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Canada

Management's Discussion and Analysis

For the Six Months Ended
March 31, 2014
(Unaudited)

(Stated in Canadian Dollars)

Dated May 23, 2014

Table of Contents

The following Management's 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. 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, 2013 and the accompanying unaudited condensed interim consolidated financial statements for the interim period ended March 31, 2014, 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 March 31, 2014, and "this period" or "current period" means the six month period ended March 31, 2014. This MD&A is dated May 23, 2014.

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 Corporation 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 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. 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, diversifies funding sources and minimizes risk through joint ventures on selected projects.

Overall performance and outlook

The following highlight's the Company's overall performance for the three and six months ended March 31, 2014:

- net loss of $345,672 for the three months ended March 31, 2014 compared to $570,326 during the same period in the prior year, a 39% decrease;
- net loss of $960,281 for the six months ended March 31, 2014 compared to $1,127,603 in the prior year period, a 15% decrease;
- cash balance of $2,902,856 at March 31, 2014 compared to $466,952 at December 31, 2013 and $6,995,783 at September 30, 2013; and
- working capital of $2,396,001 at March 31, 2014 compared to $933,142 at December 31, 2013 and $5,779,428 at September 30, 2013.

On May 5, 2014, the Company reported that further to the March 13, 2014 news release respecting the evaluation of bids pursuant to a formal tender, SRK Consulting (U.S.), Inc. ("SRK") was awarded the contract to complete a preliminary economic assessment ("PEA") of the Company' s Montagne D'Or gold deposit. As part of SRK's engagement and the ongoing development of the project, SRK reviewed the inferred gold resource estimate prepared by Coffey Mining Pty Ltd ("Coffey"), which was set out in their NI 43-101 compliant technical report dated effective November 23, 2012 and filed on SEDAR on March 14, 2013. In the process, SRK identified issues with respect to certain estimation methodologies employed by Coffey which SRK believes materially overstate grade and contained ounces. For further details, please refer to the *Discussion of Operations* section.

On April 30, 2014, additional drilling results from Montagne d'Or were announced. Further details are available in the *Discussion of Operations* section and in the Company's corresponding press release dated April 30, 2014.

Columbus Gold executed the definitive option agreement with Nord Gold N.V. ("Nordgold") on March 13, 2014 which was contemplated in the binding letter of intent dated September 17, 2013 under which Nordgold has been granted the right to earn a 50.01% interest in certain licenses at the Company's 100% owned "Paul Isnard Gold Project" in French Guiana. For further details, please refer to the *Discussion of Operations* section.

On November 7, 2013, the Company exercised an "Option Over Royalty Agreement" to acquire an existing 10% gross underlying royalty on the Company's Paul Isnard Gold Project. For further details, please refer to the *Discussion of Operations* section.

Discussion of operations

The Company's activity level is highly contingent on access to equity market financings. The Company either increases or decreases its exploration activities based on the availability of this source of funding. As such, fluctuations in quarter to quarter activity are often the norm and longer term planning or extrapolation of future activity is inherently imprecise and often misleading.

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.

Exploration and evaluation assets

A summary of exploration and evaluation assets by property for the six months ended March 31, 2014 is set out below:

Property	Balance at October 1, 2013 ($)	Additions ($)	Other ($)	Foreign exchange ($)	Balance at March 31, 2014 ($)
French Guiana					
Paul Isnard	24,224,015	12,262,520	(2,899,077)[1]	1,189,588	34,777,046
Nevada					
Antelope	1	-	-	-	1
Big Lime	158,317	1,882	-	11,606	171,805
Bolo	2,576,461	70,846	-	189,970	2,837,277
Brown's Canyon	109,780	934	-	8,038	118,752
Crestview	186,632	-	-	13,622	200,254
Dutch Flat	1	-	-	-	1
Eastside	703,147	843,624	-	74,166	1,620,937
Four Metals	4,808	-	-	350	5,158
Golden Mile	36,983	1,913	(41,647)[2]	2,751	-
Hugh's Canyon	272,089	19,390	-	20,384	311,863
Monitor Hills	197,283	4,208	-	14,513	216,004
North Brown	4,036	348	-	304	4,688
Overland Pass	1	-	-	-	1
Pete's Summit	92,839	196,481	(301,417)[3]	12,097	-
Red Hills	1,261	2,537	-	160	3,958
Utah Clipper	255,716	-	-	18,664	274,380
Weepah	250,230	-	(10,168)[4]	17,721	257,783
White Canyon	1	-	-	-	1
White Horse Flats	2,686	252	-	203	3,141
White Horse Flats North	5,487	472	-	413	6,372
White Oaks	1	-	-	-	1
Winnemucca	1	-	-	-	1
	29,081,776	**13,405,407**	**(3,252,309)**	**1,574,550**	**40,809,424**

[1] Consists of $2,769,441 exploration and evaluation funded by Nordgold, operator's fee earned of $289,145, offset by $159,509 transferred from equipment.
[2] Golden Mile was impaired during the six months ended March 31, 2014 and subsequently assigned to a third party.
[3] Pete's Summit was impaired during the six months ended March 31, 2014.
[4] Option payment received in shares of Sniper Resources Ltd.

A summary of exploration and evaluation assets by property for the year ended September 30, 2013 is set out below:

