Columbus Gold
CORPORATION

Annual Report 2011

Distinguished Mine Finders

CGT:TSX-V

CBGDF:OTCBB

3CG:FSE

“The acquisition of the Paul Isnard gold project has transformed Columbus Gold overnight from an early stage explorer to potentially a developer.”

TYPICAL LANDSCAPE OF FRENCH GUIANA, FRANCE (SOUTH AMERICA)


NEVADA'S
LARGEST AND MOST PROSPECTIVE GOLD EXPLORATION PORTFOLIO
FRENCH GUIANA
PAUL ISNARD GOLD PROJECT
MAJOR GOLD DEPOSIT WITH CONSIDERABLE EXPANSION POTENTIAL

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Dear Shareholders:

Notwithstanding a world characterized by global economic turmoil and efforts by bureaucrats to restore growth to sluggish western economies, Columbus Gold had an exceptional 2011.

Final shareholder and regulatory approval for the acquisition of the Paul Isnard gold project in French Guiana, which hosts the 43-101 compliant 1.89 million ounce inferred Montagne d'Or gold deposit was obtained in mid-2011 and the terms of the acquisition were subsequently amended to grant Columbus Gold an immediate 100% interest. In addition, negotiations with IAMGOLD were successful in restructuring an onerous 10% gross royalty to a 1.8% NSR, resulting in an aggregate acquisition cost for Paul Isnard of only US$11.95 per ounce. Remarkably this was achieved in an environment of historically high gold prices.

The Montagne d'Or gold deposit has considerable scope for expansion, is amenable to open pit mining, and initial metallurgical tests indicate recoveries of approximately 90% from conventional leaching. In addition, access is good and the port of St. Laurent is located only some 115 km away by road. The project also has the distinction of being located in a politically stable jurisdiction as French Guiana is politically part of France and subject to French law.

In Nevada, our exploration activities will continue to be managed pursuant to an exclusive agreement with Cordex whose exceptional record of gold discovery and mine development during the past nearly 40 years is widely recognized by the mining industry. Columbus Gold is a prolific project generator and now controls 25 gold projects in Nevada, ranking it in the top five in the state.

In 2011, the focus in Nevada continued to be on advancing projects either through earn-in agreements to industry partners or directly where exploration risk was minimized and potential was particularly promising. This strategy was exceptionally effective in 2011 resulting in drilling by partners at six projects and drilling by Columbus Gold at three projects; 112 holes were drilled totaling 19,722 meters (64,704 ft).

Twelve of Columbus Gold's projects were held by industry partners in 2011, however late in the year Columbus reported that it sold its Summit project to partner Agnico-Eagle for US$8.5 million, with the principal aim of applying much of the proceeds towards advancing drilling at Paul Isnard, which commenced in December. In effect, the sale of Summit significantly increased Columbus Gold's available capital for work on the Paul Isnard project without any dilution to shareholders.

Gold is not getting any easier to find, that fact combined with continued global macro-economic challenges suggests that the price of gold will continue its upward ascent in 2012, and likely beyond.

In our aim to unlock shareholder value, we have reinvented ourselves with the acquisition of the Paul Isnard gold project. Looking ahead, and when considering the progress made in 2011, management is confident that it has the requisite skills and knowledge to continue maximizing shareholder value.

Yours Truly,

Robert F. Giustra
CHAIRMAN & CHIEF EXECUTIVE OFFICER
JANUARY 31ST, 2012

Management Discussion & Analysis

For The Year Ended September 30, 2011

“The Paul Isnard project includes the NI 43-101 compliant 1.9 million oz. (inferred) Montagne d’Or resource which consists of 36.7 mt grading 1.6 gpt.”

INTRODUCTION

Management Discussion and Analysis ("MD&A") focuses on significant factors that have affected Columbus Gold Corporation (the "Company" or "Columbus Gold") and its subsidiaries' performance and such factors that may affect its future performance. In order to better understand the MD&A, it should be read in conjunction with the consolidated financial statements for the year ended September 30, 2011.

The financial information in this MD&A is derived from the Company's consolidated financial statements which are prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are outlined within Note 2 to the consolidated financial statements of the Company. The Company's reporting currency is Canadian dollars. The effective date of this Management Discussion and Analysis is January 30, 2012.

Additional information about the Corporation and its business activities is available on the Company's website at **www.columbusgoldcorp.com** or on SEDAR at **www.sedar.com.**

DESCRIPTION OF BUSINESS

The Company was incorporated on May 14, 2003 under the laws of the Province of Saskatchewan, Canada and continued in British Columbia, Canada on December 29, 2003. The Company changed its name from Purple Vein Resources Ltd. to Columbus Gold Corporation effective December 20, 2004. On May 24, 2006, the Company completed its Initial Public Offering ("IPO") and obtained a listing on the TSX Venture Exchange ("TSX-V" or the "Exchange") as a Tier 2 mining issuer under the trading symbol CGT-V.

The Company's principal business activities are the acquisition, exploration and development of mineral properties, with gold as a principal focus. Until recently, all of the Company's mineral properties were located in the United States. In December 2010, the Company acquired a project with a 1.9 million ounce inferred gold resource in French Guiana. The Company is in the process of exploring and developing its mineral properties but has not yet determined whether the properties contain ore reserves that are economically recoverable. The Company maintains active generative (prospecting) and evaluation programs and, as a key element of its strategy, broadens exposure, minimizes risk and maintains focus on high priority prospects while seeking industry finance through joint ventures on selected projects.

RESULTS OF OPERATIONS

CURRENT QUARTER

The Company earned income of $4,878,812 during the current quarter versus a loss of $589,289 in the same period last year. This amounts to a change of $1,077,101 over the prior year period which can be attributed primarily to a gain resulting from the change in fair value of the Columbus Silver conversion option of $369,377. In addition, the Company recorded income from third party interest in mineral property of $126,875 in the current quarter versus nil in the prior year period.

YEAR-TO-DATE

The Company incurred a loss of $2,516,995 during the current year versus a loss of $270,265 in the prior year. This amounts to an increase of $2,246,730 (831%) in the loss over the prior year period which can be attributed to a number of factors. Contributing to the increase in the loss was stock based compensation which increased to $1,481,781 in 2011 from $270,108 in 2010 (349%), investor relations expense which increased to $248,753 in 2011 from $41,040 in 2010 (406%), and office and general expense which increased to $141,301 in 2011 from $17,364 in 2010 (614%).

MINERAL PROPERTIES

FRENCH GUIANA PROJECT

PAUL ISNARD GOLD PROJECT

On June 30, 2011, Columbus Gold closed on its previously announced transaction with Auplata SA for an option to acquire up to a 100% interest in the Paul Isnard gold project in French Guiana, a Department of France. This acquisition includes a NI 43-101 compliant 1.9 million ounce Montagne d'Or inferred resource which consists of 36.7 mt grading 1.6 gpt.

FRENCH GUIANA IS LOCATED ON THE NORTHERN ATLANTIC COAST OF SOUTH AMERICA

The Company has fully satisfied the share issuances required to earn into the project, issuing 30,276,266 common shares to Auplata, and completing a 13,357,176 share private placement to Pelican Venture SAS for gross proceeds to Columbus Gold of $2,871,793. The Company has also issued 190,473 common shares as a finder's fee for this transaction. All of the foregoing shares were subject to a four month hold period expiring on October 30, 2011, and 20,184,177 of the shares issued to Auplata are also subject to an agreement that requires all of such shares to be held in escrow for two years until June 29, 2013. The Company announced on December 23, 2011 that it received TSXV approval for its amended agreement concerning the Paul Isnard project (see Subsequent Events) The amending agreement with Auplata dated December 5, 2011 allows the Company to acquire a 100% interest in Paul Isnard by paying US$1.5 million to Auplata and the Company will no longer be required to complete a bankable feasibility study or incur minimum exploration expenditures as was previously the case.

The Paul Isnard project is located approximately 180 km west of the capital city of Cayenne, French Guiana and consists of eight mining permits totalling 135 km^2 and a pending application for two additional mining permits totalling a further 14.4 km^2. The Paul Isnard project area has been an important centre of alluvial and colluvial gold mining operations since the late 19th century.

On December 7th, the Company announced that the first two holes at Paul Isnard have been drilled and the third hole is about to get underway.

The Company aims to accelerate the drill program by engaging a second drill rig as soon as one can be obtained. Based upon performance of earlier programs at Montagne d'Or, production of about 2,500 meters per month, per drill rig working on a 24 hour basis, is anticipated.

The initial program is focused on the Montagne d'Or gold deposit which hosts a 43-101 compliant inferred gold resource of 1.9 million ounces within 36.7 million tonnes grading 1.6 gpt gold. The Montagne d'Or deposit is a steeply-dipping tabular body averaging about 70 meters thickness and partially outlined by earlier drill holes for a strike length of 2,000 meters and depth of 100-150 meters. The deposit and inferred resource are open at depth, along strike and internally between widely spaced holes. The planned initial drill program, consisting of 15,000 meters in about 50 holes, is designed to increase the gold resource by drilling the deposit systematically to a depth of 200 meters and laterally along open strike extensions. The denser drill pattern, with holes at roughly 50 meter centres, is also expected to convert certain of the inferred resource to indicated and measured categories.

Future drill programs will target potential extensions of the Montagne d'Or deposit indicated by untested geochemical anomalies extending more than 2.5 km along strike, incompletely tested parallel zones of gold mineralization, and other untested or incompletely tested gold prospects and geochemical anomalies throughout the large Paul Isnard property.

NEVADA PROJECTS

Columbus Gold has 26 strategically located gold projects in Nevada, 12 of which are joint ventured to junior and major mining companies, such as Agnico-Eagle. Four of the company's gold properties in Nevada were acquired in 2011, namely, Hughes Canyon in the Stillwater Range, and Combs Peak, Antelope, and North Brown in the Greater Mahogany Hills.

RECENT RESULTS

STEVENS BASIN

The following are Phase I drilling results by JV partner, Navaho Gold PTY Ltd ("Navaho Gold"), announced first in August at Columbus Gold's Stevens Basin project located in Nevada, USA.

Navaho Gold can earn an initial 51% interest in Stevens Basin over a 3 year period by incurring exploration expenditures of $3 million and making cash and share payments to Columbus Gold.

- Gold intercepts in 6 of 14 holes drilled
- Strong pathfinder anomalism (elevated As-Sb-Ba-Tl-Zn) in many holes
- Gold-bearing hydrothermal mineral system identified
- Gold-rich zones targeted for future drill phase

Assay results have been received from 2,390 meters (7,840 ft) of drilling in 14 reverse circulation drill holes completed by Navaho Gold during May and June 2011. The majority of the drilling was designed to test soil and rock chip gold geochemical anomalism (defined by work previously conducted by Columbus Gold as shown in map at link below) and was integrated with geophysical data (ground gravity and airborne magnetic data) acquired by Navaho Gold to select drill sites. Three sites (holes SB11-09, 10 and 13) were selected in areas of no outcrop on inferred structural features alone.

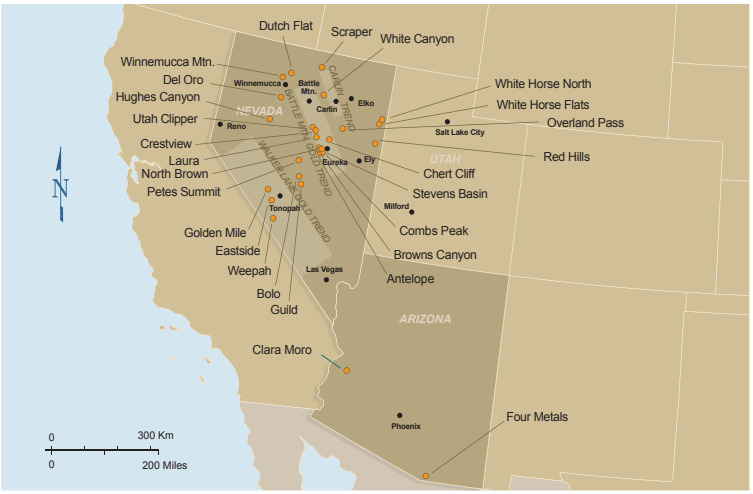
http://www.columbusgoldcorp.com/i/nr/2011-08-03-map.jpg

Stevens Basin is an unusual gravel-filled semi-circular basin, approximately 10-13 km^2 in area. Surrounding this basin are hills of Paleozoic sedimentary rocks which, along its northern margin, consist of mainly Devonian age limestone containing areas of altered and mineralized intrusive rock and siltstone float. In the area where the drilling was conducted the target horizon is a calcareous siltstone unit inferred to dip off the outcropping limestone out under the gravel cover. Based on the conventional model for Carlin-style deposits, mineralization is expected to be best developed where the prospective host unit intersects controlling structures capable of introducing the mineralizing fluids.

