000	$ 600,000	$ -	$ -	$ -	$ -
Marcahui	$ 2,000,000	$ -	$ 2,000,000	$ -	$ -	$ -
Total	**$ 7,800,000**	**$ 600,000**	**$2,200,000**	**$1,000,000**	**$4,000,000**	**$ -**

On November 6, 2012 the Corporation signed a sublease agreement for new office space, under which is committed to annual payments of approximately $220,000 for a five years term, which terminates on February 28, 2018. In connection with the agreement, the Corporation signed an $80,000 letter of credit, which is supported by a GIC deposit at a Canadian Charter Bank disclosed within restricted cash. On February 28, 2014, the letter of credit was reduced to $53,334, upon completion of the first year of the lease agreement.