Property	Balance at October 1, 2012 ($)	Reclassified from non-current assets held for sale ($)	Additions ($)	Other ($)	Foreign exchange ($)	Balance at September 30, 2013 ($)
French Guiana						
Paul Isnard	26,762,336	-	2,051,356	(5,103,386)[1]	513,709	24,224,015
Nevada						
Antelope	-	1	-	-	-	1
Big Lime	-	103,095	53,048	-	2,174	158,317
Bolo	-	1,960,611	573,200	-	42,650	2,576,461
Brown's Canyon	-	103,120	4,339	-	2,321	109,780
Chaos Creek	-	53,135	-	(54,759)[2]	1,624	-
Combs Peak	-	206	-	(206)[2]	-	-
Crestview	-	182,502	-	-	4,130	186,632
Dutch Flat	-	1	-	-	-	1
Eastside	-	465,562	227,732	-	9,853	703,147
Four Metals	-	-	4,822	-	(14)	4,808
Golden Mile	-	30,436	5,876	-	671	36,983
Hugh's Canyon	-	255,089	11,261	-	5,739	272,089
Monitor Hills	-	84,652	111,048	-	1,583	197,283
North Brown	-	300	3,740	-	(4)	4,036
Overland Pass	-	1	-	-	-	1
Pete's Summit	-	65,783	25,644	-	1,412	92,839
Red Hills	-	1	1,264	-	(4)	1,261
Steven's Basin	-	277	-	(291)[2]	14	-
Utah Clipper	-	280,282	-	(31,002)[3]	6,436	255,716
Weepah	-	244,693	-	-	5,537	250,230
White Canyon	-	1	-	-	-	1
White Horse Flats	-	1	2,693	-	(8)	2,686
White Horse Flats North	-	406	5,087	-	(6)	5,487
White Oaks	-	1	-	-	-	1
Winnemucca	-	1	-	-	-	1
	26,762,336	**3,830,157**	**3,081,110**	**(5,189,644)**	**597,817**	**29,081,776**

[1] During year ended September 30, 2013, the Company sold a 1% net smelter returns royalty on production from the Paul Isnard Gold Project for cash proceeds of US$5,000,000.

[2] The Chaos Creek, Combs Peak and Steven's Basin projects were dropped by the Company during the year ended September 30, 2013. The Company correspondingly wrote-off the balances of the projects.

[3] During the year ended September 30, 2013, the Company received shares of Navaho Gold Ltd. as required under an option agreement relating to the Utah Clipper Project.

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

	($)
Balance at September 30, 2012	26,762,336
Acquisition and land	99,603
Camp costs and other	130,459
Drilling	1,988,519
Management and administration	492,481
Technical studies	152,984
Travel	217,064
Reclassified from non-current assets held for sale	3,830,157
Payments received	(5,134,388)
Impairment	(55,256)
Foreign exchange	597,817
Balance at September 30, 2013	**29,081,776**
Acquisition and land	9,641,547
Camp costs and other	553,842
Drilling	2,329,561
Equipment	52,708
Geology and trenching	43,805
Geophysics	55,716
Management and administration	582,276
Technical studies	102,378
Travel	43,574
Reclassified from equipment	159,509
Amounts funded by Nordgold and operator fee	(3,058,586)
Payments received	(10,168)
Impairment	(343,064)
Foreign exchange	1,574,550
Balance at March 31, 2014	**40,809,424**

Paul Isnard – French Guiana

The Paul Isnard Gold Project consists of eight mining concessions and a pending exploration permit application 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.

At Montagne d'Or, the gold mineralization is within a 400 meter thick sequence of intercalated felsic and mafic volcanic and subordinate volcaniclastic rocks that strikes east-west and dip steeply south. The deposit consists of four closely-spaced stratiform, sub-parallel, east-west-striking and south-dipping sulphide mineralized horizons, which include the principal Upper Felsic Zone ("UFZ") and Lower Favorable Zone ("LFZ") having average thicknesses of 50 and 17.5 meters, respectively. Gold mineralization is associated with disseminated and stringer sulphides with occasional semi-massive seams of several centimetres in width, mainly as pyrite, pyrrhotite, and chalcopyrite, accompanied by pervasive hydrothermal alteration. Only a small portion of the deposit has been subjected to upper level weathering and oxidation. Prior to Columbus Gold's involvement, the deposit was partially outlined by 56 widely-spaced diamond drill holes completed in the late 1990's, for a total of 10,916 meters. Based on the drilling, the deposit contained an inferred gold resource using a cut-off grade of 0.4 grams per tonne gold of 1.89 million ounces within 36.7 million tonnes at an average grade of 1.6 grams per tonne gold (SRK, 2011). The inferred resource was defined over a strike extent of approximately 2,000 meters, and to variable depths between 100 and 150 meters. The deposit remained open at depth, internally between widely spaced holes and, in part, along strike.

Between late 2011 and August 2012, Columbus Gold completed 45 additional holes on Montagne d'Or for a total of 15,721 meters. Subsequent to the drill program, an updated mineral resource estimate was prepared by independent mining consultants Coffey, in accordance with NI 43-101 Standards of Disclosure for Mineral Projects. The technical report was filed on SEDAR on March 14,

2013. The estimate incorporated 56 historical diamond drill holes and the results of the 45 additional holes completed by Columbus Gold (Phase I).

The inferred resource is now estimated to contain 5.37 million ounces of gold at a cut-off grade of 0.3 g/t Au. This represents a 184% increase from the pre-Phase 1 drilling resource estimate. At the higher cut-off grade of 1.0 g/t Au, the inferred resource is estimated to be 4.15 million ounces of gold. The resources are defined within a gold mineralized area of 2,250 meters by 400 meters and to an average depth of 250 meters from surface. The mineralized zones remain open in part along strike and at depth.

The updated inferred gold resources are tabulated below at the reportable 0.3 grams per tonne gold cut-off grade. Additional cut-offs are also provided in the second table for grade-distribution information.

Paul Isnard Gold Project
Montagne d'Or Inferred Resource Report - 0.3 g/t Au cut-off

Domain	Tonnes	g/t Au	Density (t/m3)	Grams Au	Oz Au
Fresh rock					
1	4,621,000	0.65	2.88	3,008,000	96,700
2 (UFZ)	77,750,000	1.49	2.91	115,848,000	3,724,600
3 (LFZ)	26,762,000	1.48	2.97	39,581,000	1,272,500
4	6,040,000	1.13	2.95	6,813,000	219,000
Total	**115,173,000**	**1.44**	**2.93**	**165,250,000**	**5,312,800**
Saprolite					
5	1,524,000	0.810	1.45	1,241,000	39,900

Paul Isnard Gold Project
Montagne d'Or Grade-Tonnage Report at various cut-off grades

	Lower Cut-Off Grade	Million Tonnes	Average Grade (g/t Au)	Contained Gold (M oz)
Inferred Resources	0.3	117.1	1.43	5.37
	0.4	111.2	1.48	5.30
	0.5	101.9	1.58	5.17
	0.7	81.7	1.82	4.78
	0.9	64.2	2.10	4.33
	1.0	58.1	2.22	4.15
	1.2	48.3	2.45	3.80

On May 5, 2014, the Company reported that further to the March 13, 2014 news release respecting the evaluation of bids pursuant to a formal tender, SRK was awarded the contract to complete a PEA of the Company' s Montagne D'Or gold deposit. As part of SRK's engagement and the ongoing development of the project, SRK reviewed the inferred gold resource estimate prepared by Coffey, which was set out in their NI 43-101 compliant technical report dated effective November 23, 2012 and filed on SEDAR on March 14, 2013. In the process, SRK identified issues with respect to certain estimation methodologies employed by Coffey which SRK believes materially overstate grade and contained ounces.