Six (6) of the 14 holes drilled contain encouraging intercepts of low-grade gold mineralization which, when combined with strongly anomalous arsenic (As), antimony (Sb), barium (Ba), thallium (Tl) and zinc (Zn) also intersected in many of the holes may indicate proximity to higher grade Carlin-style mineralization. Using a cut-off grade of 0.1 g/t Au over minimum interval of 3m and no more than 1.5m internal dilution, the following encouraging intercepts were returned (see Table and map for more details):

http://www.columbusgoldcorp.com/i/nr/2011-08-03-table.pdf

- SB11-003 4.6m @ 0.30 g/t Au from 64m;



COLUMBUS GOLD PROJECT LOCATIONS IN NEVADA AND ARIZONA

- SB11-009 15.2m @ 0.18 g/t Au from 35m;
- SB11-014 4.6m @ 0.25 g/t Au from 41m;

Mineralization in these 3 holes is hosted within oxidized, sheared and variably fractured/brecciated limestone with extensive calcite veining and jasperoid development (decalcification and silicification - usually associated with a Carlin-style gold mineralized system).

All 14 holes returned intercepts containing anomalous (> 10ppb or 0.010g/t) values of gold. Of particular importance is the thickness of the anomalous gold interval in SB11-09 (109.7m from 1.5m depth) which indicates a significant gold-bearing hydrothermal system has been identified.

In addition to the elevated gold intercepts several holes encountered zones of anomalous arsenic (up to 0.15% As over 9.1m in SB11-05; 0.13% As over 36.6m in SB11-012), anomalous zinc (2.03% Zn over 7.6m in SB11-11), anomalous barium (0.47% Ba over 87m in SB11-11; 0.84% Ba over 6.1m in SB11-05; 0.77% Ba over 7.6m in SB11-10) and thallium (2.4ppm Tl over 12.2m in SB11-05; 1.5ppm Tl over 74.7m in SB11-09; 3ppm Tl over 7.6m in SB11-10; 1.5ppm Tl over 83.8m in SB11-13). These elements are all strong indicators of a Carlin-style system.

GOLDEN MILE

The following are drilling results first announced in August by JV partner, Roscan Minerals Corporation, at Columbus Gold's Golden Mile project located in Nevada, USA. Roscan can earn an initial 60% interest in Golden Mile by incurring exploration expenditures of US$2.5 million and fulfilling certain other obligations.

The drilling program consisted of a total of 3,146 feet (958.9 meters) drilled by Roscan in five diamond core holes. Four of the holes were drilled as twin holes to reverse circulation rotary (RC) holes drilled by previous explorers to compare assay results and to determine controls on gold mineralization. One hole was drilled to test a mapped north-northwest trending shear zone.

Drilling intersected up to 20.0 feet averaging 1.353 oz/ton (6.1 meters averaging 46.403 g/tonne) in hole GMC002, which twinned a previous reverse circular hole that intersected 30.0 feet averaging 1.37 oz/ton (9.1 meters averaging 46.97 g/tonne). High-grade gold mineralization is concentrated in iron oxide veinlet zones that represent weathered pyrite veinlet zones that trend north-northwest within calcareous sandstone and quartz diorite.

Significant drill intercepts are listed in the following table:

HOLE	FROM (ft)	TO (ft)	LENGTH (ft)	FROM (m)	TO (m)	LENGTH (m)	AU (oz/ton)	AU (g/tonne)
GMC001	215.0	220.0	5.0	65.53	67.06	1.52	0.042	1.429
	325.0	330.0	5.0	99.06	100.59	1.52	0.072	2.479
	350.0	355.0	5.0	106.68	108.21	1.52	0.057	1.959
	380.0	395.0	15.0	115.83	120.40	4.57	0.018	0.628
	635.0	650.0	15.0	193.55	198.12	4.57	0.041	1.402
	675.0	680.0	5.0	205.74	207.27	1.52	0.054	1.864
GMC002	60.0	80.0	20.0	18.29	24.38	6.10	1.353	46.403
	130.0	135.0	5.0	39.62	41.15	1.52	0.035	1.189
	150.0	155.0	5.0	45.72	47.24	1.52	0.066	2.264
	245.0	255.0	10.0	74.68	77.72	3.05	0.062	2.115
	285.0	360.0	75.0	86.87	109.73	22.86	0.022	0.740
GMC003	140.0	150.0	10.0	42.67	45.72	3.05	0.036	1.234
	180.0	195.0	15.0	54.86	59.44	4.57	0.410	14.060
	250.0	260.0	10.0	76.20	79.25	3.05	0.105	3.609
	445.0	455.0	10.0	135.64	138.69	3.05	0.053	1.805
GMC004	275.0	285.0	10.0	83.82	86.87	3.05	0.024	0.821
	415.0	425.0	10.0	126.49	129.54	3.05	0.078	2.689
GMC005	80.0	90.0	10.0	24.38	27.43	3.05	0.212	7.265

The drill program was designed to determine which structures host the gold in the Golden Mile Property, along with the distribution and trend of the mineralization in properties for delineating a reserve. Based upon logging of the core, anomalous to ore-grade mineralization is associated with calcite-pyrite ± quartz veinlets and semi-massive pyritic zones in calcareous sandstone and quartz diorite. The calcite-pyrite ± quartz veinlets are generally less than 2 cm thick and the pyritic zones are generally 2 to 10 cm thick. The most common orientation of both the veinlets and pyritic zones are 25° to Core Axis, suggesting a northwest orientation to gold mineralization.

Drilling was completed by Timberline Drilling with an AH-5 skid-mounted core rig. Core recovery was greater than 90%. Rock quality designation measurements and core photography was completed by John Lukens and Allen Crist. Core was logged and sample intervals were marked on-site by John Lukens. When logging was completed, the core was taped closed and palletized for pick up by American Assay Laboratories (AAL) of Sparks, NV, a reputable laboratory under the Mineral Exploration Best Practices Guidelines. After the core was transported, it was cut with a diamond bladed saw by AAL personnel. The core then was dried, crushed to -10 mesh, split to 250 g and the split was pulverized to -150 mesh. A 30 g charge was analyzed by Fire Assay with an ICP (1ppb detection limit). Samples containing over 3 ppm (3 g/tonne) were re-analyzed by Fire Assay with a gravimetric finish. Multi-element ICP analysis for major and trace elements was completed on all samples submitted.

The Golden Mile Property consists of 24 mineral claims which are, in part, subject to underlying annual lease payments and net smelter return royalties. The claims cover approximately 154 hectares (380 acres), along the Walker Lane Gold Trend in Southwest Nevada. During the 1930's the property produced approximately ten thousand tonnes of ore grading 12 g/t (0.42 oz/t) gold. Geophysical surveys and drilling carried out in the 1970's, 1980's and by Columbus Gold in 2006, defined skarn, breccia and disseminated gold mineralization. The drilling includes several high grade gold intercepts, including one intercept of 16 g/t (0.56 oz/t) gold along 29.5 m (96.8 ft), which occur within a broad area of lower grade gold mineralization. The historic data was compiled pre-National Instrument 43-101 reporting.

GUILD

In September 2011, the company announced that Phase II drilling commenced at its Guild Project, located approx. 74.5 miles northeast of Tonopah, in Nye County, Nevada, where joint venture partner Sniper Resources Ltd., is earning an initial 51% interest by undertaking staged annual exploration expenditures totaling US$2 million by October 2nd, 2012.

Sniper reports that four to six RC holes are planned in this round of drilling and that hole depths are expected to be less than 500 feet for at least three of the four drill sites.

Carlin-style gold mineralization is the target at Guild where a silicified ledge in Ordovician limestone carries gold values (thirty samples average 0.054 opt gold) over 180 feet of its 2,300 ft total strike length. The jasperoid ledge formed along a northerly-trending structure which appears to extend south under what is thought to be a thin veneer of post-ore volcanic rocks.

A number of untested drill targets have been identified at Guild from geochemical sampling and mapping programs, and a gravity survey as well as several line miles of CSAMT were completed to identify important overlaid structures. The principal target is an ore-controlling structure which extends for 1 mile under shallow post-ore cover between the main Guild gold showing and a jasperoid in an area to the south, where it crosses the inferred position of the Roberts Mountain Thrust Fault. In addition, the structure is interpreted to cut the Mississippian Webb Formation in the south end of the block (host for the Rain, Dee, and various other Nevada disseminated gold mines). Preliminary reconnaissance has also identified hydrothermal alteration in the form of silicification and barite veining in the Webb.

The current drilling is designed to test for extensions of gold mineralization encountered in Phase I drilling completed in early 2011. Drill holes GI-11, GI-16 and GI-17 in Phase I drilling returned intervals of potentially leach-grade gold beginning at surface in oxidized host rock. Drill hole GI-11 averaged 0.008 opt gold from 0-50 feet down the hole with a high assay of 0.024 opt gold at 20-25 feet. Drill hole GI-16 averaged 0.011 opt from 0-40 feet down the hole with a high of 0.038 opt at 10-15 feet. Drill hole GI-17 averaged 0.009 opt from 0-15 feet down the hole with a high of 0.016 opt from 0-5 feet.

GUILD GOLD PROJECT, NEVADA. 4,362 METERS DRILLED IN 2011

SCOTT BAXTER, CEO OF JV PARTNER SNIPER RESOURCES — GUILD GOLD PROJECT, NEVADA

EXPENDITURE SUMMARY

A breakdown of the acquisition and exploration expenditures is as follows:

	SEPTEMBER 30, 2010	AQUISITION COST	DEFERRED EX-PLORATION	IMPAIRMENT/ DIVESTITURE	SEPTEMBER 30, 2011
UNITED STATES:					
Utah Clipper—NV	$ 416,177	(23,535)	2,662	-	**$ 395,304**
Golden Mile—NV	-	75,960	3	(75,963)	
Dutch Flat—NV	31,485	3,972	3,976	(39,433)	**1**
Crestview—NV	210,385	-	-	-	**210,384**
White Horse Flats—NV	8,051	5,208	(13,256)	-	**3**
Guild—NV	47,446	-	(35,382)	-	**12,063**
Overland Pass—NV	29,552	-	(23,087)	-	**6,465**
Pete's Summit—NV	8,099	6,686	38,201	-	**52,987**
Bolo—NV	1,608,311	-	146,522	-	**1,754,834**
Scraper—NV	56,522	-	37,314	-	**93,836**
Eastside—NV	120,956	18,640	252,410	-	**392,007**
Robinson Mountain—NV	3,586	-	2,037	-	**5,622**
Red Hills—NV	4,307	-	11,374	-	**15,681**
Winnemucca—NV	923	-	1,519	-	**2,442**
Weepah—NV	109,442	(9,658)	287,097	-	**386,882**
White Canyon—NV	1,028	-	-	-	**1,028**
White Horse Flats North—NV	5,384	-	(3,784)	-	**9,168**
Summit—NV	70,202	-	5,457	-	**75,659**
Brown's Canyon—NV	18,530	35,542	186,068	-	**240,140**
Stevens Basin—NV	111,056	-	(22,572)	-	**88,484**
Hughs Canyon—NV	-	22,071	140,640	-	**162,711**
Combs Peak—NV	-	-	40,443	-	**40,443**
North Brown—NV	-	5,808	16,934	-	**22,742**
Antelope—NV	-	7,110	19,584	-	**26,694**
Four Metals—AZ	-	-	-	-	**-**
Laura—NV	-	-	604	-	**604**
FRENCH GUIANA:					
Paul Isnard—FG	-	17,272,196	1,743,987	-	**19,016,183**
TOTAL PROPERTIES	**$ 2,861,442**	**17,444,033**	**2,819,406**	**(115,396)**	**$ 23,012,367**

