Columbus Gold Corp.
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Canada

Management's Discussion and Analysis
(Unaudited)

For the Three Months Ended
December 31, 2016

(Stated in Canadian Dollars)

Dated February 10, 2017

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The following Management's Discussion and Analysis ("MD&A") focuses on significant factors that have affected Columbus Gold Corp. (the "Company" or "Columbus Gold") and its subsidiaries' performance and such factors that may affect its future performance. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended September 30, 2016 and the accompanying unaudited condensed interim consolidated financial statements for the interim period ended December 31, 2016, both of which were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Unless otherwise noted, all currency amounts are in Canadian dollars. "This quarter" or "current quarter" means the three month period ended December 31, 2016. This MD&A is dated February 10, 2017.

Forward looking information

This MD&A contains "forward-looking information and statements" that are subject to risk factors set out under the caption *Caution regarding forward looking statements* later in this document. The reader is cautioned not to place undue reliance on forward-looking statements.

Profile and strategy

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 Corp. effective December 20, 2004. On May 24, 2006, the Company completed its initial public offering and obtained a listing on the TSX Venture Exchange ("TSX-V") as a Tier 2 mining issuer. The Company graduated from the TSX-V and commenced trading on the Toronto Stock Exchange (the "TSX") under the trading symbol "CGT" on January 26, 2016. The Company is also listed on the OTCQX International and the Santiago Stock Exchange.

The Company's principal business activities are the acquisition, exploration and development of resource properties, with gold as a principal focus. The Company is in the process of exploring and developing its resource 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, diversifies funding sources and minimizes risk through joint ventures on selected projects.

The Company's financial condition is affected by general market conditions and conditions specific to the mining industry. These conditions include, but are not limited to, the price of gold and accessibility of debt or equity.

Overall performance and outlook

The following highlights the Company's overall performance for the three months ended December 31, 2016:

	Three months ended		
	December 31, 2016 ($)	**December 31, 2015 ($)**	**% Change**
Net loss	(1,283,436)	(653,515)	96%
Cash used in operating activities	(703,763)	(214,042)	229%
Cash at end of period	3,604,658	1,069,347	237%
Working capital (deficiency) at end of period	(5,060,100)	1,028,324	(592%)
Loss per share	(0.01)	(0.00)	n/a

On January 18, 2017, the Company announced that it entered into an agreement with Beacon Securities Limited ("Beacon" or the "Underwriter"), to purchase, on a "bought deal" basis, with a right to arrange for substitute purchasers for, an aggregate of 8,000,000 common shares (the "Offered Shares") in the capital of the Company at a price of $0.63 per Offered Share for aggregate gross proceeds of $5,040,000 (the "Offering"). The closing of the Offering is subject to the completion of formal documentation and receipt of regulatory approval, including the approval of the Toronto Stock Exchange.

On January 9, 2017, the Company granted 1,675,000 share purchase options to certain directors, officers, employees and consultants of the Company. The share purchase options are exercisable at a price of $0.65 per share for a period of five years from the date of grant.

On December 2, 2016, the Company announced the adoption of a Shareholder Rights Plan. The Rights Plan takes into account the new takeover bid rules adopted by the Canadian Securities Administrators (the "CSA"). The CSA have approved some changes to the takeover bid regime in Canada, including that a formal bid must remain open for acceptance for at least 105 days, subject to the ability of the target issuer to voluntarily reduce that period. The Rights Plan remains subject to the approval of the Toronto Stock Exchange.

Discussion of operations

Exploration and evaluation assets

A summary of exploration and evaluation assets by property for the three months ended December 31, 2016 is set out below:

Property	Balance at October 1, 2016 ($)	Additions ($)	Other ($)	Foreign exchange ($)	Balance at December 31, 2016 ($)
French Guiana					
Paul Isnard	28,589,945	322,009	(535,045)[1]	(377,815)	27,999,094
Nevada					
Big Lime	644	442	-	19	1,105
Bolo	3,525,043	60,004	-	83,683	3,668,730
Clanton Hills	31,133	19	-	736	31,888
Eastside	11,351,695	420,106	-	270,893	12,042,694
Four Metals	6,999	28	-	166	7,193
Hugh's Canyon	18,746	1,769	-	455	20,970
Mogollon	467,410	-	-	11,046	478,456
Monitor Hills	27,935	2,412	-	675	31,022
North Brown	6,672	575	-	161	7,408
Overland Pass	20,752	1,913	-	502	23,167
Red Hills	13,943	1,004	-	335	15,282
Weepah	15,600	-	(15,869)	269	-
White Canyon	1	-	-	-	1
White Horse Flats	4,456	416	-	108	4,980
White Horse Flats North	9,029	2,950	-	231	12,210
	44,090,003	**813,647**	**(550,914)**	**(8,536)**	**44,344,200**

[1] Exploration and evaluation funded by Nordgold S.E. ("Nordgold").

A summary of exploration and evaluation assets by property for the year ended September 30, 2016 is set out below:

Property	Balance at October 1, 2015 ($)	Additions ($)	Other ($)	Foreign exchange ($)	Balance at September 30, 2016 ($)
French Guiana					
Paul Isnard	30,902,362	10,177,134	(12,288,821)[1]	(200,730)	28,589,945
Nevada					
Big Lime	1	650	-	(7)	644
Bolo	3,529,312	56,605	-	(60,874)	3,525,043
Chert Cliff	-	1	(1)	-	-
Clanton Hills	-	31,453	-	(320)	31,133
Eastside	6,773,638	4,742,004	-	(163,947)	11,351,695
Four Metals	1	7,070	-	(72)	6,999
Hugh's Canyon	1	18,938	-	(193)	18,746
Mogollon	-	479,543	(7,490)[2]	(4,643)	467,410
Monitor Hills	1	28,220	-	(286)	27,935
North Brown	1	6,740	-	(69)	6,672
Overland Pass	1	20,963	-	(212)	20,752
Red Hills	1	14,085	-	(143)	13,943
Weepah	1	15,757	-	(158)	15,600
White Canyon	1	-	-	-	1
White Horse Flats	1	4,501	-	(46)	4,456
White Horse Flats North	1	9,120	-	(92)	9,029
	41,205,323	**15,612,784**	**(12,296,312)**	**(431,792)**	**44,090,003**

[1] Consists of $10,559,487 exploration and evaluation funded by Nordgold, operator's fee earned of $383,844 and cost recoveries of $1,345,490.
[2] $68,517 (US$50,000) option payment received from third party. Amounts in excess of carrying value of property at the time are recognized in consolidated statements of comprehensive loss.

A summary of the exploration and evaluation assets by cost category is set out below:

	($)
Balance at October 1, 2015	41,205,323
Acquisition and land	537,446
Camp costs and other	847,591
Drilling	8,809,026
Equipment	508,324
Geology and trenching	1,159,037
Management and administration	2,534,463
Technical studies	958,613
Travel	258,283
Operator fee	(383,844)
Cost recoveries	(1,345,490)
Amounts funded by Nordgold	(10,559,487)
Option payments received	(7,490)
Foreign exchange	(431,792)
Balance at September 30, 2016	**44,090,003**
Acquisition and land	53,531
Camp costs and other	30,189
Drilling	5,177
Geology and trenching	183,568
Management and administration	365,261
Technical studies	169,766
Travel	6,155
Amounts funded by Nordgold	(535,045)
Disposition of Weepah	(15,869)
Foreign exchange	(8,536)
	44,344,200

Paul Isnard – French Guiana

The Paul Isnard Gold Project consists of eight mining concessions and two exclusive exploration permits ("PER") covering 190 km^2, located in the northwestern region of French Guiana, South America, 180 km west of the capital, Cayenne, and 85 km south of the town of Saint-Laurent-du-Maroni. The Montagne d'Or deposit, which contains significant gold mineralization, is located within the southern part of the Paul Isnard Gold Project.