Mine Development Associates was subsequently engaged by the Company in an effort to resolve the differences in the methodologies used by Coffey and those considered appropriate by SRK. The Company will provide conclusive clarity on the matter by obtaining comments from Coffey and commissioning a new independent NI 43-101 compliant resource update on the Montagne d'Or deposit with a target completion date of May 30, 2014. The resource update will also include holes for which assays have been received to date in the current Phase II drilling campaign.

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 three of the eight Paul Isnard mining concessions and the pending exploration permit. Nordgold can earn its interest in the mineral permits by completing a bankable feasibility study and by expending not less than US$30 million in 3 years. During the earn-in period, Columbus Gold will act as project operator.

An initial 14 month development program under the terms of the Nordgold option was implemented in November 2013. The program includes:

- US$11.8 million in expenditures;
- 26,600 metres of definition diamond drilling on Montagne d'Or (Phase II);
- 1,000 meters of large diameter core drilling for metallurgical tests;
- detailed metallurgical tests, technical studies, environmental and socioeconomic baseline studies, updated resource estimate, and;
- preliminary economic assessment to be completed by the end of December 2014.

Phase II Drilling Program

The objectives of the Phase II drilling program are to:

- complete a 50-meter spacing array to a vertical depth of 200 meters from surface, and select 25-meter in-fill;
- internally expand the current mineral resource on strike and at depth;
- increase confidence in the gold grade-width distribution and convert a good portion of the current inferred resources to the indicated category in accordance with NI 43-101 standards;
- acquire a better distribution of copper assays for added value to the deposit.

Drilling operations commenced on November 25, 2013 with one drill rig. Forty-seven drill holes, for a total of 5,900 meters, were completed from November 25, 2013 to March 31, 2014. A second drill rig is planned to arrive on site by late May 2014 to complete the drill program by the fall of 2014.

The holes drilled to date in the current program are short holes at the northern base of the Montagne d'Or, designed to test the near surface projection of the secondary Lower Favorable Zone ("LFZ") and Footwall Zone ("FWZ"). Some of the holes were collared into the principal Upper Felsic Zone ("UFZ") to reach the LFZ. All holes intersected sulphide-gold mineralised intervals.

Gold assay results were released on February 26, 2014, for the initial 12 drill holes of the current program and on March 12, 2014 for an additional 6 drill holes. The results reported to date are from holes located along the lower-grade thinner western section of the LFZ. Notable gold intersections received in the first 18 holes include:

Drill hole	Intercept (metres)	Grade (g/t Au)	Width (metres)	True width (metres)
MO-13-107	30.0 to 36.0	6.06	over 6.0	4.6
MO-13-107	70.0 to 87.7	2.27	over 17.7	14.2
MO-13-108	1.00 to 28.0	1.26	over 27.0	20.3
MO-14-110	5.00 to 9.00	6.57	over 4.0	3.1
MO-14-115	107.2 to 116.0	3.50	over 8.8	6.7
MO-14-116	67.1 to 70.0	11.67	over 2.9	2.3
MO-14-120	87.2 to 99.3	2.74	over 12.1	9.7
MO-14-121	72.0 to 75.9	7.05	over 3.9	3.1

Additional gold assay results were released on April 30, 2014 for holes 124 to 141. Notable intersections received include:

Drill hole	Intercept (metres)	Grade (g/t Au)	Width (metres)	True width (metres)
MO-14-124	48.0 to 67.2	1.59	over 19.2	14.7
M0-14-125	52.4 to 65.5	2.25	over 13.1	10.0
M0-14-125	105.0 to 112.8	7.35	over 7.8	6.2
MO-14-127	80.0 to 90.0	5.28	over 10.0	7.8
MO-14-132	7.7 to 37.0	0.94	over 29.3	23.1
MO-14-132	44.4 to 47.0	6.22	over 3.0	2.4
MO-14-134	33.3 to 55.6	2.80	over 22.3	17.2
MO-14-135	71.5 to 88.8	1.60	over 17.3	13.5
MO-14-137	117.1 to 123.0	4.42	over 6.0	4.7
MO-14-138	33.0 to 49.0	1.50	over 16.0	12.5
MO-14-141	21.5 to 32.5	2.93	over 11.0	8.4

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 is located 60 km (38 miles) northeast of Tonopah, Nevada. Subject to underlying royalties, Columbus Gold controls a 100% interest in the Bolo project.

In addition, the Uncle Sam patented claim was purchased by the Company on October 4, 2013 from a third party for US$22,000. The claim lies just south of the South Mine Fault Zone drilling. There is no retained royalty.

Eastside

The Eastside Gold Project ("Eastside") is located approximately 32 km (20 miles) west of Tonopah, Nevada. Subject to underlying royalties, the Company controls a 100% interest in Eastside. The Company has received drill permits for a second phase of drilling at Eastside. Road and drill pad construction was completed in June 2013 and drilling commenced in September 2013. Twelve angled, reverse circulation holes were completed (2,391 m or 7,890 feet). Results were announced by Columbus Gold in a press release on October 17, 2013. Subsequent to the positive drill results, the Company staked additional claims making the number of total claims to be 274.

An additional 12 angle and vertical, reverse circulation drill holes were completed in Phase III drilling in November and December 2013, which totalled 2,944 m (9,715 feet). For assays and geologic interpretations please refer to the Company's press release dated February 19, 2014.

Subsequent to the positive drill results, the Company staked additional claims making the number of total claims to be 574. Geologic mapping, geochemical sampling, and permitting activities for additional drilling are in progress.