Property Locations: **NV** – Nevada **AZ** – Arizona **UT** – Utah **NM** – New Mexico **FG** – French Guiana

Selected Financial Data

	SEPT 30, 2011 ($)	JUN 30, 2011 ($)	MAR 31, 2011 ($)	DEC 31, 2010 ($)	SEP 30, 2010 ($)	JUN 30, 2010 ($)	MAR 31, 2010 ($)	DEC 31, 2009 ($)
Financial Results:								
Net loss/(income) for period	(487,812)	2,100,277	664,699	12,373	589,289	32,231	723,555	168,230
Basic and diluted loss per share	(0.01)	.05	.02	0.00	0.02	0.00	0.02	0.01
Balance Sheet Data:								
Cash and short term deposits	3,345,974	4,788,121	2,865,157	2,110,901	1,390,449	1,585,982	126,546	88,919
Mineral properties	23,012,367	21,678,335	3,533,919	2,948,526	2,861,442	2,631,380	2,619,171	3,151,341
Total assets	29,651,652	29,648,335	9,562,597	8,253,491	7,301,278	6,571,111	4,688,964	5,103,567
Shareholders' equity	29,550,116	28,910,697	9,443,808	8,157,662	7,280,156	6,482,327	4,609,870	5,016,318

	SEPT 30, 2011 ($)	SEPT 30, 2010 ($)	SEPT 30, 2009 ($)
Financial Results:			
Net loss for period	2,516,995	270,265	1,861,038
Basic and diluted loss per share	0.05	0.01	0.07
Mineral property aquisition and exploration costs	3,140,004	115,612	1,063,100
Balance Sheet Data:			
Cash and short term deposits	3,345,974	1,390,449	396,535
Resource properties	23,012,367	2,861,442	3,021,657
Total assets	29,651,652	7,301,278	5,240,401
L/T Financial liabilities	-	-	-
Shareholders' equity (deficiency)	29,550,116	7,208,156	5,169,505

COLUMBUS PRESIDENT, ANDY WALLACE, AND TECHNICAL DIRECTOR, JOHN PROCHNAU - CITRON CAMP, PAUL ISNARD GOLD PROJECT

FRENCH GUIANA COUNTRY MANAGER, ANDRÉ ADAM INSPECTING CORE - PAUL ISNARD GOLD PROJECT

LANDING STRIP AT CITRON CAMP - PAUL ISNARD, FRENCH GUIANA

CAPITAL RESOURCES

The Company has raised a combined $6,102,981 from a private placement and option and warrant exercises during the year. Also, the Company is currently carrying two promissory notes with a combined face value of approximately $1,391,078 from Columbus Silver Corporation. They carry simple interest at 5% and are due and payable on August 2012. The notes have a conversion option at $0.10 per share at the option of the holder.

LIQUIDITY

The Company's activities have been funded through equity financing and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flow from operations. The Company has been successful in its fund raising efforts in the past, but there can be no assurance that the Company will continue to be successful in the future. If such funds are not available or other sources of finance cannot be obtained, then the Company will be forced to curtail its activities to a level for which funding is available and can be obtained. On December 22, 2011, the Company announced that it sold its Nevada based Summit property for US$8.5 million (see Subsequent Events). The Company plans to use part of these funds to pursue a more aggressive drill program in French Guiana.

During the year, the Company's working capital position increased to $5,126,445 from $1,867,620 in 2010. At September 30, 2011, the Company's working capital balance included a cash balance of $3,345,974.

The Company experienced a cash outflow from operations of $1,097,675 and invested $3,140,004 in cash and common shares to acquire and explore its mineral properties. As at September 30, 2011, the Company had total assets of $29,651,652 and the principal non-cash assets of the Company were its mineral exploration properties in French Guiana, Utah, Nevada, New Mexico, and Arizona with a carrying value of $23,012,367 representing 77.6% of its total assets.

The Company had no long term debt at the end of the year.

Outstanding Share Data

	AMOUNT
Common Shares outstanding at September 30, 2011	90,123,314
Stock Options	5,473,000
Share Purchase Warrants	1,826,850
Fully Diluted Shares	97,693,164

OPTIONS

During the year, the Company granted incentive stock options in two separate grants to some of its directors, employees and service providers, to purchase up to an aggregate of 2,365,000 common shares. In December 2010, the Company granted 1,208,500 options exercisable on or before December 6, 2015 at $0.50, and in June granted options to purchase up to 1,556,500 common shares at a price of $0.78 per share exercisable on or before June 15, 2016. Of the foregoing options, 225,000 will vest on December 15, 2011; 100,000 will vest on June 15, 2012; and 100,000 will vest on June 15, 2013, with the remainder vesting at grant. All options have been expensed as stock based compensation.

A summary of the changes in the Company's stock options is set out below:

	OPTIONS OUTSTANDING	WEIGHTED AVERAGE EXERCISE PRICE	WEIGHTED AVERAGE TIME TO EXPIRY
Balance, as at September 30, 2010[1]	**5,483,000**	**$0.56**	**2.78 yrs**
Granted during the period	2,365,000	$0.66	4.69 yrs
Cancelled/Expired during the period	(2,375,000)		
Balance, as at September 30, 2011	**5,473,000**	**$0.57**	**4.40 yrs**

[1] Beginning options outstanding number includes 300,000 options that were previously erroneously thought to have expired.

A summary of stock options outstanding at September, 2011 is as follows:

NUMBER OF OPTIONS	EXERCISE PRICE	EXPIRY DATE
90,000	$1.40	December 2011
10,000	$1.68	February 2012
50,000	$1.50	May 2012
60,000	$1.25	October 2012
90,000	$1.25	November 2012
83,000	$0.85	March 2013
1,075,000	$0.50	August 2013
200,000	$0.25	May 2014
1,250,000	$0.25	January 2015
1,008,500	$0.50	December 2015
1,556,500	$0.67	June 2016
5,473,000		

WARRANTS

A summary of share purchase warrants outstanding as at September 30, 2011 is set out below:

NUMBER OF WARRANTS	EXERCISE PRICE	EXPIRY DATE
1,525,000	$0.35	Jan-12
217,600[2]	$0.35	Jan-12
73,500	$0.35	Nov-11
10,750[2]	$0.35	Nov-11
1,826,850		

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the year.

COMMITMENTS

CORDEX

On December 22, 2010, the Company extended its agreement with Cordex until December 31, 2011. The Company has had a relationship with Cordex since September 2007. Cordex designs, initiates and carries out mineral exploration and development activities on behalf of the Company with the objective of identifying, acquiring and exploring new mineral properties and operating exploration programs on the Company's existing portfolio of mineral properties. Cordex and Columbus Gold Corporation share an officer in common. The agreement is exclusive to Columbus Gold and provides that the term may be extended until December 31, 2013. Columbus Gold (U.S.) provides Cordex with general operating capital, exclusive of third party contractor expenses, of up to US$44,000 per month which includes a monthly management fee to Cordex of US$12,500.

Further, Cordex is entitled to receive a 2% NSR on any claims that it stakes on behalf of the Company. If claims or mineral rights are identified by Cordex and acquired from third parties, then the Cordex NSR shall be the difference between a 4% NSR and the third party royalty provided, however, it shall be no less than 1% nor greater than 2%. All properties acquired by the Company within two miles of a claim generated by Cordex will fall under an area of influence and become subject to the agreement.

AUPLATA – PAUL ISNARD

The Company announced on December 23, 2011 that it had received TSXV approval for its amended agreement with Auplata wherein it can now acquire an immediate 100% of the Paul Isnard project by making a US$1.5 million payment to Auplata. The Company has paid US$1.0 million and will make the remaining US$500,000 payment upon confirmation of non-objection from the French government which is a necessary condition to close the transaction.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements requires the Company to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is obtained, and are subject to change. The Company's accounting policies and estimates used in the preparation of the consolidated financial statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

Property acquisition costs and related direct exploration costs may be deferred until the properties are placed into production, sold, abandoned, or written down, where appropriate. The Company's accounting policy is to capitalize exploration costs consistent with Canadian GAAP and applicable guidelines for exploration stage companies. The policy is consistent with other junior exploration companies which have not established mineral reserves objectively. An alternative policy would be to expense these costs until sufficient work has been done to determine that there is a probability a mineral reserve can be established; or alternatively, to expense such costs until a mineral reserve has been objectively established. Management is of the view that its current policy is appropriate for the Company at this time. Based on annual impairment reviews made by management, or earlier if circumstances warrant, in the event that the long-term expectation is that the net carrying amount of these capitalized exploration costs will not be recovered, then the carrying amount is written down accordingly and the write-down charged to operations. A write-down may be warranted in situations where a property is to be sold or abandoned; or exploration activity ceases on a property due to unsatisfactory results or insufficient available funding.

SUBSEQUENT EVENTS

Subsequent to the end of the year, the Company:

a) The Company announced on November 30, 2011 that it sold its interest in the Summit gold project in Nevada ("Summit") to Agnico-Eagle (USA) Limited ("Agnico-Eagle") for US$8.5 million. Agnico-Eagle has been earning an initial 51% interest in Summit under an option agreement dated June 1, 2007 by undertaking exploration activities, and up to a 75% interest by, among other things, completing a bankable feasibility study. The option agreement between Agnico-Eagle and Columbus Gold has now been terminated and replaced with a definitive purchase and sale agreement providing for a 100% interest (subject to a 2% NSR royalty to Cordex) in the Summit Project to Agnico-Eagle for consideration of $8.5 million. The terms of the purchase and sale agreement oblige the Company to assign and deliver to Agnico, free and clear of any encumbrances, the title and interest in the Summit property as defined in the agreement in exchange for cash consideration of US$8.5 million. The Company granted National Bank Financial 300,000 warrants exercisable at $0.80 per share as a fee on this transaction.

b) The Company announced on December 23, 2011 that it received TSXV approval for two strategic agreements concerning the Paul Isnard gold project in French Guiana:

Auplata amendment: The amending agreement with Auplata dated December 5, 2011 allows the Company to acquire a 100% interest in Paul Isnard by paying US$1.5 million to Auplata and the Company will no longer be required to complete a bankable feasibility study or incur minimum exploration expenditures.

Paul Isnard Royalty: The agreement with Euro Ressources S.A. ("EURO"), pursuant to which the Company has purchased an option to acquire the existing outstanding royalty on the Paul Isnard gold project, has been approved by the TSXV. As consideration for entering into the Agreement, the Company is making a $250,000 payment to EURO consisting of $83,333 cash and 237,017 shares. The Company paid Cormark Securities $250,000 fee for strategic advice on this transaction.

"Columbus sells Nevada, Summit gold project for US$8.5 million."

OUTLOOK

Volatility wreaked havoc on commodity prices and the capital markets during fiscal 2011. Junior mining companies have not been sheltered from these extreme movements. While the gold price has retreated from its high, it remains elevated due to uncertainty surrounding the global macroeconomic and geopolitical environment. The Company hopes to focus on developing its gold resource in French Guiana to take advantage of demand for hard assets.

RISKS AND UNCERTAINTIES

The Company is in the mineral exploration and development business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Exploration for mineral resources involves a high degree of risk, and the cost of conducting programs may be substantial and the likelihood of success is difficult to assess. The Company attempts to mitigate its exploration risk through joint ventures with other companies.

Beyond exploration risk, management is faced with other possible risks which include the following:

METAL PRICE RISK

The price of gold greatly affects the value of the Company and the potential value of its properties and investments. This, in turn, greatly affects its ability to form joint ventures and the structure of any joint ventures formed.