The PER were granted to the Company on July 6, 2016, on strike of the east and west extensions of Columbus Gold's Montagne d'Or gold deposit. The two permits cover a total surface area of 53.4 km^2.

On January 24, 2017, the Company announced that in anticipation of the forthcoming completion of a Bankable Feasibility Study on the Montagne d'Or gold deposit, a new exploration focused drilling program will be carried-out, with the objective of assessing expansion potential. A drill rig has arrived at the Montagne d'Or Gold deposit in French Guiana, in preparation for an exploration drilling program scheduled to commence in early February. The program will consist of 36 core holes, for a total 5,520 meters, designed as a first pass investigation of exploration targets on strike of, and in very close proximity of the currently defined mineral resources that form the deposit. Three separate targets will be tested outside of the deposit envelope:

- the west extension of the Montagne d'Or deposit (holes 02 to 24);
- the Gustave geochemical anomaly 750 meters east of the Montagne d'Or deposit (holes 25 to 33); and
- mesothermal quartz-gold vein systems (holes 34 to 36).

In addition, within the Montagne d'Or deposit envelope, one hole (hole 01) will test the depth extension of the gold mineralization. To date the vertical depth of drilling has averaged only about 250 meters.

On October 16, 2015, the Company announced that Lycopodium Minerals Pty Ltd. ("Lycopodium") has won the tender to complete a feasibility study on the Montagne d'Or Gold Deposit, located within the Company's 100% owned Paul Isnard Gold Project in French Guiana. A final Feasibility Study is expected to be delivered by March 2017.

Nordgold option

Columbus Gold entered into a binding letter option agreement with major gold producer Nordgold on September 17, 2013, and subsequently executed a definitive agreement on March 13, 2014, under which Nordgold has been granted the right to acquire a 50.01% interest in the eight Paul Isnard mining concessions and the exploration permits. Nordgold can earn its interest in the mineral permits by completing a Bankable Feasibility Study and by expending not less than $32,730,000 (US$30,000,000) in 3 years. During the earn-in period, up to January 14, 2016, Columbus Gold was the project operator and earned a 10% operator fee on certain expenditures. Effective January 15, 2016, Nordgold is the project operator.

On January 12, 2016, the Company entered into an agreement with Nordgold to sell a 5% minority interest in the Paul Isnard Gold Project for $8,375,959 (US$6,000,000) (received). The formal acquisition and transfer of the 5% interest will not occur until Nordgold has funded completion of a Bankable Feasibility Study and achieved a minimum of $32,730,000 (US$30,000,000) in project expenditures, in order to earn an additional 50.01% interest in the Paul Isnard Gold Project. If Nordgold does not earn its initial 50.01% interest, then the Company is required to refund the advance of $8,056,200 (US$6,000,000).

Since the beginning of the Company's involvement with the Paul Isnard Gold Project to December 31, 2016, the Company has invested a total of $65.7 million, of which, $25.9 million has been funded by Nordgold.

Nordgold has achieved the minimum $32,730,000 (US$30,000,000) expenditure requirement as at October 25, 2016, through additional direct expenditures made by Nordgold.

Mineral resources

On April 21, 2015, the Company announced an updated resource estimate on the Montagne d'Or gold deposit. The resources are confined by a Whittle Pit shell based on US$1,300/oz gold price. The current geologic modelling and updated resource estimates were prepared by independent consultant SRK Consulting (U.S.), Inc. of Denver, Colorado in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). The resource is not highly sensitive to gold price variations above US$900/oz gold price.

The updated gold resources are tabulated below at the reportable 0.4 g/t gold cut-off grade highlighted in bold print.

Paul Isnard Gold Project
Indicated Resources
Montagne d'Or Resource Report

Cut-Off Grade	Million Tonnes	Average Grade (g/t Au)	Contained Gold (M oz)
0.3	87.222	1.405	3.94
0.4	**83.240**	**1.455**	**3.89**
0.5	77.064	1.536	3.81
0.7	62.549	1.753	3.53
1.0	43.708	2.145	3.01

Paul Isnard Gold Project Inferred Resources Montagne d'Or Resource Report			
Cut-Off Grade	**Million Tonnes**	**Average Grade (g/t Au)**	**Contained Gold (M oz)**
0.3	23.148	1.510	1.12
0.4	**22.370**	**1.550**	**1.11**
0.5	21.292	1.605	1.10
0.7	18.239	1.773	1.04
1.0	13.388	2.111	0.91

Metallurgical tests

On January 8, 2015, the Company announced the results of Phase I of the comprehensive metallurgical test work from the Montagne d'Or gold deposit.

Three gold recovery process options were investigated on two master composites: 1) whole-ore cyanidation, 2) a combination of gravity concentration followed by cyanidation of gravity tailing, and 3) gravity concentration followed by gold flotation from the gravity tailing. The test work indicates that the ore types of the principal Upper Felsic Zone ("UFZ") and subsidiary Lower Favorable Zone ("LFZ") are highly amenable to the three metallurgical processes tested, with recoveries of gold ranging from 95% to 97% as follows:

Process	UFZ Master Composite		LFZ Master Composite	
	Recovery* Au (%)	Tailings Au (g/t)	Recovery* Au (%)	Tailings Au (g/t)
Whole ore cyanidation	94.7	0.08	97.0	0.06
Gravity + cyanidation	96.7	0.06	97.2	0.05
Gravity + rougher flotation	96.8	0.09	96.6	0.08

* at a grind size of 80% passing (P80) 75 µm

On March 3, 2015, the Company announced the results of the final two phases of comprehensive metallurgical test work from the Montagne d'Or gold deposit.

Highlights of Phase II and III metallurgical test work include:

- Large-scale gravity + rougher flotation testing on master composite resulted in a combined gold recovery of 95.9% from the UFZ master composite and 96.0% gold recovery from the LFZ master composite.
- Rougher flotation concentrate was upgraded in one stage of cleaner flotation to produce a cleaner flotation concentrate that contained approximately 17-18 g/t Au and 34-72 g/t Ag. After one stage of cleaning a combined gravity + cleaner flotation gold recovery of approximately 94% Au was achieved.
- Cyanidation studies conducted on the cleaner flotation concentrate demonstrated that over 97% of the gold contained in the cleaner flotation concentrate could be extracted.
- Gravity + cyanidation gold recovery on ten variability test composites varied from 93.5% to 97.3%, and averaged at 95.8% including 33% gravity recoverable gold.
- Bond ball mill work index testing of the UFZ and LFZ variability composites confirmed the moderate hardness of the Montagne d'Or rock. The lower than expected hardness has a significant impact on reducing the energy needs for the project.

Preliminary Economic Assessment ("PEA")

On August 4, 2015, the Company filed an NI 43-101 compliant, PEA for the Montagne d'Or gold deposit. Highlights of the PEA, as announced by news release dated July 8, 2015, are as follows:

- After-tax NPV (at 8%) of US$324 Million
- After-tax IRR of 23%, at a gold price of US$1200 per oz
- Initial Capital Cost of US$366M, including US$44M contingency

- All-in Sustaining Costs of US$711/oz
- Life of Mine Production of 3.05 million ounces
- Average Annual Gold Production 273,000 ounces in years 1-10
- Milling Capacity of 12,500 tonnes per day, with an average gold grade 2.0 g/t in years 1-10

The PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized.

Rock Lefrançois, P.Geo. (OGQ), Columbus Gold's COO and Qualified Person has reviewed and approved the technical content of this document as it relates to the Paul Isnard Gold Project.

Nevada drilling and exploration activity

Bolo

The Bolo gold project ("Bolo") is located 60 km northeast of Tonopah, Nevada. Subject to underlying royalties, Columbus Gold controls a 100% interest in the Bolo project.

On October 31, 2016, the Company completed a transaction to eliminate an underlying NSR royalty that ranged from 1% to 3%. In consideration for the elimination of the royalty, the Company transferred ownership of its Weepah property to the royalty holders.