Petes Summit

The Petes Summit Gold Project is located at the north end of the Shoshone Range, 32 km (20 miles) southeast of Austin, Nevada. Subject to underlying royalties, the Company controls a 100% interest in the Petes Summit Gold Project.

Drilling results were negative and the project has been impaired during the three months ended March 31, 2014.

<u>*Columbus Gold Qualified Person – U.S. properties disclosure only*</u>

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 was the President of Columbus Gold from March 2011 to January 2014, is a current member of the Board of Directors of the Company and is a principal of Cordex, which is conducting exploration and project generation activities for the Company on an exclusive basis.

Summary of quarterly results

	Q2 2014 ($)	**Q1 2014 ($)**	**Q4 2013 ($)**	**Q3 2013 ($)**	**Q2 2013 ($)**	**Q1 2013 ($)**	**Q4 2012 ($)**	**Q3 2012 ($)**
								Restated[1]
Net loss for the period	(345,672)	(614,609)	(1,844,549)	(738,545)	(570,326)	(557,277)	(2,502,074)	(701,656)
Basic loss per share	(0.00)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	(0.03)	(0.01)
Diluted loss per share	(0.00)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	(0.03)	(0.01)

	Mar 31, 2014 ($)	**Dec 31, 2013 ($)**	**Sep 30, 2013 ($)**	**Jun 30, 2013 ($)**	**Mar 31, 2013 ($)**	**Dec 31, 2012 ($)**	**Sep 30, 2012 ($)**	**Jun 30, 2012 ($)**
								Restated[1]
Cash and cash equivalents	2,902,856	466,952	6,995,783	8,435,480	4,337,609	3,209,352	4,401,356	6,246,073
Total assets	45,038,913	43,118,139	37,303,688	39,348,141	38,631,580	39,420,244	39,342,443	42,264,837
Total non-current financial liabilities	39,141	44,246	49,351	54,457	59,562	64,667	69,772	-

[1]The Company has restated its net loss and basic and diluted loss per share in the table above for the interim period ended Q3 2012. Please refer to the Company's Management's Discussion and Analysis for the year ending September 30, 2012 for further details.

<u>Review of financial results – current quarter</u>

During this quarter, the Company had a 99% decrease in its net loss to $2,608, from $570,326 during the same period in the prior year. The decrease in the net loss is attributable to the factors and transactions discussed below.

The Company recorded an income tax recovery of $868,738 this quarter compared to $nil in the same quarter of the prior year. The income tax recovery is primarily a result of having additional available tax deductions in France from exercising the Option Over Royalty Agreement to acquire a 10% gross underlying royalty on the Paul Isnard Gold Project. The decrease in the net loss is also attributable to reduced general exploration expense of $158,592 and the absence of a loss from an equity accounted investment, which was $105,051 during the three months ended March 31, 2013; the equity accounted investment was sold during the year ended September 30, 2013.

The aforementioned transactions were partially offset by the factors and transactions discussed below.

Administration and office during this quarter increased to $247,375, from $174,181 in the prior year period. The increase is mainly attributable to entering into a services agreement with both Columbus Exploration Corporation and Columbus Copper Corporation, companies under common management, whereby Columbus Gold provides administration and management services for a fixed fee of $10,000 per month to each company (see *Related party transactions* section for further details).

Columbus Gold paid a company controlled by a director and officer of the Company a one-time bonus of $150,000 this quarter, resulting in an increase in management fees compared to the same period in the prior year.

Professional fees during this quarter was $281,157 compared to $53,436 in the prior year period, mainly attributable to legal fees incurred with respect to a contingent liability in French Guiana (see *Contingent liability* section in the *Condensed Interim Consolidated Financial Statements for the Six Months Ending March 31, 2014* for further details), and tax structuring related to the Nordgold option.

During the first quarter of fiscal 2014, 2,125,000 share options were granted. The vesting of share options resulted in a non-cash share-based payments charge of $85,418 during the three months ended March 31, 2014, compared to $16,755 during the same period in the prior year.

The Company recorded an impairment charge on its exploration and evaluation assets of $343,064 this quarter compared to $nil in the comparable prior year period. The impairment charge is in connection with the Pete's Summit and Golden Mile properties.

Review of financial results – year-to-date

During this period, the Company had a 45% decrease in its net loss to $617,217, from $1,127,603 during the same period in the prior year. The decrease in the net loss is attributable to the factors and transactions discussed below.

The Company recorded an income tax recovery of $868,738 this period compared to $nil in the same period of the prior year. The income tax recovery is primarily a result of having additional available tax deductions in French Guiana from exercising the Option Over Royalty Agreement to acquire a 10% gross underlying royalty on the Paul Isnard Gold Project. The decrease in the net loss is also attributable to a reduction in general exploration of $398,096 and the absence of a loss from an equity accounted investment, which was $143,814 during the six months ended March 31, 2013; the shares in the equity accounted investment was sold during the year ended September 30, 2013.

Columbus Gold paid a company controlled by a director and officer of the Company a one-time bonus of $150,000 this period, resulting in an increase in management fees compared to the same period in the prior year.

Professional fees during this quarter was $353,845 compared to $161,847 in the prior year period, mainly attributable to legal fees incurred with respect to a contingent liability in French Guiana (see *Contingent liability* section in the *Condensed Interim Consolidated Financial Statements for the Six Months Ending March 31, 2014* for further details), and tax structuring related to the Nordgold option.

During the current period, 2,125,000 share options were granted. The vesting of share options resulted in a non-cash share-based payments charge of $345,458 during the six months ended March 31, 2014, compared to $69,069 during the same period in the prior year.

The Company recorded an impairment charge on exploration and evaluation assets of $343,064 this period compared to $nil in the comparable prior year period. The impairment charge is in connection with the Pete's Summit and Golden Mile properties.

During the six months ended March 31, 2013, the Company recorded a gain of $104,489 from the sale of the Laura Property, which did not have a comparable amount during this period.

Liquidity and capital resources

The Company does not currently own or have an interest in any producing mineral properties and does not derive any significant revenues from operations. 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 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 March 31, 2014 the Company had cash of $2,902,856 and working capital of $2,396,001, compared to $466,952 and $933,142, respectively at December 31, 2013 and $6,995,783 and $5,779,428, respectively at September 30, 2013.