FINANCIAL MARKET RISK

The Company is dependent on the equity markets as its sole source of operating working capital and the Company's capital resources are largely determined by the strength of the resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

TITLE RISK

The Company has investigated its right to explore and exploit its properties and, to the best of its knowledge. However, the results of the Company's investigations should not be construed as a guarantee of title.

VALUE RISK

There is no certainty that the carrying value of mineral properties which the Company has recorded as assets on its consolidated balance sheet will be realized at the amounts recorded.

DRILLING AT WEEPAH GOLD PROJECT, NEVADA. 2,406 METERS DRILLED IN 2011

DRILLING AT OVERLAND PASS GOLD PROJECT, NEVADA. 3,000 METER DRILL PROGRAM PLANNED FOR 2012

BOLO GOLD PROJECT, NEVADA. 9,000 METER DRILL PROGRAM PLANNED FOR 2012

ENVIRONMENTAL RISK

The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the country in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas. Although minimal at this time, site restoration costs are a component of exploration expenses.

EQUIPMENT AND SERVICE AVAILABILITY

There is no certainty that the drilling equipment and crew services which the Company requires to complete its exploration programs will be available when needed. The Company operates in French Guiana which is remote and difficult to travel to, and Nevada, which is one of the busiest exploration areas in North America. Third party drill contractors are in high demand thus have limited availability. While the Company has secured drillers for its programs, there remains the risk that this could change.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements. The Company has not completed a feasibility study on any of its properties to determine if it hosts a mineral resource that can be economically developed and profitably mined.

CHANGES IN ACCOUNTING POLICIES

The Company adopted new accounting policies which are outlined in Note 2 of the audited annual consolidated financial statements. Furthermore, the Company will be adopting the new IFRS accounting policies effective as outlined below:

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) CHANGEOVER PLAN

The Accounting Standards Board of the CICA announced on February 13, 2008 that Canadian generally accepted accounting principles for publicly accountable enterprises will be replaced with International Financial Reporting Standards (IFRS) for fiscal years beginning on or after January 1, 2011. Companies will be required to prepare and present an opening IFRS statement of financial position at the date of transition to IFRS. For Columbus, the transition balance sheet date is October 1, 2010 as it adopting IFRS on October 1, 2011 with one comparative period.

Implementing IFRS will have an impact on accounting, financial reporting and supporting IT systems and processes. It may also have an impact on taxes, contractual commitments involving GAAP-based clauses (including debt covenants), long-term employee compensation plans and performance metrics. Accordingly the Company's implementation plan includes measures to provide extensive training to key finance personnel, to review relevant contracts and agreements and to increase the level of awareness and knowledge amongst management, the Board and Audit Committee and investor relations. It is possible that additional resources will be engaged to ensure the timely conversion to IFRS.

FINANCIAL AND OTHER INSTRUMENTS

Fair value estimates of financial instruments are made in accordance with the new CICA Financial Instruments Standards for recognition, measurement and disclosure of financial instruments. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash and cash equivalents, term deposits, marketable securities, receivables, accounts payable and accrued liabilities and advances to and from related parties approximate their fair value because of the short-term nature of those instruments.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements.

DISCLOSURE AND INTERNAL CONTROLS

Disclosure controls and procedures have been established to provide reasonable assurance that material information relating to the Company is made known to management, particularly during the period in which annual filings are being prepared. Furthermore, internal controls over financial reporting have been established to ensure the Company's assets are safeguarded and to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP.

Other Information

Additional information about the Company is available on the Company's website at www.columbusgoldcorp.com or SEDAR at www.sedar.com.

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Robert Giustra
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Don Gustafson
Peter Gianulis

OFFICERS

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Andy Wallace	President
Joel Shuster	Vice President Legal & Corporate Secretary
Akbar Hassanally	Chief Financial Officer
Jorge Martinez	Vice President of Corporate Development

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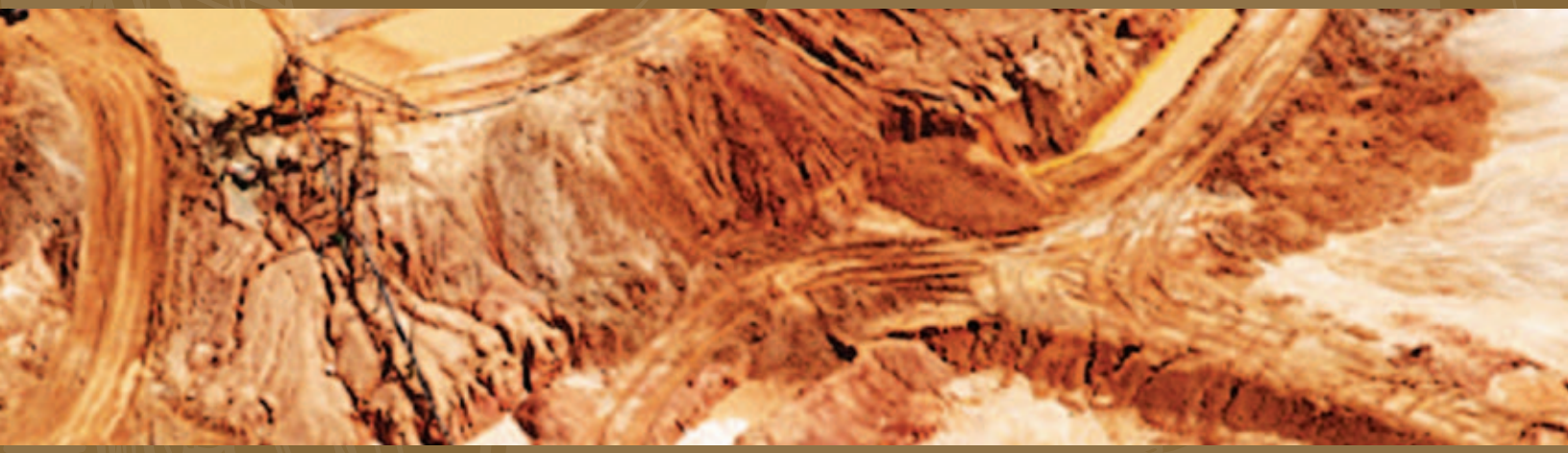
Vancouver, BC Canada V6C 3B9

Columbus Gold
CORPORATION

FOLDED CAMBRIAN STRATA IN THE HANGING WALL OF THE MINE FAULT - BOLO GOLD PROJECT, NEVADA



Consolidated Financial Statements

September 30, 2011 (Canadian Dollars)

Independent Auditor's Report

CHARTERED ACCOUNTANTS

To the Shareholders of Columbus Gold Corporation:

We have audited the accompanying consolidated financial statements of Columbus Gold Corporation which comprise the consolidated balance sheets as at September 30, 2011 and 2010, and the consolidated statements of loss and deficit, comprehensive loss and accumulated other comprehensive income and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

We believe that the audit evidence that we have obtained in our audits 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 respects, the financial position of Columbus Gold Corporation and its subsidiaries as at September 30, 2011 and 2010, and the results of its operations 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 1 in the consolidated financial statements which describe certain conditions that give rise to doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from this uncertainty.

"DMCL"

Dale Matheson Carr-Hilton Labonte LLP
CHARTERED ACCOUNTANTS

Vancouver, Canada January 30, 2012

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CONSOLIDATED BALANCE SHEETS

ASSETS	SEPTEMBER 30, 2011	SEPTEMBER 30, 2010
CURRENT ASSETS		
Cash and cash equivalents	$3,345,974	$639,826
Term deposits (note 5)	-	750,623
Available-for-sale investments (note 4)	407,552	350,617
Prepaids and receivables (note 3)	374,792	219,676
Due from Columbus Silver Corporation (note 3)	1,099,663	-
	5,227,981	1,960,742
Advances to a related party for exploration (note 12)	219,984	176,836
Investment in Columbus Silver Corporation (note 3)	-	20,392
Due from Columbus Silver Corporation (note 3)	-	857,356
Conversion option (note 3)	1,113,054	1,389,076
Reclamation bond (note 6)	78,266	35,434
Mineral properties (note 7)	23,012,367	2,861,442
	$29,651,652	$7,301,278

LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$101,536	$73,622
Due to related parties (note 12)	-	19,500
	101,536	93,122
SHAREHOLDERS' EQUITY		
Share capital (note 8)	37,389,217	13,171,639
Obligation to issue shares (note 8)	54,250	-
Contributed surplus (note 8)	4,313,391	3,696,639
Accumulated other comprehensive income (loss)	108,420	138,045
Deficit	(12,315,162)	(9,798,167)
	29,550,116	7,208,156
	$29,651,652	$7,301,278

Nature of operations and going concern (note 1)
Commitments (notes 7 and 10)

Approved by the Board of Directors:

ROBERT GIUSTRA
Robert Giustra - Director

GIL ATZMON
Gil Atzmon - Director

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

CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

	YEAR ENDED SEPTEMBER 30, 2011	YEAR ENDED SEPTEMBER 30, 2010
EXPENSES		
Administration	$102,607	$123,083
Consulting fees	22,400	19,843
Impairment of mineral properties (note 7)	115,396	349,457
Director fees (note 12)	48,000	48,000
Foreign exchange (gain) loss	(59,915)	40,111
General exploration	287,819	249,832
Investor relations	248,753	41,040
Management fees (note 12)	70,000	60,000
Office and general	141,301	17,364
Professional fees	206,335	140,893
Stock-based compensation (note 8)	1,481,781	270,108
Transfer and filing fees	32,377	19,417
Travel, advertising and promotion	64,100	31,532
Loss before other items	(2,760,954)	(1,410,680)
OTHER ITEMS		
Interest income	8,888	749
Loan accretion (note 3)	299,521	390,947
Loss from equity accounted investment (note 3)	(20,392)	(144,381)
Loss on sale of investments	105,089	(4,569)
Income from third party interest in mineral property	126,875	182,512
Fair value change of conversion option (note 3)	(276,022)	715,157
LOSS FOR THE YEAR	**(2,516,995)**	**(270,265)**
DEFICIT, BEGINNING OF YEAR	**(9,798,167)**	**(9,527,902)**
DEFICIT, END OF YEAR	**$(12,315,162)**	**$(9,798,167)**
BASIC AND DILUTED LOSS PER COMMON SHARE	**$(0.05)**	**$(0.01)**
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	**53,770,426**	**29,223,520**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS AND ACCUMULATED OTHER COMPREHENSIVE INCOME

	YEAR ENDED SEPTEMBER 30, 2011	YEAR ENDED SEPTEMBER 30, 2010
Loss for the year	$(2,516,995)	$(270,265)
Unrealized gain (loss) on available for sale securities	(29,625)	152,653
COMPREHENSIVE LOSS FOR THE YEAR	**$(2,546,620)**	**$(117,612)**
Accumulated other comprehensive income (loss) - Beginning	$138,045	$(14,608)
Other comprehensive income (loss)	(29,625)	152,653
Accumulated other comprehensive income - Ending	$108,420	$138,045

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEAR ENDED SEPTEMBER 30, 2011	YEAR ENDED SEPTEMBER 30, 2010
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the year	$(2,516,995)	$(270,265)
Items not affecting cash:		
Amortization	-	-
Stock-based compensation	1,481,781	270,108
Fair value change of conversion option	276,022	(715,157)
Loss on sale of investments	(105,089)	4,569
Impairment of mineral properties	115,396	349,457
Loss from equity accounted investment	20,392	144,381
Income from third party interest in mineral property	(126,875)	(72,229)
Loan accretion and accrued interest	(242,307)	(392,319)
Foreign exchange (gain) loss	-	35,246
	(1,097,675)	(646,209)
Changes in non-cash working capital items:		
Increase (decrease) in prepaids and receivables	(155,116)	92,781
Increase (decrease) in accounts payable	27,914	29,443
Decrease in amounts due to related parties	(19,500)	(7,217)
	(1,244,377)	(531,202)
FINANCING ACTIVITIES		
Common shares issued for cash	6,102,981	1,785,469
Obligation to issue shares	54,250	-
	6,157,231	1,785,469
INVESTING ACTIVITIES		
Related party advances for exploration	72,248	(241,229)
Redemption of rec bond	(42,832)	-
Redemption (purchase) of term deposits	750,623	(650,000)
Proceeds from sale of investments	153,259	95,865
Mineral property acquisiton and exploration costs	(3,140,004)	(115,612)
	(2,206,706)	(910,976)
CHANGE IN CASH DURING THE YEAR	**2,706,148**	**343,291**
CASH AND CASH EQUIVALENTS - BEGINNING	**639,826**	**296,535**
CASH AND CASH EQUIVALENTS - ENDING	**$3,345,974**	**$639,826**

Supplemental Cash Flow Information - Note 9

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

Columbus Gold Corporation
(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Year Ended September 30, 2011

1. NATURE OF OPERATIONS

Columbus Gold Corporation (the "Company" or "Columbus Gold") was incorporated on May 14, 2003 under the laws of the Province of Saskatchewan, Canada and continued on to British Columbia, Canada on December 29, 2003. The Company is currently listed on the TSX Venture Exchange (the "TSXV" or "Exchange") classified as a Tier 2 mining issuer.