Eastside

The Eastside gold project ("Eastside") is located approximately 32 km west of Tonopah, Nevada. Subject to underlying royalties, the Company controls a 100% interest in Eastside.

On January 20, 2017, the Company announced that it has entered into an option agreement dated December 22, 2016 and amended January 13, 2017, with Seabridge Gold Inc. ("Seabridge") pursuant to which it can acquire 100% of Seabridge's rights and interest in the Castle gold project lease. The Castle gold project hosts a historical estimate of 272,153 ounces of gold resources adjoining the south end of Columbus Gold's Eastside gold project. The Castle gold project covers an area of 9.6 km^2 and is located 13 km south of the Original Zone, where substantially all Eastside drilling has occurred to date, and 6.5 km south of Target 5 at Eastside where drilling is planned to commence in February 2017. Under the terms of the transaction, the Company will have until February 10, 2017 to complete its due diligence and until February 21, 2017 to close the exercise of its option by issuing 1,750,000 common shares, as per 1.5 million shares to Seabridge in consideration for the transfer of the lease, and 250,000 shares to the underlying lessor Platoro West Incorporated ("Platoro West"). The annual lease payment to Platoro West is $33,568 (US$25,000) per year and the term of the lease is 99 years. Platoro West has also agreed to reduce the existing 3.5% NSR royalty to 2%, subject to Columbus Gold's right to buy back 1% for a onetime payment of $3,356,750 (US$2,500,000). Completion of the acquisition of the leasehold interest in and to the Castle project by Columbus is subject to Columbus obtaining the approval of the Toronto Stock Exchange.

On December 7, 2016, the Company filed on SEDAR, a NI 43-101 Technical Report on Eastside, with an effective date of November 17, 2016.

On December 5, 2016, the Company announced an initial NI 43-101 pit constrained inferred resource estimate at Eastside consisting of 35,780,000 tonnes grading 0.63g gold equivalent per tonne, for a total of 721,000 ounces of gold equivalent (using a cut-off grade of 0.15g gold per tonne and a gold/silver ratio of 60:1).

Mogollon

On December 22, 2015, the Company entered into an option agreement with a third party, granting the third party an option to acquire a 100% interest in the Company's Mogollon silver-gold project located in Catron County, New Mexico. The agreement requires the third party to pay Columbus Gold an aggregate of $1,371,100 (US$1,000,000) in staged annual payments over a four year period. As at December 31, 2016, the Company had received one option payment of $68,517 (US$50,000). On January 30, 2017, the Company received an additional option payment of $262,400 (US$200,000) from the third party.

Columbus Gold Qualified Person – U.S. properties disclosure only

Andy Wallace is a Certified Professional Geologist (CPG) with the American Institute of Professional Geologists and is the Qualified Person under National Instrument 43-101 and has reviewed and approved the technical content relating to the properties located in the USA discussed herein. Mr. Wallace is the president of a subsidiary of the Company, and a principal of Cordex, which is conducting exploration and project generation activities for the Company on an exclusive basis.

Summary of quarterly information

	Q1 2017 ($)	Q4 2016 ($)	Q3 2016 ($)	Q2 2016 ($)	Q1 2016 ($)	Q4 2015 ($)	Q3 2015 ($)	Q2 2015 ($)
Net loss for the period	(1,283,436)	(1,113,125)	(301,720)	(1,780,397)	(653,515)	(1,615,705)	(951,834)	(1,428,601)
Basic loss per share	(0.01)	(0.01)	(0.00)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)
Diluted loss per share	(0.01)	(0.01)	(0.00)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)

	Dec 31, 2016 ($)	Sep 30, 2016 ($)	Jun 30, 2016 ($)	Mar 31, 2016 ($)	Dec 31, 2015 ($)	Sep 30, 2015 ($)	Jun 30, 2015 ($)	Mar 31, 2015 ($)
Cash and cash equivalents	3,604,658	4,508,219	5,984,043	6,560,497	1,069,347	1,303,562	4,851,582	3,943,660
Total assets	49,223,166	50,310,731	48,672,581	50,641,596	44,416,733	44,647,326	44,832,354	43,452,085
Total non-current financial liabilities	-	-	-	-	(3,404)	(8,509)	(13,614)	(18,720)

Review of financial results – current quarter

During the three months ended December 31, 2016, the Company had a 96% increase in its net loss, to $1,283,436, from $653,515 during the same period in the prior year. The increase in the net loss is attributable to the factors and transactions discussed below.

Investor relations increased to $216,947 this quarter, compared to $43,872 during the comparative period in the prior year. The increase is attributable to increased investor relations activities.

Professional fees increased to $218,786 during the three months ended December 31, 2016, compared to $97,862 during the same period in the prior year. The increase is mainly attributable to corporate financial advisory services.

The Company recorded a foreign exchange loss of $221,579 during this quarter, compared to a gain of $6,792 during the prior year period. The foreign exchange loss in the current quarter is mainly attributable to the weakening of the Canadian Dollar, relative to the US Dollar, having a direct impact on the deferred sale of a minority interest in Paul Isnard Gold Project for US$6 million.

Liquidity and capital resources

The Company does not currently own or have an interest in any producing resource properties and does not derive any significant revenues from operations. The Company's activities have been funded primarily 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 required to curtail its activities to a level for which funding is available and can be obtained. The Company's ability to access funding is also contingent on the ongoing demand for commodities and also a function of the demand for gold, both of which are subject to macroeconomic conditions and market fluctuations.

At December 31, 2016 the Company had cash of $3,604,658 and a working capital deficiency of $5,060,100 compared to $4,508,219 and $3,628,810, respectively, at September 30, 2016.

During the three months ended December 31, 2016, the Company used cash of $703,763 in operating activities, compared to $214,042 during the comparative prior year period. Cash used in operations consists of cash used to fund the loss for the period, adjusted for the impact of non-cash items and changes in non-cash working capital.
During the current quarter, the company used $212,874 in investing activities, compared to $19,007 during the same period in the prior year. During the three months ended December 31, 2016, the Company invested a net amount of $262,733 in exploration and evaluation assets. During the three months ended December 31, 2015, the Company invested $296,436 in exploration and evaluation assets and $38,584 in site restoration, partially offset by earning operator's fees of $316,719.

During the three months ended December 31, 2016, the Company received $28,000 from share options exercised. During the same period in the prior year, the Company repaid leasehold improvement costs of $5,105.

At December 31, 2016, the Company had current liabilities of $9,417,029. Excluding amounts classified as *Deferred sale of minority interest in Paul Isnard Gold Project*, the Company has sufficient cash and access to capital to meet working capital requirements, and obligations as they become due.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Related party transactions

The Company has an agreement (the "Services Agreement") with Organto Foods Inc. ("Organto"), a Company with certain directors and officers in common, whereby the Company provides management and administration services for a fixed monthly fee. The Services Agreement is in effect until December 31, 2017 and may be terminated by Columbus Gold or Organto with 3 months' notice. The Company previously had an additional Services Agreement with EnerGulf Resources Inc. ("EnerGulf"), a company which had certain directors and officers in common, which has been terminated effective April 30, 2016.