Cash used in operating activities for the three and six months ended March 31, 2014 was $273,731 and $986,042, respectively, compared to $471,843 and $1,152,147, respectively during the same periods in the prior year. The decrease in cash used is mainly attributable to reduced general exploration and changes in non-cash working capital.

During this quarter, the Company received total cash inflows of $2,519,340 in investing activities, compared to $1,605,205 in the prior year period. The cash inflows in the current quarter are primarily attributable to advances and reimbursements from Nordgold and a corresponding operator's fee.

During the six months ended March 31, 2014, the Company used $3,292,075 in investing activities compared to cash inflows of $1,098,610 during the same period in the prior year. The spending in the current period is mainly attributable to the Company paying

$4.2 million to exercise an option to acquire an existing 10% gross underlying royalty on the Paul Isnard Gold Project, offset by net cash inflows from Nordgold of $1,669,985.

During the three and six months ended March 31, 2014, the Company received total proceeds of $195,400 from the exercise of share options and warrants.

At March 31, 2014, the Company had current liabilities of $1,437,600 and non-current liabilities of $1,694,881. The Company has sufficient working capital to meet these obligations as they become due.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Related party transactions

The following is a summary of related party transactions:

	Three months ended		Six months ended	
	March 31, 2014 ($)	**March 31, 2013 ($)**	**March 31, 2014 ($)**	**March 31, 2013 ($)**
Management fees incurred to a company controlled by a director and officer of the Company	195,000	47,500	232,500	85,000
Consulting fees paid or accrued to officers of the Company	29,025	35,000	52,251	58,667
Consulting fees paid or accrued to a company controlled by a director of the Company	55,165	50,430	107,635	100,000
Management fees paid or accrued to a director of the Company	-	15,000	15,000	30,000
Directors fees paid or accrued	30,000	24,000	54,000	48,000
Administration fees received or accrued from Companies under common management	(60,000)	(7,267)	(67,620)	(13,938)
	249,190	**164,663**	**393,766**	**307,729**

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

	March 31, 2014 ($)	**September 30, 2013 ($)**
Advances to a director and officer of the company or to a company controlled by a director and officer of the Company	25,000	12,500
Advances to officers of the Company	-	8,026
Interest receivable from a company under common management	299,144	290,091
Trade receivables from companies under common management	234,262	84,992
	558,406	**395,609**

Commitments

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 Company and Cordex have amended and restated this agreement, previously dated January 1, 2011, by entering into an agreement effective January 1, 2012 ("January 2012 Agreement"). The primary change to the January 2012 Agreement is to extend its term to December 31, 2014. Monthly payments have been reduced under the January 2012 Agreement, from a monthly overhead fee of US$44,000 to a monthly management fee of US$16,667. The Company has committed to fund annual exploration programs through Cordex of not less than US$600,000. The Company and Cordex have further amended the January 2012

Agreement in June 2013 (the "June 2013 Agreement"). The primary change in the June 2013 Agreement is to specify a NSR royalty for Cordex on existing and new Columbus Gold properties. Cordex and the Company share an officer and/or director in common.

In addition, the Company has commitments as follows:

	1 year ($)	2-3 years ($)	4-5 years ($)	Total ($)
Minimum drilling commitment	2,400,000	-	-	2,400,000
Office lease payments	102,338	196,147	-	298,485
	2,502,338	**196,147**	**-**	**2,698,485**

Proposed transactions

The Company has no 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

Effective October 1, 2013, the Company has adopted the following new and revised standards issued by the International Accounting Standards Board:

(a) IFRS 10 – *Consolidated Financial Statements* ("IFRS 10")

This new standard will replace IAS 27 "Consolidated and Separate Financial Statements", and SIC-12 "Consolidation – Special Purpose Entities". Concurrent with IFRS 10, the IASB issued IFRS 11 "Joint Ventures"; IFRS 12 "Disclosures of Involvement with Other Entities"; IAS 27 "Separate Financial Statements", which has been amended for the issuance of IFRS 10 but retains the current guidance for separate financial statements; and IAS 28 "Investments in Associates and Joint Ventures", which has been amended for conforming changes based on the issuance of IFRS 10 and IFRS 11.
IFRS 10 uses control as the single basis for consolidation, irrespective of the nature of the investee, eliminating the risks and rewards approach included in SIC-12, and requires continuous assessment of control over an investee. The above consolidation standards are effective for annual periods beginning on or after January 1, 2013. The Company assessed its consolidation and determined that the adoption of IFRS 10 resulted in no changes in the consolidation status of the Company's subsidiaries and investees.

(b) IFRS 11 – *Joint Arrangements* ("IFRS 11")

The IASB issued IFRS 11 – *Joint Arrangements*, on May 12, 2011 with an effective date for annual periods beginning on or after January 1, 2013. This standard supersedes IAS 31 – Interest in Joint Ventures and SIC 13 – Jointly *Controlled Entities – Non-Monetary Contributions by Venturers*. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures based on the rights and obligations of the parties to the joint arrangements. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement ("joint operators") have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement ("joint ventures") have rights to the net assets of the arrangement. IFRS 11 requires that a joint operator recognize its portion of assets, liabilities, revenues and expenses of a joint arrangement, while a joint venture recognizes its investment in a joint arrangement using equity method. The adoption of IFRS 11 did not result in any changes on previously reported results or on the results for the current period.

(c) IFRS 12 – *Disclosure of Interest in Other Entities* ("IFRS 12")

In May 2011 the IASB published IFRS 12 - *Disclosure of Interests in Other Entities*, effective for annual periods beginning on or after January 1, 2013. The objective of IFRS 12 is to require the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities; and the effects of those interests on its financial position, financial performance and cash flows. The adoption of IFRS 12 did not result in any changes on previously reported results or on the results for the current period.