Its principal business activities are the exploration and development of mineral properties. The Company's mineral properties are located in the United States and French Guiana. The Company has entered into a definitive option agreement to acquire the Paul Isnard gold project in French Guiana. The Paul Isnard project represents a major project for the Company and management is focused on developing the project further to determine if the ore reserves that it contains are economically recoverable. These financial statements have been prepared on the going concern basis, which assumes that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business, and do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. The recoverability of the amounts shown for mineral properties are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. To date, the Company has not received any revenue from mining operations and is considered to be in the exploration stage.

The ability of the Company to continue as a going concern is dependent on its ability to raise additional debt or equity to fund ongoing costs of operations and in order to advance its projects. At September 30, 2011, the Company had working capital of $5,126,445 (2010 - $1,867,620) and an accumulated deficit of $12,315,163 (2010 - $9,798,167).

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These consolidated financial statements are presented in accordance with Canadian generally accepted accounting principles ("GAAP"). These consolidated financial statements include the accounts of Columbus Gold Corporation and its subsidiary Columbus Gold (U.S.) Corporation ("Columbus Gold (U.S.)"). All inter-company transactions and balances have been eliminated upon consolidation. The Company's investment in Columbus Silver Corp. ("Columbus Silver") is accounted for using the equity method of accounting (note 3).

(b) Cash and cash equivalents

Cash equivalents consist of highly liquid investments which are readily convertible into cash with maturities of three months or less when purchased.

(c) Available-for-sale investments

Marketable securities are classified as available for sale and are carried at fair value based on their closing trading price at September 30, 2011, with the exception of those which are private companies, which are carried at cost.

(d) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the period.

Significant areas requiring the use of management estimates include the determination of future income tax assets, the assumptions used in the determination of stock-based compensation, and carrying value of mineral properties. While management believes the estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

(e) Foreign currency translation

The Company's functional and reporting currency is the Canadian dollar and the Company uses the temporal method of foreign currency translation for translating the operations of Columbus Gold (U.S.). Transactions are translated into Canadian dollars as follows:

a) Monetary items at the rate prevailing at the balance sheet date;
b) Non-monetary items at the historical exchange rate;
c) Revenue and expense at the average exchange rate for the period; and
d) Gains or losses arising on translation are included in the statement of loss.

(f) Future income taxes

Future income taxes are recorded using the asset and liability method whereby future income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it to be more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

(g) Stock-based compensation

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. For employees, the fair value of the options is measured at the date of the grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. Stock based payments are recognized either as compensation expense or capitalized mineral resource property cost over the vesting period of the options with a corresponding credit to contributed surplus. When the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

(h) Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per common share is recognized from the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. Diluted loss per common share has not been presented separately as this calculation proved to be anti-dilutive.

Basic and diluted loss per common share are calculated using the weighted average number of shares outstanding during the year.

(i) Mineral properties

The Company is in the exploration stage and defers all expenditures related to its mineral properties until such time as the property is put into commercial production, sold or abandoned. Under this method, the amounts reported represent costs incurred to date less amounts amortized and/or written off, and do not necessarily represent present or future values.

If the property is put into commercial production, the expenditures will be depleted based upon the proven reserves available. If the property is sold or abandoned, then the expenditure will be charged to operations. The Company does not accrue the estimated future costs of maintaining in good standing its mineral properties.

In the event that reserves are not determined, the carrying values of a mineral property interest, on a property-by-property basis, will be reviewed by management at least annually to determine if they have become impaired. Any property that is not considered to be a priority focus for exploration by the Company or by a joint venture partner is written down to its net recoverable value. The ultimate recoverability of the amounts capitalized is dependent upon the identification of economically recoverable ore reserves, the Company's ability to obtain the necessary financing to complete their development and to realize profitable production and proceeds from the disposition thereof. Management's estimate of recoverability is based on current conditions. However, it is possible that changes could occur in the near term, which could adversely affect management's estimates and may result in future write-downs of the capitalized property carrying values.

General exploration costs consist of exploration expenditures incurred in the process of evaluating potential property acquisitions. These costs are expensed as incurred unless the property is subsequently acquired and then the expenses are deferred.

(j) Asset retirement obligations

The Company recognizes the fair value of liabilities for asset retirement obligations in the period in which a reasonable estimate of such costs can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expenses using a systematic and rational method and is also adjusted to reflect period-to-period changes in the liability resulting from passage of time and revisions to either timing or the amount of the original estimate of the undiscounted cash flow. As at September 30, 2011, the Company did not have any measurable asset retirement obligations.

(k) Impairment of long-lived assets

The Company reviews the carrying amount of long-lived and intangible assets for impairment annually and whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable or have been impaired. The determination of impairments is based on a comparison of undiscounted estimated future cash flows anticipated to be generated during the remaining life of the asset to the net carrying value of the asset. If impairment is determined, the long lived asset is written down to fair value.

(l) Financial Instruments

Financial assets and liabilities, including derivative instruments, are initially recognized and subsequently measured based on their classification as held-for-trading, available for sale financial assets, held to maturity, loans and receivables, or other financial liabilities as follows:

- Held-for-trading financial instruments are measured at their fair value with changes in fair value recognized in net income for the period.
- Available for sale financial assets are measured at their fair value and changes in fair value are included in other comprehensive income until the asset is removed from the balance sheet.
- Held-to-maturity investments, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method.
- Derivative instruments, including embedded derivatives, are measured at their fair value with changes in fair value recognized in net income for the period unless the instrument is a cash flow hedge and hedge accounting applies in which case changes in fair value are recognized in other comprehensive income.

The Company does not engage in any form of derivative or hedging instruments.

The Company's financial instruments consist of cash, term deposits, available-for-sale investments, and reclamation bonds, amounts due from Columbus Silver, conversion rights on convertible loans, accounts payable and amounts due to related parties. The value of the Company's arm's length short term financial instruments is estimated by management to approximate their carrying values due to their immediate or short-term maturity.

The Company designated its cash and term deposits as held-for-trading, which is measured at fair value. Investments in common shares have been designated as available for sale, which is measured at fair value. The conversion rights on convertible loan is classified as a derivative instrument and carried at fair value. Receivables and the amount due from Columbus Silver have been designated as loans and receivables, which are measured at amortized cost. Accounts payable and due to related parties are classified as other financial liabilities, which are measured at amortized cost.

CICA Handbook Section 3862 requires disclosure about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; &
Level 3 - Inputs that are not based on observable market data.

Also see note 7.

RECENT CANADIAN ACCOUNTING PRONOUNCEMENTS

Recent Canadian accounting pronouncements that have been issued but are not yet effective, and which may affect the Company's financial reporting are summarized below:

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In January 2006, CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. The AsSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada'sown generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of October 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended September 30, 2011. Management has begun to assess its requirements and first time adoption methodologies, including its internal training and resource needs and first time adoption implications.

BUSINESS COMBINATION, NON-CONTROLLING INTEREST, AND CONSOLIDATION

In January 2009, the CICA issued Handbook Sections 1582, Business Combination ("Section 1582"), 1601, Consolidated Financial Statements. ("Section 1601") and 1602, Non-controlling Interests, ("Section 1602") which replaces CICA Handbook Sections 1581, Business Combinations, and 1600, Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company's business combinations and acquisition dates on or after January 1, 2011. Early adoption of this section is permitted. Section 1601 is applicable for the Company's interim and annual financial statements for its fiscal year beginning January 1, 2011. Early adoption of this section is permitted. If the Company chooses to adopt any one of these sections, the other sections must also be adopted at the same time. The adoption of this standard is not expected to have a material impact on the Company's financial statements.

3. INVESTMENT IN COLUMBUS SILVER CORPORATION

At September 30, 2011, the Company owns 4,020,000 common shares (2010 – 4,020,000 common shares) of Columbus Silver. The Company's investment in Columbus Silver is accounted for as an equity investment as the Company exerts significant influence over Columbus Silver. As at December 31, 2011 the Company's investment is carried at $Nil as the Company's losses in Columbus Silver exceeded its carrying value.

At September 30, 2011, the Company held an 11.1% direct interest and a fully diluted interest of 36.0% assuming the convertible notes were converted into shares of Columbus Silver.

On September 1, 2010, the Company entered into a promissory note with a face value of $845,208 in order to extend repayment of a prior note. The note bears face interest of 5% per annum, the principal balance is convertible into common shares of the Columbus Silver at $0.10 per share and it matures on August 31, 2012. Any accrued interest can only be converted into common shares at the market price on the date of conversion. The fair value of the note was $506,019 and the fair value of the conversion option was $339,190 on the date of issue. At September 30, 2011, the Company recorded $51,149 (2010 - $3,358) in accrued interest (included in prepaids and receivables) and accreted the promissory note to $657,863 (2010 - $516,951), inclusive of accretion income totaling $140,911 (2010 - $10,932) relating to the debt discount calculated using the effective interest method. The effective interest rate was calculated to be 30%.

On September 1, 2010, the Company entered into a US$ promissory note with a face value of US$540,465 in order to extend repayment of a prior note. The note bears face interest of 5% per annum, the principal balance is convertible into common shares of the Company at $0.10 per share and it matures on August 31, 2012. Any accrued interest can only be converted into common shares at the market price on the date of conversion. The fair value of the note was $333,205 and the fair value of the conversion option was$224,032 on the date of issue. At September 30, 2011, the Company has recorded $26,790 (2010 - $2,211) in accrued interest (included in prepaids and receivables) and accreted the promissory note to $441,800 (2010 – $340,405), inclusive of accretion income totaling $89,559 (2010 - $7,200) relating to the debt discount calculated using the effective interest method. The effective interest rate was determined to be 30%.

At September 30, 2011 the fair value of the conversion option of the convertible notes issued in September 2010 decreased by $276,022. The estimated fair value of the conversion option was determined using a Black-Scholes option pricing model with the following assumptions:

Expected dividend yield	Nil
Expected price volatility	132%
Risk free interest rate	1%
Expected life of option	11 months

4. AVAILABLE-FOR-SALE INVESTMENTS

	SEPTEMBER 30, 2011		SEPTEMBER 30, 2010	
	NUMBER OF SHARES	**VALUE**	**NUMBER OF SHARES**	**VALUE**
Portage Minerals Inc. (Private)	Nil	$ -	111,000	$ 1
Piedmont Mining Corp.	6,285,715	243,781	6,285,715	142,407
Sniper Resources Ltd.	761,337	137,041	832,837	208,209
Navaho Gold Limited		26,729		
		$ 407,552		**$ 350,617**

5. TERM DEPOSITS

	2011	2010
Short-term Investment Certificates	-	$750,000
Maturity date	-	August, 2011
Interest rate per annum	-	Prime – 1.95%

6. RECLAMATION BOND

The drilling permits for the following properties require refundable reclamation bonds. The bonds are held by the USA Forest Service and the US Bureau of Land Management.