The following is a summary of related party transactions:

	Three months ended	
	December 31, 2016 ($)	**December 31, 2015 ($)**
Management fees paid to Columbus Capital Corporation, a company controlled by Robert Giustra, CEO and Chairman of the Company	75,000	75,000
Accounting fees paid to Andrew Yau, CFO of the Company	30,000	-
Accounting fees paid to Akbar Hassanally, former CFO of the Company	-	29,025
Consulting fees paid or accrued to Cordex Exploration LLC, a Company which Andy Wallace, an officer of a subsidiary of the Company, is a principal	66,724	66,760
Directors fees paid or accrued	36,000	36,000
Management and administration fees received or accrued from Organto and EnerGulf	(30,000)	(23,000)
	177,724	**183,785**

The following summarizes advances or amounts that remain receivable from or payable to each related party:

	December 31, 2016 ($)	September 30, 2016 ($)
Advances to Columbus Capital Corporation	-	25,000
Travel advances to Robert Giustra	10,000	15,000
Trade receivables from Organto	138,683	105,000
Directors fees payable	(76,000)	(67,000)
	72,683	**78,000**

Commitments and contingent liability

Since 2005, the Company has engaged the services of Cordex Exploration LLC ("Cordex") to generate, evaluate, and explore mineral properties on behalf of the Company, primarily in Nevada; this has been accomplished through an agreement that is generally updated on an annual basis. The current agreement is in effect to December 31, 2017. Monthly payments consist of a management fee of US$16,667. There is a specified NSR for Cordex on existing and new Columbus Gold properties. The principal of Cordex is an officer of a subsidiary of the Company.

In addition, the Company has commitments as follows:

	1 year ($)	2-3 years ($)	4-5 years ($)	Total ($)
Office lease payments	171,000	343,529	118,606	633,135

On June 8, 2016, the Company received a court notice from the Cayenne District Court (Tribunal d'Instance de Cayenne) dated June 2, 2016. The court notice indicated a former employee of Compagnie Minière Montagne d'Or ("COMMOR"); a subsidiary of the Company, has made a claim against COMMOR for $183,353 (€124,383), primarily for unpaid overtime wages. Management's assessment as at the date of these financial statements is that the claim is without merit and management will defend its position. A first hearing in the court of Cayenne was held on September 21, 2016, and due to a lack of evidence from the plaintiff, the hearing was deferred to May 31, 2017. The Company has recorded the amount of the claim in accrued liabilities.

Proposed transactions

The Company has no significant proposed transactions under consideration at this time.

Critical accounting estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is risk of material adjustments to assets and liabilities in future accounting periods include estimates of useful lives of depreciated and amortized assets, the recoverability of the carrying value of exploration and evaluation assets, aassumptions used in determination of share-based payments, the recoverability and measurement of deferred tax assets, decommissioning, restoration and similar liabilities and contingent liabilities.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include the classification of expenditures as exploration and evaluation expenditures or operating expenses and the classification of financial instruments.

Changes in accounting policies and standards

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended December 31, 2016, and have not been applied in preparing the consolidated financial statements. Those that may have a significant effect on the consolidated financial statements of the Company are as follows:

(a) IFRS 9 – *Financial Instruments* ("IFRS 9")

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

(b) Other

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Financial instruments

The fair value of the Company's financial instruments, financial statement classification and associated risks are presented in the table below:

Financial instrument	**Financial statement classification**	**Associated risks**	**Fair value at December 31, 2016 ($)**
Cash	Carrying value	Credit, currency, and interest rate	3,604,658
Available-for-sale investments	Fair value	Currency, and exchange	62,284
Receivables	Carrying value	Credit, currency, and concentration	365,699
Reclamation bonds	Carrying value	Credit, currency and concentration	487,960
Accounts payable	Carrying value	Currency	(227,447)
Deferred exploration advances from Nordgold	Carrying value	Currency	(52,520)
Deferred sale of minority interest in Paul Isnard Gold Project	Carrying value	Currency	(8,056,200)
			(3,815,566)

Financial risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at December 31, 2016 are summarized below. The Board of Directors periodically reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

(a) Credit risk

The credit risk exposure on cash is limited to its carrying amount at the date of the consolidated statements of financial position. Cash is held as cash deposits with creditworthy banks and investment firms. The Company has receivables consisting of goods and services tax due from the Federal Government of Canada, and trade receivables. Management believes that the credit risk with respect to receivables is minimal as it relates to goods and services tax, and moderate as it relates to trade receivables.

(b) Liquidity risk

Liquidity risk arises from the Company's general and capital financing needs. The Company manages liquidity risk by attempting to maintain sufficient cash 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 December 31, 2016, the Company has working capital deficiency of $5,060,100 (September 30, 2016 – $3,628,810).

(c) Market risks

(i) Foreign currency risk

The Company's functional currency is the Canadian dollar. The Company is exposed to the currency risk related to the fluctuation of foreign exchange rates in its US subsidiary, Columbus Gold (U.S.) Corporation and French subsidiary, Compagnie Minière Montagne d'Or. The Company also has assets and liabilities denoted in US dollars and the European Euro. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar or European Euro 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.

(ii) 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.

(iii) Interest rate risk

The Company has interest bearing cash balances; therefore, is exposed to interest rate risk.

Sensitivity analysis

A 1% change in interest rates does not have a material effect on the Company's profit or loss and equity.

The Company maintains significant cash balances, accounts receivable, accounts payable and other liabilities in US dollars and European Euros, currencies other than the functional currency of Company. The Company estimates that a +/-10% change in the value of the Canadian dollar relative to the US dollar and European Euro would have a corresponding effect of approximately $700,000 to profit or loss.

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 resource 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 the components of shareholders' equity as well as cash and receivables.

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, acquire or dispose of assets or adjust the amount of cash and investments.

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 Board of Directors approves the annual and updated budgets. There have been no changes to the Company's capital management policies and procedures since the end of the most recent fiscal year.

Fair value

The fair values of available-for-sale investments are based on quoted market prices for publicly traded shares.
IFRS 7, Financial Instruments: Disclosure establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. Available-for-sale investments are classified as Level 1. At December 31, 2016, there were no financial assets or liabilities measured and recognized in the consolidated statement of position that would be categorized as Level 2 or Level 3 in the fair value hierarchy above.

Other information

Outstanding share data

At December 31, 2016, the Company had 143,016,086 shares issued and outstanding. In addition, there were 10,614,000 share purchase options outstanding with exercise prices ranging from $0.30 to $0.70 per share.

At the date of this MD&A, the Company has 143,016,086 shares issued and outstanding. In addition, there are 12,264,000 share purchase options outstanding with exercise prices ranging from $0.30 to $0.70 per share.

Risks and uncertainties

Risk factors

Prior to making an investment decision investors should consider the investment risks set out below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out below to be the most significant to potential investors in the Company, but do not represent all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Directors are currently unaware or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects are likely to be materially and adversely affected.

Exploration, development and production risks

An investment in the Company's shares is speculative due to the nature of the Company's involvement in the evaluation, acquisition, exploration and, if warranted, development and production of minerals. Mineral exploration involves a high degree of risk and there is no assurance that expenditures made on future exploration by the Company will result in new discoveries in commercial quantities.

While the Company has a limited number of specific identified exploration or development prospects, management will continue to evaluate prospects on an ongoing basis in a manner consistent with industry standards. The long-term commercial success of the Company depends on its ability to find, acquire, develop and commercially produce reserves. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. The Company has no earnings record, no reserves and no producing resource properties.

The Company's resource projects are in the exploration stage. Resource exploration, development, and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge will not eliminate. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. The Company must rely upon consultants and contractors for exploration, development, construction and operating expertise. Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

There is no assurance that surface rights agreements that may be necessary for future operations will be obtained when needed, on reasonable terms, or at all, which could adversely affect the business of the Company.

No assurance can be given that minerals will be discovered in sufficient quantities at any of the Company's mineral projects to justify commercial operations or that funds required for additional exploration or development will be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; the proximity and capacity of milling facilities; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Additional funding requirements

From time to time, the Company may require additional financing in order to carry out its acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities, delay or indefinitely postpone further exploration and development of its projects with the possible loss of such properties, and reduce or terminate its operations. If the Company's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or be available on favorable terms.

Prices, markets and marketing of natural resources

Gold is a commodity whose price is determined based on world demand, supply and other factors, all of which are beyond the control of the Company. World prices for gold have fluctuated widely in recent years. The marketability and price of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond its control. The Company has limited direct experience in the marketing of gold.

Government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of natural resources and environmental protection are all factors which may affect the marketability and price of natural resources. The exact effect of these factors cannot be accurately predicted, but any one or a combination of these factors could result in the Company not receiving an adequate return on investment for shareholders.