(d) IFRS 13 – *Fair Value Measurement* ("IFRS 13")

In May 2011, as a result of the convergence project undertaken by the IASB with the US Financial Accounting Standards Board to develop common requirements for measuring fair value and for disclosing information about fair value measurements, the IASB issued IFRS 13 – *Fair Value Measurement*. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. IFRS 13 defines fair value and sets out a single framework for measuring fair value which is applicable to all IFRSs that require or permit fair value measurements or disclosures about fair value measurements. IFRS 13 requires that when using a valuation technique to measure fair value, the use of relevant observable inputs should be maximized while unobservable inputs should be minimized. The adoption of IFRS 13 did not result in any changes on previously reported results or on the results for the current period

(e) IAS 1 – *Presentation of Financial Statements ("IAS 1")*

In June 2011, the IASB and the Financial Accounting Standards Board ("FASB") issued amendments to standards to align the presentation requirements for other comprehensive income ("OCI"). The IASB issued amendments to IAS 1 to require companies preparing financial statements under IFRS to group items within OCI that may be reclassified to profit or loss. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. The amendments are effective for fiscal years beginning on or after July 1, 2012. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

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 March 31, 2014 ($)
Cash	Carrying value	Credit, currency, and interest rate	2,902,856
Available-for-sale investments	Fair value	Credit, currency, and exchange	246,305
Receivables	Carrying value	Credit, currency, and concentration	544,124
Reclamation bonds	Carrying value	Credit, currency and concentration	248,878
Accounts payable	Carrying value	Currency	(849,202)
Other non-current financial liabilities	Carrying value	n/a	(39,141)
			3,053,820

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 March 31, 2014, 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.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at March 31, 2014 are summarized below. The Board of Directors reviews the principal risks affecting the Company with management 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 their carrying amounts at the date of the consolidated statements of financial position. Cash is held as cash deposits with a 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. The Company also has available-for-sale investments and reclamation bonds subject to credit risk, which management believes the credit risk is minimal.

(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 March 31, 2014, the Company has working capital of $2,396,001 (September 30, 2013 - $5,779,428).

(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, Société de Travaux Publics et de Mines Aurifères en Guyane S.A.S. 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 dollars 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, it is exposed to interest rate risk.

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 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 prior fiscal year.

Other information

Outstanding share data

At March 31, 2014, the Company had 121,736,484 shares issued and outstanding. In addition, there were 11,325,000 share purchase options outstanding with exercise prices ranging from $0.25 to $0.78 per share and 5,672,000 warrants outstanding with exercise prices ranging from $0.55 to $0.65 per share.

At the date of this MD&A, the Company has 121,766,984 shares issued and outstanding. In addition, there are 11,294,500 share purchase options outstanding with exercise prices ranging from $0.25 to $0.78 per share and no warrants outstanding.

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 mineral 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 indefinite postponement of 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 for shareholders.

Title matters

Although title to the properties has been reviewed by the Company, formal title opinions have not been obtained by the Company for most of its mineral properties and, consequently, no assurances can be given that there are no title defects affecting such properties and that such title will not be challenged or impaired. The acquisition of title to resource properties is a very detailed and time-consuming process. Title to, and the area of, resource claims may be disputed. There may be valid challenges to the title of any of the mineral properties in which the Company holds an interest that, if successful, could impair development and/or operations thereof. A defect could result in the Company losing all or a portion of its right, title, estate and interest in and to the properties to which the title defect relates.

Any of the mineral properties in which the Company holds an interest may be subject to prior unregistered liens, agreements or transfers or other undetected title defects. There is no guarantee that title to the properties will not be challenged or impugned. The Company is satisfied, however, that evidence of title to each of the properties is adequate and acceptable by prevailing industry standards.

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 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.

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 IFRS.

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 and objectives; 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 timing of the receipt of required 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 Don Gustafson Peter Gianulis Andy Wallace
Officers:	Robert Giustra, Chief Executive Officer Akbar Hassanally, Chief Financial Officer James Isaac, Vice President Legal and Corporate Secretary Jorge Martinez, Vice President of Corporate Development
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 2nd Floor – 510 Burrard Street Vancouver, BC V6C 3B9

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

Condensed Interim Consolidated Financial Statements

For the Six Months Ended
March 31, 2014

(Stated in Canadian Dollars)
(Unaudited)

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 six months ended March 31, 2014, which follow this notice, have not been reviewed by an auditor.

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

	March 31, 2014 ($)	September 30, 2013 ($)
Assets		
Current assets		
Cash	2,902,856	6,995,783
Available-for-sale investments (note 4)	246,305	192,214
Receivables (note 5)	544,124	382,136
Prepaid expenses	140,316	102,969
	3,833,601	7,673,102
Non-current assets		
Reclamation bonds (note 6)	248,878	244,192
Exploration and evaluation assets (note 7)	40,809,424	29,081,776
Equipment	147,010	304,618
	45,038,913	**37,303,688**
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	849,202	453,206
Accrued liabilities	81,605	172,078
Income taxes payable	-	800,926
Restoration provision	506,793	467,464
	1,437,600	1,893,674
Non-current liabilities		
Deferred exploration advances from Nord Gold N.V. (note 7)	1,655,740	-
Other non-current liabilities	39,141	49,351
	3,132,481	1,943,025
Shareholders' equity		
Share capital (note 8)	48,026,336	42,345,791
Reserves	8,148,295	6,322,790
Deficit	(14,268,199)	(13,307,918)
	41,906,432	35,360,663
	45,038,913	**37,303,688**

Nature of operations and going concern (note 1)
Commitments (note 11)
Contingent liability (note 12)

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 Corporation
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Comprehensive Income (Loss) (Unaudited)
(Expressed in Canadian Dollars)