	2011	2010
Bolo	$ 31,657	$ 31,203
Eastside	16,130	-
Brown's Canyon	14,517	-
Weepah	11,552	-
Awakening	4,410	4,231
TOTAL	**$ 78,266**	**$ 35,434**

7. MINERAL PROPERTIES

A breakdown of the acquisition and exploration expenditures for the year ended September 30, 2011 is as follows:

	SEPTEMBER 30, 2010	AQUISITION COST	DEFERRED EXPLORA-TION/OPTION PAYMENTS RECEIVED	IMPAIRMENT/ DIVESTITURE	SEPTEMBER 30, 2011
UNITED STATES:					
Utah Clipper—NV	$ 416,177	(23,535)	2,662	-	**$ 395,304**
Golden Mile—NV	-	75,960	3	(75,963)	
Dutch Flat—NV	31,485	3,972	3,976	(39,433)	**1**
Crestview—NV	210,385	-	-	-	**210,384**
White Horse Flats—NV	8,051	5,208	(13,256)	-	**3**
Guild—NV	47,446	-	(35,382)	-	**12,063**
Overland Pass—NV	29,552	-	(23,087)	-	**6,465**
Pete's Summit—NV	8,099	6,686	38,201	-	**52,987**
Bolo—NV	1,608,311	-	146,522	-	**1,754,834**
Scraper—NV	56,522	-	37,314	-	**93,836**
Eastside—NV	120,956	18,640	252,410	-	**392,007**
Robinson Mountain—NV	3,586	-	2,037	-	**5,622**
Red Hills—NV	4,307	-	11,374	-	**15,681**
Winnemucca—NV	923	-	1,519	-	**2,442**
Weepah—NV	109,442	(9,658)	287,097	-	**386,882**
White Canyon—NV	1,028	-	-	-	**1,028**
White Horse Flats North—NV	5,384	-	(3,784)	-	**9,168**
Summit—NV	70,202	-	5,457	-	**75,659**
Brown's Canyon—NV	18,530	35,542	186,068	-	**240,140**
Stevens Basin—NV	111,056	-	(22,572)	-	**88,484**
Hughs Canyon—NV	-	22,071	140,640	-	**162,711**
Combs Peak—NV	-	-	40,443	-	**40,443**
North Brown—NV	-	5,808	16,934	-	**22,742**
Antelope—NV	-	7,110	19,584	-	**26,694**
Four Metals—AZ	-	-	-	-	**-**
Laura—NV	-	-	604	-	**604**
FRENCH GUIANA:					
Paul Isnard—FG	-	17,272,196	1,743,987	-	**19,016,183**
TOTAL PROPERTIES	**$ 2,861,442**	**17,444,033**	**2,819,406**	**(115,396)**	**$ 23,012,367**

Property Locations: **NV** – Nevada **AZ** – Arizona **UT** – Utah **NM** – New Mexico **FG** – French Guiana

A breakdown of the acquisition and exploration expenditures for the year ended September 30, 2010 is as follows:

	SEPTEMBER 30, 2009	AQUISITION COST	DEFERRED EX-PLORATION	IMPAIRMENT/ DIVESTITURE	SEPTEMBER 30, 2010
Utah Clipper—NV	$ 689,598	$ -	$ (273,421)	$ -	**$ 416,177**
Awakening—NV	317,612	-	397	(318,009)	**-**
Dutch Flat—NV	25,946	-	5,539	-	**31,485**
Crestview—NV	210,385	-	-	-	**210,385**
Golden Mile—NV	-	-	31,448	(31,448)	**-**
White Horse Flats—NV	-	-	8,051	-	**8,051**
Guild—NV	46,458	-	988	-	**47,446**
Overland Pass—NV	28,848	-	704	-	**29,552**
Pete's Summit—NV	11,490	-	(3,391)	-	**8,099**
Bolo—NV	1,415,772	-	192,539	-	**1,608,311**
Scraper—NV	25,383	4,789	26,350	-	**56,522**
Eastside—NV	91,971	-	28,985	-	**120,956**
Robison Mountain	-	1,655	1,931	-	**3,586**
Red Hills—NV	-	-	4,307	-	**4,307**
Winnemucca—NV	-	-	923	-	**923**
Weepah—NV	17,575	5,381	86,486	-	**109,442**
White Canyon—NV	5,878	-	(4,850)	-	**1,028**
White Horse Flats North—NV	-	-	5,384	-	**5,384**
Summit—NV	121,582	-	(51,380)	-	**70,202**
Brown's Canyon—NV	-	413	18,117	-	**18,530**
Stevens Basin—NV	13,159	22,404	75,493	-	**111,056**
TOTAL PROPERTIES	**$ 3,021,657**	**$ 34,641**	**$ 154,600**	**$ (349,457)**	**$ 2,861,442**

A breakdown of the acquisition and exploration expenditures by type is as follows:

	2011	2010
Balance – beginning of year	$ 2,861,442	$ 3,021,657
Aquisition	17,444,033	34,642
Administration	395,842	50,528
Assays	74,752	25,408
Camp costs	412,540	-
Claim renewals	143,982	143,457
Drilling and trenching	842,337	8,481
Equipment	66,873	-
Geologists and staff	660,659	233,357
Geophysics	104,182	33,109
Maps and reports	40,305	-
Site preparation and reclamation	35,425	2,106
Travel	166,100	44,391
Less: Property impairment	(155,296)	(349,457)
Less: Option payments received	(120,709)	(73,001)
Less: Payments received in lieu of property expenditures	-	(313,236)
		(160,215)
Balance—end of year	$ 23,012,367	$ 2,861,442

FRENCH GUIANA

PAUL ISNARD

On June 30, 2011, Columbus Gold closed its transaction with Auplata SA ("Auplata") for an option to acquire up to a 100% interest in the Paul Isnard gold project in French Guiana, a Department of France Auplata has agreed to never hold 50% of the Company due to share issuances related to the transaction. The Paul Isnard project consists of eight mining permits.

Under the terms of the agreement dated November 30, 2010 and amended on May 25, 2011, June 6, 2011 and June 15, 2011, the Company was required to issue 30,276,266 common shares valued at $17,030,399 to Auplata, and complete a 13,357,176 share private placement to Pelican Venture SAS for gross proceeds of $2,871,793. The Company also issued 190,473 common shares with a market value of $142,855 as a finder's fee for this transaction. All of the foregoing shares were subject to a four month hold period which expired on October 30, 2011, and 20,184,177 of the shares issued to Auplata are also subject to an agreement that requires all of such shares to be held in escrow for two years until June 29, 2013.

The Company is able to earn an initial 51% interest in the Paul Isnard project by incurring $7,000,000 in exploration expenditures by June 29, 2013. Upon the Company earning a 51% interest in the project, it will have the option to increase its interest to 100% by completing a bankable feasibility study by June 29, 2015. The agreement was further amended on December 5, 2011, whereby the Company agreed to pay a US$1,000,000 production payment to Golden Star Resources Ltd. ("Golden Star") 30 days after the date that gold is first commercially produced by Columbus Gold on the property. In exchange, Auplata agreed to an accelerated option allowing Columbus Gold to earn an immediate 100% interest in the Paul Isnard property by paying Auplata US$1,500,000, of which $1,000,000 has been paid to January 3, 2011.

On December 5, 2011, the Company entered into an option agreement with Euro Resources S.A. ("Euro"). The Company agreed to enter into an option to purchase the existing royalty on the Paul Isnard project in exchange for $250,000 in cash and $83,333 payable in shares, a $50,000 annual maintenance fee, and $4,200,000 in cash and 12,865,000 in shares of the Company upon its earning 100% of Paul Isnard. In exchange, Euro has agreed to grant a Net Smelter Royalty ("NSR") over the property of 1.8% on the first 2,000,000 ounces and 0.9% on the next 3,000,000 ounces. The option can only be exercised once the Company has earned 100% of the project.

NEVADA PROJECTS

During the year ended September 30, 2011, the Company acquired five new properties in Nevada, namely, Browns Canyon, Combs Peak, North Brown, and Antelope, bringing its total gold property portfolio in Nevada to 26 properties.

UTAH CLIPPER / CRESTVIEW PROPERTIES

On September 20, 2010, the Company entered into an agreement with Navaho Gold Ltd. ("Navaho") wherein Navaho can earn an initial 51% interest in the Utah Clipper and Crestview Properties by incurring US$3,000,000, of which US$200,000 is mandatory by December 31, 2011 (incurred) in exploration expenditures by September 20, 2015, paying US$20,000 (received) by December 24, 2010 and by issuing US$160,000 in common shares of Navaho by September 20, 2015. Navaho can earn an additional 19% interest by completing a bankable feasibility study or by making an additional US$10,000,000 in expenditures within 4 years of attaining a 51% interest.

GOLDEN MILE PROPERTY

On October 21, 2007, the Company entered into an option agreement, as amended, with Roscan Minerals ("Roscan") whereby Roscan can earn an initial 60% interest in the Golden Mile property by incurring US$2,500,000 in exploration expenditures and issuing to the Company 150,000 common shares (110,000 shares received) of Portage by December 31, 2012. Portage can increase its interest to 70% by completing a positive feasibility study. During the prior year, the Company issued 110,344 common shares of the Company in settlement of US$25,000 under a purchase agreement dated July 7, 2006. Under the same agreement, an additional US$75,000 was settled in December 2010 through the issuance of 91,943 common shares of the Company.

FOUR METALS PROPERTY

On July 28, 2009, the Company entered into two option agreements with White Cloud Resources LLC ("White Cloud") wherein White Cloud can earn a 100% interest in the property. The aggregate payments required under the agreements are as follows:

DATE	AMOUNT (US)	
On Execution of the Agreement	$ 20,000	(paid)
By the July 28, 2010	30,000	(paid)
By the July 28, 2011 *	50,000	(paid)
By the July 28, 2012	70,000	
By the July 28, 2013	80,000	
By the July 28, 2014	85,000	

* White Cloud is required to issue common shares equivalent to 1.5% of its issued and outstanding shares at July 28, 2011. (received)

The Company has a $nil carrying value for this property as the option payments it has received to date exceed the previously capitalized expenditures on the property.

GUILD / WEEPAH / LAURA / OVERLAND PASSPROPERTIES

The Company entered into joint venture options with Sniper Resources Ltd. ("Sniper") on the Guild, Weepah,, Laura and Overland Pass properties in Nevada.

GUILD:

Sniper can earn a 51% interest by paying the Company US$17,500 (paid) in cash, US$32,500 (paid) in cash by April 30, 2007, issuing 233,500 common shares of Sniper (233,500 shares received) and by endeavoring to spend US$700,000 in exploration expenditures by December 31, 2011, including US$200,000 of mandatory expenditures by December 31, 2011 (incurred).

WEEPAH:

Weepah is currently 100% owned by the Company, subject to third party net smelter returns royalties.

Pursuant to the terms of the option agreement dated September 26, 2011, Sniper can earn an initial 51% interest by: (i) incurring $3,000,000 in exploration expenditures over three years; (ii) paying$20,000 on execution of the agreement (paid); and (iii) issuing an aggregate of $60,000 worth of Sniper common shares over three years. In the event that Sniper earns its initial 51% interest in Weepah, it will have the option to earn an additional 19% interest therein, for a total 70% interest, by completing a bankable feasibility study.

LAURA:

Laura is currently 100% owned by the Company, subject to third party NSR. Pursuant to the terms of the option agreement dated April 13, 2011, Sniper is in the process of earning an initial 70% interest in the underlying lease to the Laura property by: (i) having paid US$10,000 cash and issued 100,000 common shares of Sniper to the Company; and (ii) by fulfilling the third party underlying lease and maintenance payment obligations through August 7, 2012. Sniper will then have a 30 day period in which to earn a further 30% interest, for 100% in total, by paying US$200,000 in cash or shares and granting it a 1.5% NSR on the project.

OVERLAND PASS:

Sniper can earn a 51% interest by paying the Company US$12,500 (paid) in cash, US$37,500 (paid) in cash or shares by April 30, 2007, and by incurring US$2,000,000 in exploration expenditures by December 31, 2012, including US$350,000 of mandatory expenditures by December 31, 2011 (incurred).