Enforcement of civil liabilities

Certain of the Company's directors and certain of the experts named herein reside outside of Canada and, similarly, a majority of the assets of the Company are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors and experts not residing in Canada. It may also not be possible to enforce against the Company and certain of its directors and experts named herein judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Environmental risks

All phases of the natural resources business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions, and national, state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with operations. The legislation also requires that facility sites and mines be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of tailings or other pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require the Company to incur costs to remedy such discharge. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

Companies engaged in the exploration and development of mineral properties generally experience increased costs, and delays as a result of the need to comply with applicable laws, regulations and permits. The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in natural resource exploration and development activities may be required to compensate those suffering loss or damage by reason of its activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of natural resources companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in developments of new properties.

Dilution

In order to finance future operations and development efforts, the Company may raise funds through the issue of shares or securities convertible into shares. The constating documents of the Company allow it to issue, among other things, an unlimited number of shares for such consideration and on such terms and conditions as may be established by the directors of the Company, in many cases, without the approval of shareholders. The Company cannot predict the size of future issues of shares or securities convertible into shares or the effect, if any, that future issues and sales of shares will have on the price of the shares. Any transaction involving the issue of previously authorized but unissued shares or securities convertible into shares would result in dilution, possibly substantial, to present and prospective shareholders of the Company.

Regulatory requirements

Mining operations, development and exploration activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Changes in these regulations or in their application are beyond the control of the Company and could adversely affect its operations, business and results of operations.

Government approvals and permits are currently, and may in the future be, required in connection with the mineral projects in which the Company has an interest. To the extent such approvals are required and not obtained, the Company may be restricted or prohibited from proceeding with planned exploration or development activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of properties.

Reliance on operators and key employees

The success of the Company will be largely dependent upon the performance of its management and key employees. The Company does not have any key man insurance policies and therefore there is a risk that the death or departure of any member of management or any key employee could have a material adverse effect on the Company. In assessing the risk of an investment in the Company's shares, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the management of the Company. An investment in the Company's shares is suitable only for those investors who are willing to risk a loss of their entire investment and who can afford to lose their entire investment.

Permits and licenses

The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development of its projects.

Availability of equipment and access restrictions

Natural resource exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Company and may delay exploration and development activities.

Conflict of interest of management

Certain of the Company's directors and officers are also directors and officers of other natural resource companies. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers relating to the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies.

Competition

The Company actively competes for acquisitions, leases, licenses, concessions, claims, skilled industry personnel and other related interests with a substantial number of other companies, many of which have significantly greater financial resources than the Company.

The Company's ability to successfully bid on and acquire additional property rights to participate in opportunities and to identify and enter into commercial arrangements with other parties will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

Insurance

The Company's involvement in the exploration for and development of natural resource properties may result in the Company becoming subject to liability for certain risks, and in particular unexpected or unusual geological operating conditions, including rock bursts, cave ins, fires, floods, earthquakes, pollution, blow-outs, property damage, personal injury or other hazards. Although the Company will obtain insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable, or, in certain circumstances, the Company may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer or such event, could have a material adverse effect on the Company's financial position, results of operations or prospects.

No assurance can be given that insurance to cover the risks to which the Company's activities will be subject will be available at all or at economically feasible premiums. Insurance against environmental risks (including potential for pollution or other hazards as a result of the disposal of waste products occurring from production) is not generally available to the Company or to other companies within the industry. The payment of such liabilities would reduce the funds available to the Company. Should the Company be unable to fund fully the cost of remedying an environmental problem, the Company might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy.

The market price of shares may be subject to wide price fluctuations

The market price of shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company, general economic conditions, changes in mineral reserve or resource estimates, results of exploration, changes in results of mining operations, legislative changes, and other events and factors outside of the Company's control.

In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the shares.

The Company is unable to predict whether substantial amounts of shares will be sold in the open market. Any sales of substantial amounts of shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the shares.

Global financial conditions

Global financial conditions over the last few years have been characterized by increased volatility and several financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. These factors may affect the ability of the Company to obtain equity or debt financing in the future on terms favourable to it. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, the operations of the Company may suffer adverse impact and the price of our shares may be adversely affected.

Credit risk

Credit risk is the risk of an unexpected loss if a party to its financial instruments fails to meet its contractual obligations. The Company's financial assets exposed to credit risk will be primarily composed of cash and amounts receivable. While the Company will attempt to mitigate its exposure to credit risk, there can be no assurance that unexpected losses will not occur. Such unexpected losses could adversely affect the Company.

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.

Controls and procedures

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There have been no changes in the Company's internal control over financial reporting during the three months ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Caution regarding forward looking statements

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," "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; management's strategies, objectives and expectations; the Company's tax position and the tax and royalty rates applicable; the Company's ability to acquire necessary permits and other authorizations in connection with its projects; risks associated with environmental compliance, including without limitation changes in legislation and regulation, and estimates of reclamation and other costs; the Company's cost reduction and other financial and operating objectives; the Company's environmental, health and safety initiatives; the availability of qualified employees and labour for operations; risks that may affect 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 dependence on third parties for the provision of critical services; risks associated with non-performance 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 expected timing to complete a feasibility study and other exploration milestones, the timing of the receipt of required permits and approvals for operations; the availability of equity and other financing on reasonable terms; power prices; the Company's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; the Company's ability to attract and retain skilled labour and staff; the impact of changes in Canadian/US dollar and other foreign exchange rates on costs and results; market competition; and ongoing relations with employees and with 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. Management undertakes 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.

Additional information

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Corporation information

Head Office:	1090 Hamilton Street Vancouver, BC V6B 2R9 Canada
Directors:	Robert Giustra Gil Atzmon Peter Gianulis Don Gustafson Oleg Pelevin
Officers:	Robert Giustra, Chief Executive Officer Andrew Yau, Chief Financial Officer Rock Lefrançois, Chief Operating Officer Jenna Virk, Vice President Legal and Corporate Secretary Jorge Martinez, Vice President of Communications & Technology
Auditor:	DMCL LLP 1500 – 1140 West Pender Street Vancouver, BC V6E 4G1
Legal Counsel:	McMillan LLP Suite 1500 - 1055 West Georgia Street Vancouver, BC V6E 4N7
Transfer Agent:	Computershare Investor Services Inc. 2nd Floor – 510 Burrard Street Vancouver, BC V6C 3B9

Columbus Gold Corp.
1090 Hamilton Street
Vancouver, B.C.
V6B 2R9
Canada

Condensed Interim Consolidated Financial Statements
(Unaudited)

For the Three Months Ended
December 31, 2016

(Stated in Canadian Dollars)

NOTICE OF NO REVIEW BY AUDITOR

In accordance with National Instrument 51-102 *Continuous Disclosure Obligations* of The Canadian Securities Administrators we hereby give notice that our condensed interim consolidated financial statements for the three months ended December 31, 2016, which follow this notice, have not been reviewed by an auditor.