	Three months ended		Six months ended	
	March 31, 2014 ($)	**March 31, 2013 ($)**	**March 31, 2014 ($)**	**March 31, 2013 ($)**
Operating expenses and (income)				
Administration and office	247,375	174,181	384,730	335,780
Directors fees (note 9)	30,000	24,000	54,000	48,000
General exploration	2,517	161,109	16,176	414,272
Investor relations	41,793	18,031	96,500	44,305
Management fees (note 9)	195,000	47,500	232,500	85,000
Professional fees	281,157	53,436	353,845	161,847
Share-based payments (note 8b)	85,418	16,755	345,458	69,069
Transfer and filing fees	19,938	36,361	22,470	37,574
Travel, advertising and promotion	56,475	29,114	104,168	53,746
Amortization	-	20,116	22,216	37,574
Impairment of exploration and evaluation assets	343,064	-	343,064	-
Income from third party interest in exploration and evaluation assets	(5,626)	(2,933)	(5,626)	(22,887)
Loss before other items	(1,297,111)	(577,670)	(1,969,501)	(1,264,280)
Other items				
Interest income	680	34,596	13,390	70,335
Other income	75,582	98,782	83,202	108,923
Loss from equity accounted investment	-	(105,051)	-	(143,814)
Gain on sale of exploration and evaluation assets	-	-	-	104,489
Foreign exchange gain (loss)	6,439	(20,983)	43,890	(3,256)
Loss before taxes	(1,214,410)	(570,326)	(1,829,019)	(1,127,603)
Income tax recovery	(868,738)	-	(868,738)	-
Net loss for the period	**(345,672)**	**(570,326)**	**(960,281)**	**(1,127,603)**
Items that may subsequently be reclassified to net income or loss:				
Unrealized gain (loss) on available-for-sale investments	(128,018)	(83,968)	44,091	(240,697)
Foreign currency translation from equity accounted investment	-	35,004	-	(43,038)
Foreign currency translation	754,370	(54,235)	1,549,645	659,234
Comprehensive income (loss) for the period	**280,680**	**(673,525)**	**633,455**	**(752,104)**
Loss per share (note 8d)				
Basic	(0.00)	(0.01)	(0.01)	(0.01)
Diluted	(0.00)	(0.01)	(0.01)	(0.01)

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

Columbus Gold Corporation
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Cash Flows (Unaudited)
(Expressed in Canadian Dollars)

	Three months ended		Six months ended	
	March 31, 2014 ($)	March 31, 2013 ($)	March 31, 2014 ($)	March 31, 2013 ($)
Operating activities				
Net loss for the period	(345,672)	(570,326)	(960,281)	(1,127,603)
Items not involving cash				
Amortization	-	20,116	22,216	37,574
Share-based payments (note 8b)	85,418	16,755	345,458	69,069
Loss from equity accounted investment	-	105,051	-	143,814
Impairment of exploration and evaluation assets	343,064	-	343,064	-
Gain on sale of exploration and evaluation asset	-	-	-	(104,489)
Unrealized foreign exchange (gain) loss	(12,449)	74,632	(19,910)	26,308
	70,361	(353,772)	(269,453)	(955,327)
Changes in non-cash working capital				
Receivables and prepaid expenses	(34,226)	(19,015)	(190,623)	(167,797)
Accounts payable and accrued liabilities	558,872	(99,056)	342,772	(6,023)
Due to related parties	-	-	-	(23,000)
Income taxes payable	(868,738)	-	(868,738)	-
Cash used in operating activities	(273,731)	(471,843)	(986,042)	(1,152,147)
Investing activities				
Exploration advances from Nord Gold N.V. (note 7)	1,669,985	-	1,669,985	-
Operator's fee (note 7)	289,145	-	289,145	-
Refundable deposit	-	2,100,000	-	2,100,000
Interest received	-	119,671	-	119,671
Assets held for sale	-	(147,465)	-	(257,721)
Reclamation bonds	12,737	-	12,737	-
Exploration and evaluation assets (note 7)	547,473	(467,001)	(5,263,942)	(855,994)
Equipment	-	-	-	(7,346)
Cash used in investing activities	2,519,340	1,605,205	(3,292,075)	1,098,610
Financing activities				
Proceeds from share options exercised	180,000	-	180,000	-
Proceeds from warrants exercised	15,400	-	15,400	-
Repayment of leasehold improvements costs	(5,105)	(5,105)	(10,210)	(10,210)
Cash used in financing activities	190,295	(5,105)	185,190	(10,210)
Increase (decrease) in cash	2,435,904	1,128,257	(4,092,927)	(63,747)
Cash, beginning of period	466,952	3,209,352	6,995,783	4,401,356
Cash, end of period	**2,902,856**	**4,337,609**	**2,902,856**	**4,337,609**

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, September 30, 2012	102,825,156	42,345,791	6,004,323	(380,483)	5,623,840	(9,536,581)	38,433,050
Share-based payments (note 8b)	-	-	69,069	-	69,069	-	69,069
Comprehensive income (loss)	-	-	-	375,499	375,499	(1,127,603)	(752,104)
Balance, March 31, 2013	**102,825,156**	**42,345,791**	**6,073,392**	**(4,984)**	**6,068,408**	**(10,664,184)**	**37,750,015**
Balance, September 30, 2013	102,825,156	42,345,791	6,500,051	(177,261)	6,322,790	(13,307,918)	35,360,663
Shares issued for royalty acquisition (note 8a)	18,208,328	5,371,456	-	-	-	-	5,371,456
Share options exercised (note 8b)	675,000	287,355	(107,355)	-	(107,355)	-	180,000
Warrants exercised (note 8c)	28,000	21,734	(6,334)	-	(6,334)	-	15,400
Share-based payments (note 8b)	-	-	345,458	-	345,458	-	345,458
Comprehensive income (loss)	-	-	-	1,593,736	1,593,736	(960,281)	633,455
Balance, March 31, 2014	**121,736,484**	**48,026,336**	**6,731,820**	**1,416,475**	**8,148,295**	**(14,268,199)**	**41,906,432**

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

1. Nature of operations and going concern

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.

The Company's principal business activities are the exploration and development of mineral properties which are located in the United States and 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 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 is not dependent on seasonality and may operate year-round, however, the Company may adjust the level of exploration and evaluation activity to manage capital structure in light of changes in the 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 March 31, 2014, the Company has working capital of $2,396,001 (September 30, 2013 - $5,779,428) and an accumulated deficit of $14,268,199 (September 30, 2012 - $13,307,918). The Company presently has sufficient working capital to fund operations but will require additional funding to meet its exploration commitments and fund its intended exploration programs. 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.

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, 2013. 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 May 23, 2014.

3. Significant accounting policies

Effective October 1, 2013, the Company has adopted the following new and revised standards issued by the International Accounting Standards Board:

(a) IFRS 10 – *Consolidated Financial Statements* ("IFRS 10")

This new standard will replace IAS 27 "Consolidated and Separate Financial Statements", and SIC-12 "Consolidation – Special Purpose Entities". Concurrent with IFRS 10, the IASB issued IFRS 11 "Joint Ventures"; IFRS 12 "Disclosures of Involvement with Other Entities"; IAS 27 "Separate Financial Statements", which has been amended for the issuance of IFRS 10 but retains the current guidance for separate financial statements; and IAS 28 "Investments in Associates and Joint Ventures", which has been amended for conforming changes based on the issuance of IFRS 10 and IFRS 11.