WHITE HORSE FLATS

On September 20, 2010, the Company entered into an agreement with Navaho wherein Navaho can earn an initial 51% interest in the White Horse Flats Property by incurring US$3,000,000 in exploration expenditures, of which US$250,000 is mandatory, by September 20, 2015, paying US$20,000 (received) by December 24, 2010 and by issuing US$160,000 in common shares of Navaho by September 20, 2015. Navaho can earn an additional 19% interest by completing a bankable feasibility study or by making an additional US$10,000,000 in expenditures within 4 years of attaining a 51% interest.

SUMMIT PROPERTY

Effective June 1, 2007, the Company entered into an agreement with Agnico-Eagle (USA) Limited ("Agnico") which will allow Agnico to earn a 51% interest in the Summit Property by incurring exploration expenditures of US$3,000,000 over 5 years, with minimum expenditures of US$500,000 in the first two years. Agnico will make cash payments totaling US$150,000 over 3 years (received). Agnico can increase its ownership interest to 70% by completing a feasibility study. Agnico will be the operator during the earn-in phase of the agreement and upon formalization of a joint venture. Subsequent to year end the Company sold its interest to Agnico (Note 16).

STEVENS BASIN

On September 20, 2010, the Company entered into an agreement with Navaho wherein Navaho can earn an initial 51% interest in the Stevens Basin Property by incurring US$3,000,000 in exploration expenditures, of which US$250,000 is mandatory by December 31, 2010, by September 20, 2015, paying US$20,000 (received) by December 24, 2010 and by issuing US$160,000 in common shares of Navaho by September 20, 2015. Navaho can earn an additional 19% interest by completing a bankable feasibility study or by making an additional US$10,000,000 in expenditures within 4 years of attaining a 51% interest.

OTHER PROPERTIES

The Company has additional exploration properties in Nevada including Hughes Canyon, Chert Cliff, Del Oro, White Horse North, Winnemucca Mountain, Robison Mtn, Scraper Springs, Dutch Flat, White Canyon, Pete's Summit, Bolo, Eastside, Summit and Red Hills.

The Company has farmed out various of its properties to third parties in previous years, and is actively seeking joint venture partners to earn into Hughes Canyon, White Horse North, Winnemucca Mountain, Scraper Springs, Dutch Flat, and Red Hills.

IMPAIRMENT

At September 30, 2011, management reviewed the carrying values of its mineral property interests. Indications of impairment were identified on certain properties due to the fact that the Company had no immediate plans to conduct further exploration activities or the property was abandoned. Impairment charges totaling $115,396 (2010 - $349,457) were recorded.

8. SHARE CAPITAL

(A) COMMON SHARES

Authorized: Unlimited common shares without par value.

Issued and outstanding:

	NUMBER OF SHARES	AMOUNT ($)	CONTRIBUTED SURPLUS ($)
BALANCE, AS AT SEPTEMBER 30, 2009	**26,293,424**	**12,051,499**	**2,660,516**
Property acquisition	110,344	31,448	
Private placement at $0.20 per unit	9,735,750	1,245,013	702,137
Share issuance costs	-	(156,321)	(5,360)
Stock-based compensation	-	-	339,346
BALANCE, SEPTEMBER 30, 2010	**36,139,518**	**13,171,639**	**3,696,639**
Shares for mineral property - Auplata	30,276,266	17,030,399	-
Private placement at $0.215 per share	13,357,176	2,871,793	-
Exercise of options	1,425,000	674,250	-
Fair value of options exercised	-	295,877	(295,877)
Warrants exercised	8,642,938	2,601,016	-
Fair value of warrants exercised	-	569,152	(569,152)
Finder's fees	190,473	142,855	-
Shares for mineral property	91,943	76,313	-
Stock-based compensation	-	-	1,481,781
Share issuance costs	-	(44,077)	-
BALANCE, SEPTEMBER 30, 2011	**90,123,314**	**37,389,217**	**4,313,391**

On May 21, 2010, the Company completed the first tranche of a non-brokered private placement of 4,632,500 units at $0.20 per unit for gross proceeds of $926,500. Each unit consisted of a common share and a share purchase warrant entitling the holder to acquire an additional common share at $0.30 for a period of 12 months from closing and at $0.35 for 6 months thereafter. Share issuance costs of $100,888 were incurred. The warrants were assigned a fair value of $290,745, net of share issuance costs, based on a pro rata allocation.

The Company received proceeds of $54,250 for shares that were issued subsequent to year end.

On July 10, 2010, the Company completed the second tranche of a non-brokered private placement of 5,103,250 units at $0.20 per unit for gross proceeds of $1,020,650. Each unit consisted of a common share and a share purchase warrant entitling the holder to acquire an additional common share at $0.30 for a period of 12 months from closing and at $0.35 for 6 months thereafter. Share issuance costs of $143,985 were incurred. The warrants were assigned a fair value of $322,840, net of share issuance costs, based on a pro rata allocation

On June 29, 2011, the Company issued 30,276,266 common shares to Auplata, with a market value of $17,030,399. All these shares were subject to a four month hold period which expired on October 30, 2011, and 20,184,177 of such shares are also subject to an agreement that requires all of such shares to be held in escrow for two years until June 29, 2013. The Company also issued 190,473 common shares with a market value of $142,855 as a finder's fee for this transaction.

On June 29, 2011 the Company completed a 13,357,176 share private placement with Pelican Venture SAS for gross proceeds of $2,871,793.

During the year ended September 30, 2011 the Company issued 91,943 shares with a market value of $76,313 for Golden Mile.

(B) STOCK OPTIONS

On April 15, 2011, the Company amended its 2009 share purchase option plan to authorize the Company to issue up to 7,000,000 share purchase options from the previous limit of 5,253,684 share purchase options. The Board of Directors may from time to time, grant options to directors, officers, employees or consultants to a maximum of 20% of the issued and outstanding share capital amount. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the Company's Board of Directors. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant date.

A summary of stock options outstanding as at September 30, 2011 is set out below:

NUMBER OF OPTIONS	EXERCISE PRICE	EXPIRY DATE
90,000	$1.40	December 20, 2011
10,000	$1.68	February 15, 2012
50,000	$1.50	May 2, 2012
60,000	$1.25	October 31, 2012
90,000	$1.25	November 29, 2012
83,000	$0.85	March 12, 2013
1,075,000	$0.50	August 15, 2013
200,000	$0.25	May 28, 2014
1,250,000	$0.25	January 28, 2015
1,008,500	$0.50	December 6, 2015
1,556,500	$0.67	June 15, 2016
5,473,000		

A summary of the options outstanding at September 30, 2010:

NUMBER OF OPTIONS	EXERCISE PRICE	EXPIRY DATE
1,725,000	$0.25	January 28, 2015
200,000	$0.25	May 28, 2014
1,795,000[1]	$0.50	August 15, 2013
83,000	$0.85	March 12, 2013
90,000	$1.25	November 29, 2012
60,000	$1.25	October 31, 2012
70,000	$1.50	May 2, 2012
30,000	$1.25	April 3, 2012
35,000	$1.68	February 15, 2012
90,000	$1.40	December 20, 2011
1,305,000[2]	$0.85	May 24, 2011
5,483,000		

[1] Includes 200,000 options previously thought to have expired.
[2] Includes 100,000 options previously thought to have expired.

A summary of the changes in the Company's stock options is set out below:

	OPTIONS OUT-STANDING	WEIGHTED AVER-AGE EXERCISE PRICE	WEIGHTED AVER-AGE TIME TO EXPIRY	WA GRANT DATE FAIR VALUE
BALANCE, AS AT SEPTEMBER 30, 2009	**4,090,500**	**$0.70**	**3.01 yrs**	**$0.36**
Granted during the year	1,725,000	0.25	5.00 yrs	0.15
Cancelled during year	(332,500)	-	-	-
BALANCE, AS AT SEPTEMBER 30, 2010 [1]	**5,483,000**	**0.56**	**2.78 yrs**	**0.30**
Granted during the year	2,765,000	0.66	5.00 yrs	0.64
Exercised during the year	(1,425,000)	-	-	-
Cancelled/expired during year	(1,350,000)	-	-	-
BALANCE, AS AT SEPTEMBER 30, 2011	**5,473,000**	**$0.57**	**3.52 yrs**	**0.38**

[1] Beginning options outstanding number includes 300,000 options that were previously erroneously thought to have expired.

On January 28, 2010, the Company granted a total of 1,725,000 incentive stock options to directors, officer and consultants at an exercise price of $0.25 per share and a term of 5 years. The options were assigned a fair value of $265,414 on the date of grant and were expensed during the year ended September 30, 2010.

On December 6, 2010, the Company granted 1,208,500 incentive stock options to directors, officers and consultants of the Company at $0.50 per share exercisable on or before December 6, 2016. The options were assigned a fair value of $719,764 on the date of grant and $611,005 was expensed during the year ended September 30, 2011. Of the foregoing options, 1,008,500 vested immediately on grant, and 200,000 were to vest on November 15, 2011. During the year ended September 30, 2011 these 200,000 options were cancelled.

On June 15, 2011, the Company granted 1,556,500 incentive stock options to directors, officers and consultants of the Company at $0.78 per share exercisable on or before June 15, 2016. The options were assigned a fair value of $1,037,400 on the date of grant and $870,776 was expensed during the year ended September 30, 2011. The remainder of $166,624 will be expensed over the term of vesting.

Of the foregoing options, 1,131,500 vested immediately on grant, 225,000 vested on December 15, 2011; 100,000 will vest on June 15, 2012; and 100,000 will vest on June 15, 2013.

The estimated fair value of the options granted was calculated using the Black Scholes option valuation model with the following assumptions

	2011	2010
Expected dividend yield	Nil	
Expected price volatility	137%	75% - 101%
Risk free interest rate	1.56%	2.24% - 2.70%
Expected life of options	5 years	5 years

(C) WARRANTS

A summary of share purchase warrants outstanding as at September 30, 2011 is set out below:

NUMBER OF WARRANTS	EXERCISE PRICE	EXPIRY DATE
1,525,000	$0.35	January 9, 2012
217,600	$0.35	January 9, 2012
73,500	$0.35	November 21, 2011
10,750	$0.35	November 21, 2011
1,826,850		

A summary of the share purchase warrants outstanding at September 30, 2010 is set out below:

NUMBER OF WARRANTS	EXERCISE PRICE	EXPIRY DATE
5,103,250 [(2)]	$0.30	January 9, 2012
430,801[(1)(2)]	$0.30	January 9, 2012
4,632,500 [(2)]	$0.30	November 21, 2011
303,237 [(1)(2)]	$0.30	November 21, 2011
10,469,788		

[(1)] Agents Warrants
[(2)] For the last six months outstanding, the exercise price increases to $0.35

A summary of the changes in the Company's share purchase warrants is set out below:

	WARRANTS OUTSTANDING	WEIGHTED AVERAGE EXERCISE PRICE	WEIGHTED AVERAGE TIME TO EXPIRY	WEIGHTED GRANT DATE FAIR VALUE
BALANCE, SEPTEMBER 30, 2009	**3,305,500**	**$0.30**	**0.33 yrs**	**$0.04**
Issued during the year	10,469,788	0.30	1.50	0.09
Expired during the year	(3,305,000)	-	-	-
BALANCE, SEPTEMBER 30, 2010	**10,469,788**	**$0.30**	**1.21 yrs**	**$0.09**
Exercised during the year	8,642,938	$0.30	0.9 yrs	
Issued during the year	-	$0.30	-	
BALANCE, SEPTEMBER 30, 2011	**1,826,850**	**$0.30**	**0.05 yrs**	**$0.07**

9. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents consists of:

Cash balance	$1,594,270
Term Deposit	$1,751,704
CASH AND CASH EQUIVALENTS	**$3,345,974**

The significant non-cash investing or financing activities during the year were:

b) the Company credited deferred mineral property expenditures for $134,730 (2010 - $6,381) and income from third party interest in mineral property for $21,563 (2010 – $72,229) due to common shares received in lieu of cash on mineral properties.

d) The Company issued 91,943 shares valued at $76,313 for the Golden Mile property..

e) During the year ended September 30, 2010 the Company settled a receivable of $129,486 through the receipt of 6,285,715 common shares of Piedmont Mining Company, Inc.