Columbus Gold Corp.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Financial Position (Unaudited)
(Expressed in Canadian Dollars)

	December 31, 2016 ($)	September 30, 2016 ($)
Assets		
Current assets		
Cash	3,604,658	4,508,219
Available-for-sale investments (note 3)	62,284	80,342
Receivables (note 4)	365,699	755,254
Prepaid expenses	324,288	581,338
	4,356,929	5,925,153
Non-current assets		
Reclamation bonds (note 5)	487,960	469,426
Exploration and evaluation assets (note 6)	44,344,200	44,090,003
Equipment	34,077	47,264
	49,223,166	**50,531,846**
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	227,447	388,906
Accrued liabilities	1,080,862	1,294,857
Deferred exploration advances from Nord Gold S.E.	52,520	-
Deferred sale of minority interest in Paul Isnard Gold Project (note 6)	8,056,200	7,870,200
	9,417,029	9,553,963
Shareholders' equity		
Share capital (note 7)	56,157,772	56,116,478
Reserves	11,235,968	11,165,572
Deficit	(27,587,603)	(26,304,167)
	39,806,137	40,977,883
	49,223,166	**50,531,846**

Nature of operations and going concern (note 1)
Commitments and contingent liability (note 10)
Subsequent events (note 11)

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

Approved by the Board of Directors

"Robert Giustra"
Robert Giustra – Director

"Gil Atzmon"
Gil Atzmon - Director

Columbus Gold Corp.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Comprehensive Loss (Unaudited)
(Expressed in Canadian Dollars)

	Three months ended	
	December 31, 2016 ($)	**December 31, 2015 ($)**
Operating expenses		
Administration and office	303,489	333,380
Directors fees (note 8)	36,000	36,000
General exploration	96,669	13,370
Investor relations	216,947	43,872
Management fees (note 8)	75,000	75,000
Professional fees	218,786	97,862
Share-based payments (note 7b)	31,400	32,561
Transfer and filing fees	54,920	29,927
Travel	48,424	6,363
Amortization	15,375	15,980
Loss before other items	(1,097,010)	(684,315)
Other items		
Interest income	5,153	1,008
Other income	30,000	23,000
Foreign exchange gain (loss)	(221,579)	6,792
Net loss for the period	**(1,283,436)**	**(653,515)**
Items that may subsequently be reclassified to net income or loss:		
Unrealized gain (loss) on available-for-sale investments	(18,057)	6,625
Foreign currency translation	70,347	478,067
Comprehensive loss for the period	**(1,231,146)**	**(168,823)**
Loss per share (note 7c)		
Basic	(0.01)	(0.00)
Diluted	(0.01)	(0.00)

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

(Expressed in Canadian Dollars)

	Three months ended	
	December 31, 2016 ($)	**December 31, 2015 ($)**
Operating activities		
Net loss for the period	(1,283,436)	(653,515)
Items not involving cash		
Amortization	15,375	15,980
Share-based payments (note 7b)	31,400	32,561
Unrealized foreign exchange loss	266,815	21,385
	(969,846)	(583,589)
Changes in non-cash working capital		
Receivables and prepaid expenses	641,537	561,030
Accounts payable and accrued liabilities	(375,454)	(191,483)
Cash used in operating activities	(703,763)	(214,042)
Investing activities		
Exploration advances (expenditures) from Nord Gold N.V.	52,520	-
Operator's fee (note 6)	-	316,719
Interest received	5,068	1,008
Exploration and evaluation assets (note 6)	(262,733)	(296,436)
Reclamation bonds	(5,541)	-
Equipment	(2,188)	(1,714)
Restoration costs	-	(38,584)
Cash used in investing activities	(212,874)	(19,007)
Financing activities		
Proceeds from share options exercised	28,000	-
Repayment of leasehold improvements costs	-	(5,105)
Cash from (used in) financing activities	28,000	(5,105)
Effect of foreign exchange on cash	(14,924)	3,939
Decrease in cash	(903,561)	(234,215)
Cash, beginning of period	4,508,219	1,303,562
Cash, end of period	**3,604,658**	**1,069,347**

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

(Expressed in Canadian Dollars)

	Share capital		Reserves				
	Number of shares	**Share capital ($)**	**Share options and warrants ($)**	**Accumulated other comprehensive income (loss) ($)**	**Total ($)**	**Deficit ($)**	**Total ($)**
Balance, October 1, 2015	141,665,086	55,417,561	7,814,696	2,586,512	10,401,208	(22,455,410)	43,363,359
Share-based payments	-	-	32,561	-	32,561	-	32,561
Comprehensive loss	-	-	-	484,692	484,692	(653,515)	(168,823)
Balance, December 31, 2015	**141,665,086**	**55,417,561**	**7,847,257**	**3,071,204**	**10,918,461**	**(23,108,925)**	**43,227,097**
Balance, October 1, 2016	142,940,086	56,116,478	8,719,372	2,446,200	11,165,572	(26,304,167)	40,977,883
Share options exercised (note 7(a))	76,000	41,294	(13,294)	-	(13,294)	-	28,000
Share-based payments (note 7(b))	-	-	31,400	-	31,400	-	31,400
Comprehensive loss	-	-	-	52,290	52,290	(1,283,436)	(1,231,146)
Balance, December 31, 2016	**143,016,086**	**56,157,772**	**8,737,478**	**2,498,490**	**11,235,968**	**(27,587,603)**	**39,806,137**

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

(Expressed in Canadian Dollars)

1. Nature of operations and going concern

Columbus Gold Corp. (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 Toronto Stock Exchange (the "TSX" or "Exchange"), the OTCQX International and the Santiago Stock Exchange.

The Company's principal business activities are the exploration and development of resource properties which are located in French Guiana and the United States of America. The Company is in the process of exploring and developing its resource properties, but has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets 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 or from proceeds of disposition. The Company's exploration and evaluation activities are not dependent on seasonality and may operate year-round; however, the Company may adjust the level of exploration and evaluation activities to manage its capital structure in light of changes in global economic conditions. To date, the Company has not received any revenue from mining operations and is considered to be in the exploration stage.

These condensed interim consolidated financial statements have been prepared on a going concern basis which implies that the Company will continue realizing assets and discharging liabilities in the normal course of business for the foreseeable future. Should the going concern assumption not continue to be appropriate, further adjustments to carrying values of assets and liabilities may be required. At December 31, 2016, the Company has working capital deficiency of $5,060,100 (September 30, 2016 – $3,628,810) and an accumulated deficit of $27,587,603 (September 30, 2016 - $26,304,167). Accordingly, the ability of the Company to realize the carrying value of its assets and continue operations as a going concern is dependent upon its ability to raise additional debt or equity to fund ongoing costs of operations and/or secure new or additional partners in order to advance its projects. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern.

The Company's head office and principal address is located at 1090 Hamilton Street, Vancouver, British Columbia, V6B 2R9, Canada.

2. Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting* ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements have been prepared using the same accounting policies and methods of computation as the most recent annual financial statements for the year ending September 30, 2016. Certain amounts in the prior period have been reclassified to conform with the presentation in the current period.

These condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issue on February 10, 2017.

3. Available-for-sale investments

	December 31, 2016 ($)	September 30, 2016 ($)
EnerGulf Resources Inc.	15,278	25,464
Navaho Gold Limited	45,006	51,878
Roscan Minerals Corporation	2,000	3,000
	62,284	**80,342**

(Expressed in Canadian Dollars)

4. Receivables

	December 31, 2016 ($)	September 30, 2016 ($)
Due from Organto Foods Inc. ("Organto") (note 8)	138,683	105,000
Due from Nord Gold S.E. ("Nordgold")	-	173,100
Other receivables	227,016	477,154
	365,699	**755,254**

5. Reclamation bonds

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

	December 31, 2016 ($)	September 30, 2016 ($)
Antelope	-	6,358
Big Lime	10,473	10,231
Bolo	208,790	203,969
Brown's Canyon	-	9,090
Eastside	262,118	233,351
Pete's Summit	6,579	6,427
	487,960	**469,426**

(Expressed in Canadian Dollars)

6. Exploration and evaluation assets

A summary of exploration and evaluation assets by property for the three months ended December 31, 2016 is set out below:

Property	Balance at October 1, 2016 ($)	Additions ($)	Other ($)	Foreign exchange ($)	Balance at December 31, 2016 ($)
French Guiana					
Paul Isnard	28,589,945	322,009	(535,045)[1]	(377,815)	27,999,094
Nevada					
Big Lime	644	442	-	19	1,105
Bolo	3,525,043	60,004	-	83,683	3,668,730
Clanton Hills	31,133	19	-	736	31,888
Eastside	11,351,695	420,106	-	270,893	12,042,694
Four Metals	6,999	28	-	166	7,193
Hugh's Canyon	18,746	1,769	-	455	20,970
Mogollon	467,410	-	-	11,046	478,456
Monitor Hills	27,935	2,412	-	675	31,022
North Brown	6,672	575	-	161	7,408
Overland Pass	20,752	1,913	-	502	23,167
Red Hills	13,943	1,004	-	335	15,282
Weepah	15,600	-	(15,869)	269	-
White Canyon	1	-	-	-	1
White Horse Flats	4,456	416	-	108	4,980
White Horse Flats North	9,029	2,950	-	231	12,210
	44,090,003	**813,647**	**(550,914)**	**(8,536)**	**44,344,200**

[1] Exploration and evaluation funded by Nordgold.

(Expressed in Canadian Dollars)

6. Exploration and evaluation assets - *continued*

A summary of exploration and evaluation assets by property for the year ended September 30, 2016 is set out below:

Property	Balance at October 1, 2015 ($)	Additions ($)	Other ($)	Foreign exchange ($)	Balance at September 30, 2016 ($)
French Guiana					
Paul Isnard	30,902,362	10,177,134	(12,288,821)[1]	(200,730)	28,589,945
Nevada					
Big Lime	1	650	-	(7)	644
Bolo	3,529,312	56,605	-	(60,874)	3,525,043
Chert Cliff	-	1	(1)	-	-
Clanton Hills	-	31,453	-	(320)	31,133
Eastside	6,773,638	4,742,004	-	(163,947)	11,351,695
Four Metals	1	7,070	-	(72)	6,999
Hugh’s Canyon	1	18,938	-	(193)	18,746
Mogollon	-	479,543	(7,490)[2]	(4,643)	467,410
Monitor Hills	1	28,220	-	(286)	27,935
North Brown	1	6,740	-	(69)	6,672
Overland Pass	1	20,963	-	(212)	20,752
Red Hills	1	14,085	-	(143)	13,943
Weepah	1	15,757	-	(158)	15,600
White Canyon	1	-	-	-	1
White Horse Flats	1	4,501	-	(46)	4,456
White Horse Flats North	1	9,120	-	(92)	9,029
	41,205,323	**15,612,784**	**(12,296,312)**	**(431,792)**	**44,090,003**

[1] Consists of $10,559,487 exploration and evaluation funded by Nordgold, operator’s fee earned of $383,844 and cost recoveries of $1,345,490.
[2] $68,517 (US$50,000) option payment received from third party. Amounts in excess of carrying value of property at the time are recognized in consolidated statements of comprehensive loss.

(Expressed in Canadian Dollars)

6. Exploration and evaluation assets - *continued*

A summary of the exploration and evaluation assets by cost category is set out below:

	($)
Balance at October 1, 2015	41,205,323
Acquisition and land	537,446
Camp costs and other	847,591
Drilling	8,809,026
Equipment	508,324
Geology and trenching	1,159,037
Management and administration	2,534,463
Technical studies	958,613
Travel	258,283
Operator fee	(383,844)
Cost recoveries	(1,345,490)
Amounts funded by Nordgold	(10,559,487)
Option payments received	(7,490)
Foreign exchange	(431,792)
Balance at September 30, 2016	**44,090,003**
Acquisition and land	53,531
Camp costs and other	30,189
Drilling	5,177
Geology and trenching	183,568
Management and administration	365,261
Technical studies	169,766
Travel	6,155
Amounts funded by Nordgold	(535,045)
Disposition of Weepah	(15,869)
Foreign exchange	(8,536)
	44,344,200

Paul Isnard

The Company's "Paul Isnard Gold Project" consists of eight mining and two exclusive exploration permits located in French Guiana.

The Company entered into a binding letter option agreement with major gold producer Nordgold on September 17, 2013, and subsequently executed a definitive agreement on March 13, 2014, under which Nordgold has been granted the right to acquire a 50.01% interest in the Paul Isnard mining concessions and the exploration permits. Nordgold can earn its interest in the mineral permits by completing a bankable feasibility study and by expending not less than $32,730,000 (US$30 million) in 3 years, which includes a requirement for Nordgold to pay the Company $4,558,355 (US$4.2 million) in cash no later than May 21, 2014 (received). During the earn-in period, up to January 14, 2016, Columbus Gold was the project operator and earned a 10% operator fee on certain expenditures. Effective January 15, 2016, Nordgold is the project operator.

On January 12, 2016, the Company entered into an agreement with Nordgold to sell a 5% minority interest in the Paul Isnard Gold Project for $8,375,959 (US$6,000,000) (received). The formal acquisition and transfer of the 5% interest will not occur until Nordgold has funded completion of a Feasibility Study and achieved a minimum of $32,730,000 (US$30,000,000) in project expenditures, in order to earn an additional 50.01% interest in the Paul Isnard Gold Project. If Nordgold does not earn its initial 50.01% interest, then the Company is required to refund the advance of $8,056,200 (US$6,000,000).

Nordgold has achieved the minimum $32,730,000 (US$30,000,000) expenditure requirement as at October 25, 2016.

6. Exploration and evaluation assets - *continued*

On May 21, 2013, the Company entered into an agreement with Sandstorm Gold Ltd. ("Sandstorm") and sold a 1% net smelter returns royalty ("NSR") on production from the Paul Isnard Gold Project for cash proceeds of $5,103,386 (US$5,000,000).

Bolo

The Bolo property is located approximately 60 km northeast of Tonopah, Nevada. The Company holds a 100% interest in Bolo, subject to underlying royalties (Note 17).

On October 31, 2016, the Company completed a transaction to eliminate an underlying NSR royalty that ranged from 1% to 3% on the Bolo property. In consideration for the elimination of the royalty, the Company transferred ownership of its Weepah property to the royalty holders.

Eastside

The Eastside property is located approximately 32 km west of Tonopah, Nevada. The Company holds a 100% interest in Eastside, subject to underlying royalties.

Mogollon

On December 22, 2015, the Company entered into an option agreement with a third party, granting the third party an option to acquire a 100% interest in the Company's Mogollon silver-gold project located in Catron County, New Mexico. The agreement requires the third party to pay Columbus Gold an aggregate of $1,371,100 (US$1,000,000) in staged annual payments over a four year period. As at December 31, 2016, the Company had received one option payment of $68,517 (US$50,000). On January 30, 2017, the Company received an additional option payment of $262,400 (US$200,000) from the third party.

Other

The Company has additional exploration and evaluation assets located in Nevada, USA, comprised of the following properties: Big Lime, Clanton Hills, Four Metals, Hugh's Canyon, Monitor Hills, North Brown, Overland Pass, Red Hills, White Canyon, White Horse Flats, and White Horse Flats North.

(Expressed in Canadian Dollars)

7. Share capital

(a) Common shares

Authorized - Unlimited common shares without par value.

At December 31, 2016, the Company had 143,016,086 (September 30, 2015 – 142,940,086) common shares issued and outstanding.

During the three months ended December 31, 2016, a total of 76,000 (2015 – nil) share options were exercised between $0.30 to $0.50 per share for gross proceeds of $28,000 (2015 - $nil).

On August 17, 2016, the Company sold 2,230,000 of its common shares in treasury for net proceeds of $1,338,000, which had a carrying value of $1,255,490, in satisfaction of an agreement with another party.

(b) Share options

On January 25, 2013, the Company amended its share purchase option plan to authorize the Company to issue share options whereby the total share options outstanding may be up to 10% of its issued capital at the time of an applicable option grant. The Board of Directors may from time to time, grant options to directors, officers, employees or consultants. 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.