	2011	2010
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -

10. COMMITMENTS

On December 22, 2010, the Company extended its agreement with Cordex until December 31, 2011. Cordex designs, initiates and carries out mineral exploration and development activities on behalf of the Company with the objective of identifying, acquiring and exploring new mineral properties and operating exploration programs on the Company's existing portfolio of mineral properties. Cordex and Columbus Gold Corporation share an officer in common. The agreement is exclusive to Columbus Gold and provides that the term may be extended until December 31, 2013. Columbus Gold (U.S.) provides Cordex with general operating capital, exclusive of third party contractor expenses, of up to US$44,000 per month which includes a monthly management fee to Cordex of US$12,500.

Further, Cordex is entitled to receive a 2% NSR on any claims that it stakes on behalf of the Company. If claims or mineral rights are identified by Cordex and acquired from third parties, then the Cordex NSR shall be the difference between a 4% NSR and the third party royalty provided, however, it shall be no less than 1% nor greater than 2%. All properties acquired by the Company within two miles of a claim generated by Cordex will fall under an area of influence and become subject to the agreement.

11. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

	2011	2010
Loss for the year	$ 2,516,995	$ 270,265
TAX RATE	**27.53%**	**29%**
Expected income tax recovery	(692,589)	(78,377)
Change in statutory tax rate	(440,244)	36,984
Non-taxable items	432,117	(175,375)
Future tax benefit of share issue costs not credited to share capital	(11,901)	-
True up prior year timing differences	53,473	53,838
Change in valuation allowance	646,143	270,606
TOTAL INCOME TAX RECOVERY	**$ -**	**$ -**

Details of the Company's tax effected future income tax assets and liabilities are as follows:

	2011	2010
Non-capital loss carry-forwards	$ 3,820,743	$ 2,476,299
Capital loss carry-forwards	-	5,265
Share issuance costs	32,767	31,997
Mineral properties in excess of tax value	(804,631)	(148,881)
Other	270	613
Valuation allowance	(3,011,436)	(2,365,293)
NET FUTURE INCOME TAX ASSET (LIABILITY)	**$ -**	**$ -**

The Company has accumulated losses of approximately $5,826,000 which may be used to reduce future year's taxable income. These losses expire as follows:

2014	$ 536,000
2015	673,000
2026	764,000
2027	982,000
2028	814,000
2029	543,000
2030	615,000
2031	899,000
	$ 5,826,000

The Company has foreign tax losses totalling approximately $6,398,000 which may be available to reduce future year's taxable income. These carry-forwards will expire, if not utilized, commencing in 2027. Future tax benefits which may arise as a result of these non-capital losses have not been recognized in these financial statements and have been offset by a valuation allowance because of uncertainty of their recovery.

12. RELATED PARTY TRANSACTIONS

The following related party transactions occurred during the year ended September 30, 2011:

	CORPORATE ADMINISTRATION FEES	CONSULTING FEES	MANAGEMENT FEES	DIRECTOR FEES
Don Gustafson (Director)	-	-	-	12,000
Perennial Capital Corp. (Company with an officer in common)	-	-	70,000	12,000
Gil Atzmon (Director)	-	-	-	12,000
Peter Gianulis (Director)	-	-	-	12,000
Akbar Hassanally (CFO)	-	21,000	-	-
Cordex [1] (Company with an officer in common)	-	120,636	-	-
BALANCE AT SEPT 30, 2011	**$ -**	**$ 141,636**	**$ 70,000**	**$ 48,000**

The following related party transactions occurred during the year ended September 30, 2010:

	CORPORATE ADMINISTRATION FEES	CONSULTING FEES	MANAGEMENT FEES	DIRECTOR FEES
Don Gustafson (Director)	-	-	-	12,000
Perennial Capital Corp. (Company with an officer in common)	-	-	60,000	12,000
Gil Atzmon (Director)	-	-	-	12,000
Peter Gianulis (Director)	-	-	-	12,000
Cordex [1] (Company with an officer in common)	-	82,032	-	-
HRG Management Ltd. (Company with 2 former directors in common)	8,927			
BALANCE AT SEPT 30, 2011	**$ 8,927**	**$ 82,032**	**$ 60,000**	**$ 48,000**

[1] Consulting fees paid to Cordilleran Exploration Co. are capitalized into mineral properties.

At September 30, 2011, a total of $120,636 (2010 - $176,836) was advanced to Cordex, a company with an officer in common with Columbus Gold (U.S.) Corp., for exploration expenditures on the Company's mineral properties.

At September 30, 2011, a total of $nil (2010 - $19,500) was owing to directors of the Company for director fees.

These transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Refer also to Note 3.

13. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes share capital and working capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company's investment policy is to invest its cash in low risk highly liquid short-term interest bearing investments, selected with regards to the expected timing of upcoming expenditures.

The Company is not exposed to any externally imposed capital requirements, and there have been no changes to its capital management in the period.

14. FINANCIAL INSTRUMENTS

(A) LIQUIDITY RISK

The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at September 30, 2011, the Company had a cash balance of $3,345,974 (2010 - $639,826) to settle current liabilities of $88,114 (2010 - $93,122). The Company expects that its current capital resources will be sufficient to carry its exploration and development plans and operations through its current operating period.

(B) CREDIT AND INTEREST RATE RISK

The Company has cash balances and interest-bearing debt. The Company has no significant concentrations of credit risk arising from operations. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company has interest bearing debt at a fixed rate and therefore the Company is not exposed to interest rate risk on its debts.

The Company has receivables consisting of goods and services tax due from the Federal Government of Canada and payments due from a property optionee. Management believes that the credit risk concentration with respect to receivables is minimal.

(C) MARKET RISKS

FOREIGN CURRENCY RISK

The Company's functional currency is the Canadian dollar. However, the Company is exposed to the currency risk related to the fluctuation of foreign exchange rates as some of the Company's operations are located in the United States of America. The Company also has liabilities denoted in US dollars. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

COMMODITY PRICE RISK

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of gold. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

INVESTMENT RISK

The Company hold investments in common shares of publicly traded companies which give rise to market risk and share price variance. The Company monitors the trading of these companies in order to minimize this risk.

15. SEGMENTED INFORMATION

	2011	2010
CURRENT ASSETS		
Canada	$4,670,495	$1,875,045
USA	557,486	85,697
TOTAL	**$5,227,981**	**$1,960,742**
MINERAL PROPERTY		
USA	$3,996,186	$2,861,442
French Guiana	19,016,181	-
TOTAL	**$23,012,367**	**$2,861,442**
TOTAL ASSETS		
Canada	$5,336,892	$2,214,236
USA	5,298,579	4,262,199
French Guiana	19,016,181	-
TOTAL	**$29,651,652**	**$6,476,435**
LOAN ACCRETION		
Canada	$183,172	$234,710
USA	116,349	156,237
TOTAL	**$299,521**	**$390,947**
NET LOSS		
Canada	$(2,383,428)	$ 315,258
USA	(163,232)	779,850
TOTAL	**$(2,546,660)**	**$1,095,108**

16. SUBSEQUENT EVENTS

Subsequent to the end of the year,

a) The Company entered into an asset purchase and sale agreement dated November 29, 2011 to sell the Summit gold project in Nevada ("Summit") to Agnico-Eagle (USA) Limited ("Agnico-Eagle") for US$8,500,000. Agnico-Eagle has been earning an initial 51% interest in Summit under an option agreement dated June 1, 2007 by undertaking exploration activities, and up to a 75% interest by, among other things, completing a bankable feasibility study. The option agreement between Agnico-Eagle and Columbus Gold has now been terminated and replaced with the definitive purchase and sale agreement providing for a ale of a 100% interest (subject to a 2% NSR royalty to Cordex) in the Summit Project to Agnico-Eagle. The terms of the purchase and sale agreement oblige the Company to assign and deliver to Agnico, free and clear of any encumbrances, the title and interest in the Summit property as defined in the agreement in exchange for the cash consideration. The Company granted National Bank Financial 300,000 warrants exercisable at $0.80 per share.

b) The Company announced on December 23, 2011 that it received TSXV approval for two strategic agreements concerning the Paul Isnard gold project in French Guiana:

Auplata amendment: The amending agreement with Auplata dated December 5, 2011 allows the Company to acquire a 100% interest in Paul Isnard by paying US$1,500,000 to Auplata and the Company will no longer be required to complete a bankable feasibility study or incur minimum exploration expenditures.

Paul Isnard Royalty: The agreement with Euro Ressources S.A. ("EURO"), pursuant to which the Company has purchased an option to acquire the existing outstanding royalty on the Paul Isnard gold project, has been approved by the TSXV. As consideration for entering into the Agreement, the Company is making a $250,000 payment to EURO consisting of $83,333 cash and 237,017 shares valued at $166,667. The Company paid Cormark Securities a fee of $250,000 for strategic advisory work on this transaction. In addition, the Company granted National Bank Financial 300,000 warrants exercisable at $0.80 per share as a fee for this transaction.

Caution on Forward-Looking Information

This document contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to as "forward-looking statements"). Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "expects" or "does not expect," "is expected," "planned," "budget," "scheduled," "engages," "aims," "estimates," "continues," "forecasts," "projects," "predicts," "intends," "anticipates" or "does not anticipate," or "believes," or variations of such words and phrases, or statements that certain actions, events or results "may," "could," "would," "should," "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any of our future results, performance or achievements expressed or implied by the forward-looking statements; consequently, undue reliance should not be placed on forward-looking statements.

These risks, uncertainties and other factors include, but are not limited to: changes in Canadian/US dollar exchange rates; our strategies and objectives; our tax position and the tax and royalty rates applicable to us; our ability to acquire necessary permits and other authorizations in connection with our projects; risks associated with environmental compliance, including without limitation changes in legislation and regulation, and estimates of reclamation and other costs; our cost reduction and other financial and operating objectives; our environmental, health and safety initiatives; the availability of qualified employees and labour for our operations; risks that may affect our operating or capital plans; risks created through competition for mining properties; risks associated with exploration projects, and mineral reserve and resource estimates, including the risk of errors in assumptions and methodologies; risks associated with our dependence on third parties for the provision of critical services; risks associated with nonperformance by contractual counterparties; risks associated with title; and general business and economic conditions.

Forward-looking statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about: general business and economic conditions; the timing of the receipt of required approvals for our operations; the availability of equity and other financing on reasonable terms; power prices; our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; our ability to attract and retain skilled labour and staff; the impact of changes in Canadian/US dollar and other foreign exchange rates on our costs and results; market competition; and our ongoing relations with our employees and with our business partners and joint venturers.

We caution you that the foregoing list of important factors and assumptions is not exhaustive. Events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. We undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

Officers and Directors

"Columbus Gold has a well balanced management team with the requisite experience to deliver value to the shareholder."

Robert Giustra
Chairman and CEO

Peter Gianulis
Director

Gil Atzmon
Director

Donald Gustafson
Director

Andy Wallace
President

Joel Schuster
VP Legal & Corporate Secretary

Akbar Hassanally
Chief Financial Officer

Jorge Martinez
VP of Corporate Development

VIEW FROM UTAH CLIPPER PROJECT; GOLD ACRES MINE AND PIPELINE COMPLEX IN THE BACKGROUND

Corporate Information

Additional information about the Company is available on the Company's website at www.columbusgoldcorp.com or SEDAR at www.sedar.com.

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Andy Wallace* President
Akbar Hassanally Chief Financial Officer
Joel Shuster Vice President Legal & Corporate Secretary
Jorge Martinez Vice President of Corporate Development

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Robert Giustra
Peter Gianulis
Gil Atzmon
Donald Gustafson

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STOCK EXCHANGE

Our shares are listed on the TSX Venture Exchange under the symbol CGT

*Is a Qualified Person Under National Instrument 43-101

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