The continuity of the Company's share options is as follows:

	Number of options	**Weighted average exercise price ($)**
Balance, October 1, 2015	12,515,000	0.46
Granted	3,390,000	0.41
Expired	(2,090,000)	0.66
Exercised	(1,275,000)	0.32
Forfeited	(250,000)	0.45
Cancelled	(615,000)	0.58
Balance, September 30, 2016	**11,675,000**	**0.42**
Expired	(985,000)	0.78
Exercised	(76,000)	0.37
Balance, December 31, 2016	**10,614,000**	**0.38**

(Expressed in Canadian Dollars)

7. Share capital - *continued*

A summary of the Company's options at December 31, 2016 is as follows:

	Options outstanding		**Options exercisable**	
Exercise price ($)	**Number of options outstanding**	**Weighted average remaining contractual life (years)**	**Number of Options exercisable**	**Weighted average remaining contractual life (years)**
0.30	1,400,000	6.27	1,400,000	6.27
0.30	1,650,000	6.68	1,650,000	6.68
0.35	1,680,000	1.96	1,680,000	1.96
0.40	2,735,000	4.12	2,735,000	4.12
0.40	500,000	4.18	125,000	4.18
0.45	800,000	2.73	800,000	2.73
0.45	400,000	6.07	400,000	6.07
0.50	1,374,000	3.09	1,374,000	3.09
0.70	75,000	4.55	75,000	4.55
0.30-0.70	**10,614,000**	**4.30**	**10,239,000**	**4.31**

The fair value of share options recognized as an expense during the three months ended December 31, 2016 was $31,400 (2015 - $32,561).

No share options were granted during the three months ended December 31, 2016 and December 31, 2015.

(c) Loss per share

	Three months ended	
	December 31, 2016 ($)	**December 31, 2015 ($)**
Basic loss per share	(0.01)	(0.00)
Diluted loss per share	(0.01)	(0.00)
Net loss for the period	**(1,283,436)**	**(653,515)**

(Expressed in Canadian Dollars)

7. Share capital - *continued*

	Three months ended	
	December 31, 2016	**December 31, 2015**
Shares outstanding, beginning of period	142,940,086	141,665,086
Effect of share options exercised	54,587	-
Basic weighted average number of shares outstanding	**142,994,673**	**141,665,086**
Effect of dilutive share options	-	-
Diluted weighted average number of shares outstanding	**142,994,673**	**141,665,086**

As at December 31, 2016, there were 10,614,000 (December 31, 2015 – 11,341,500) share options that were potentially dilutive but not included in the diluted earnings per share calculation as the effect would be anti-dilutive.

8. Related party transactions

The Company has an agreement (the “Services Agreement”) with Organto, whereby the Company provides management and administration services for a fixed monthly fee. The Services Agreement is in effect until December 31, 2017 and may be terminated by Columbus Gold or Organto with 3 months’ notice. The Company previously had an additional Services Agreement with EnerGulf Resources Inc. (“EnerGulf”), a company which had certain directors and officers in common, which has been terminated effective April 30, 2016.

The following is a summary of related party transactions:

	Three months ended	
	December 31, 2016 ($)	**December 31, 2015 ($)**
Management fees paid to Columbus Capital Corporation, a company controlled by Robert Giustra, CEO and Chairman of the Company	75,000	75,000
Accounting fees paid to Andrew Yau, CFO of the Company	30,000	-
Accounting fees paid to Akbar Hassanally, former CFO of the Company	-	29,025
Consulting fees paid or accrued to Cordex Exploration LLC, a Company which Andy Wallace, an officer of a subsidiary of the Company, is a principal	66,724	66,760
Directors fees paid or accrued	36,000	36,000
Management and administration fees received or accrued from Organto and EnerGulf	(30,000)	(23,000)
	177,724	**183,785**

The following summarizes advances or amounts that remain receivable from or payable to each related party:

	December 31, 2016 ($)	**September 30, 2016 ($)**
Advances to Columbus Capital Corporation	-	25,000
Travel advances to Robert Giustra	10,000	15,000
Trade receivables from Organto	138,683	105,000
Directors fees payable	(76,000)	(67,000)
	72,683	**78,000**

(Expressed in Canadian Dollars)

9. Segmented information

The Company has one reportable business segment, being mineral exploration and development. Assets by geographical area are as follows:

	December 31, 2016 ($)	**September 30, 2016 ($)**
Current assets		
Canada	2,966,021	3,998,205
USA	68,598	442,977
France (French Guiana)	1,322,310	1,483,971
	4,356,929	5,925,153
Non-current assets		
Canada	34,077	47,264
USA	16,833,059	15,969,483
France (French Guiana)	27,999,101	28,589,946
	44,866,237	44,606,693
Total assets		
Canada	3,000,098	4,045,469
USA	16,901,657	16,412,460
France (French Guiana)	29,321,411	30,073,917
	49,223,166	**50,531,846**

10. Commitments and contingent liability

Since 2005, the Company has engaged the services of Cordex Exploration LLC ("Cordex") to generate, evaluate, and explore mineral properties on behalf of the Company, primarily in Nevada; this has been accomplished through an agreement that is generally updated on an annual basis. The current agreement is in effect to December 31, 2017. Monthly payments consist of a management fee of US$16,667. There is a specified NSR for Cordex on existing and new Columbus Gold properties. The principal of Cordex is an officer of a subsidiary of the Company.

In addition, the Company has commitments as follows:

	1 year ($)	**2-3 years ($)**	**4-5 years ($)**	**Total ($)**
Office lease payments	171,000	343,529	118,606	633,135

On June 8, 2016, the Company received a court notice from the Cayenne District Court (Tribunal d'Instance de Cayenne) dated June 2, 2016. The court notice indicated a former employee of Compagnie Minière Montagne d'Or ("COMMOR"), a subsidiary of the Company, has made a claim against COMMOR for $183,353 (€124,383), primarily for unpaid overtime wages. Management's assessment as at the date of these financial statements is that the claim is without merit and management will defend its position. A first hearing in the court of Cayenne was held on September 21, 2016, and due to a lack of evidence from the plaintiff, the hearing was deferred to May 31, 2017. The Company has recorded the amount of the claim in accrued liabilities.

11. Subsequent events

On January 20, 2017, the Company announced that it has entered into an option agreement dated December 22, 2016 and amended January 13, 2017, with Seabridge Gold pursuant to which it can acquire 100% of Seabridge's rights and interest in the Castle gold project lease. The Castle gold project hosts a historical estimate of 272,153 ounces of gold resources adjoining the south end of Columbus Gold's Eastside gold project. The Castle gold project covers an area of 9.6 km^2 and is located 13 km south of the Original Zone, where substantially all Eastside drilling has occurred to date, and 6.5 km south of Target 5 at Eastside where drilling is planned to commence in February 2017. Under the terms of the transaction, the Company will have until February 10, 2017 to complete its due diligence and until February 21, 2017 to close the exercise of its option by issuing 1,750,000 common shares, as per 1.5 million shares to Seabridge in consideration for the transfer of the lease, and 250,000 shares to the underlying lessor Platoro West. The annual lease payment to Platoro West is $33,568 (US$25,000) per year and the term of the lease is 99 years. Platoro West has also agreed to reduce the existing 3.5% NSR royalty to 2%, subject to Columbus Gold's right to buy back 1% for a onetime payment of $3,356,750 (US$2,500,000). Completion of the acquisition of the leasehold interest in and to the Castle project by Columbus is subject to Columbus obtaining the approval of the Toronto Stock Exchange.

On January 18, 2017, the Company announced that it entered into an agreement with Beacon Securities Limited ("Beacon" or the "Underwriter"), to purchase, on a "bought deal" basis, with a right to arrange for substitute purchasers for, an aggregate of 8,000,000 common shares (the "Offered Shares") in the capital of the Company at a price of $0.63 per Offered Share for aggregate gross proceeds of $5,040,000 (the "Offering"). The closing of the Offering is subject to the completion of formal documentation and receipt of regulatory approval, including the approval of the Toronto Stock Exchange.

On January 9, 2017, the Company granted 1,675,000 share purchase options to certain directors, officers, employees and consultants of the Company. The share purchase options are exercisable at a price of $0.65 per share for a period of five years from the date of grant.