3. Significant accounting policies - *continued*

IFRS 10 uses control as the single basis for consolidation, irrespective of the nature of the investee, eliminating the risks and rewards approach included in SIC-12, and requires continuous assessment of control over an investee. The above consolidation standards are effective for annual periods beginning on or after January 1, 2013. The Company assessed its consolidation and determined that the adoption of IFRS 10 resulted in no changes in the consolidation status of the Company's subsidiaries and investees.

(b) IFRS 11 – *Joint Arrangements* ("IFRS 11")

The IASB issued IFRS 11 – *Joint Arrangements*, on May 12, 2011 with an effective date for annual periods beginning on or after January 1, 2013. This standard supersedes IAS 31 – Interest in Joint Ventures and SIC 13 – Jointly *Controlled Entities – Non-Monetary Contributions by Venturers*. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures based on the rights and obligations of the parties to the joint arrangements. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement ("joint operators") have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement ("joint ventures") have rights to the net assets of the arrangement. IFRS 11 requires that a joint operator recognize its portion of assets, liabilities, revenues and expenses of a joint arrangement, while a joint venture recognizes its investment in a joint arrangement using equity method. The adoption of IFRS 11 did not result in any changes on previously reported results or on the results for the current period.

(c) IFRS 12 – *Disclosure of Interest in Other Entities* ("IFRS 12")

In May 2011 the IASB published IFRS 12 - *Disclosure of Interests in Other Entities*, effective for annual periods beginning on or after January 1, 2013. The objective of IFRS 12 is to require the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities; and the effects of those interests on its financial position, financial performance and cash flows. The adoption of IFRS 12 did not result in any changes on previously reported results or on the results for the current period.

(d) IFRS 13 – *Fair Value Measurement* ("IFRS 13")

In May 2011, as a result of the convergence project undertaken by the IASB with the US Financial Accounting Standards Board to develop common requirements for measuring fair value and for disclosing information about fair value measurements, the IASB issued IFRS 13 – *Fair Value Measurement*. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. IFRS 13 defines fair value and sets out a single framework for measuring fair value which is applicable to all IFRSs that require or permit fair value measurements or disclosures about fair value measurements. IFRS 13 requires that when using a valuation technique to measure fair value, the use of relevant observable inputs should be maximized while unobservable inputs should be minimized. The adoption of IFRS 13 did not result in any changes on previously reported results or on the results for the current period

(e) IAS 1 – *Presentation of Financial Statements ("IAS 1")*

In June 2011, the IASB and the Financial Accounting Standards Board ("FASB") issued amendments to standards to align the presentation requirements for other comprehensive income ("OCI"). The IASB issued amendments to IAS 1 to require companies preparing financial statements under IFRS to group items within OCI that may be reclassified to profit or loss. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. The amendments are effective for fiscal years beginning on or after July 1, 2012. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

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.

(Expressed in Canadian Dollars)

4. Available-for-sale investments

	March 31, 2014 ($)	September 30, 2013 ($)
Sniper Resources Ltd.	205,511	118,445
Navaho Gold Limited	22,617	62,998
Piedmont Mining Corp.	16,677	7,771
Roscan Minerals Corporation	1,500	3,000
	246,305	**192,214**

5. Receivables

	March 31, 2014 ($)	September 30, 2013 ($)
Interest receivable from Columbus Exploration Corporation	299,144	290,091
Other receivables	244,980	92,045
	544,124	**382,136**

6. 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:

	March 31, 2014 ($)	September 30, 2013 ($)
Antelope	5,357	4,993
Big Lime	8,290	19,970
Bolo	171,906	160,211
Brown's Canyon	7,661	7,140
Eastside and Golden Mile	15,626	14,563
Hugh's Canyon	15,275	14,236
Pete's Summit	24,763	23,079
	248,878	**244,192**

7. Exploration and evaluation assets

On November 7, 2013, the Company exercised an option (the "Option Over Royalty Agreement") to acquire an existing 10% gross underlying royalty on the "Paul Isnard Gold Project". In consideration for acquiring the royalty, the Company issued 18,208,328 common shares to Euro Ressources S.A. ("Euro Ressources"), paid $4.2 million and granted Euro Ressources a net smelter returns royalty of 1.8% on the first 2 million ounces of gold produced and 0.9% on the next 3 million ounces produced. The Company recorded a value of $5,371,456 for the common shares issued.

(Expressed in Canadian Dollars)

7. Exploration and evaluation assets - *continued*

Columbus Gold entered into a binding letter option agreement with major gold producer Nord Gold N.V. ("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 three of the eight Paul Isnard mining concessions and the pending exploration permit. Nordgold can earn its interest in the mineral permits by completing a bankable feasibility study and by expending not less than US$30 million in 3 years, which includes a requirement for Nordgold to pay Columbus Gold US$4.2 million in cash no later than May 21, 2014. During the earn-in period, Columbus Gold will act as operator on the Paul Isnard Gold Project and charge a 10% operator fee on certain expenditures.

A summary of exploration and evaluation assets by property for the six months ended March 31, 2014 is set out below:

Property	Balance at October 1, 2013 ($)	Additions ($)	Other ($)	Foreign exchange ($)	Balance at March 31, 2014 ($)
French Guiana					
Paul Isnard	24,224,015	12,262,520	(2,899,077)[1]	1,189,588	34,777,046
Nevada					
Antelope	1	-	-	-	1
Big Lime	158,317	1,882	-	11,606	171,805
Bolo	2,576,461	70,846	-	189,970	2,837,277
Brown's Canyon	109,780	934	-	8,038	118,752
Crestview	186,632	-	-	13,622	200,254
Dutch Flat	1	-	-	-	1
Eastside	703,147	843,624	-	74,166	1,620,937
Four Metals	4,808	-	-	350	5,158
Golden Mile	36,983	1,913	(41,647)[2]	2,751	-
Hugh's Canyon	272,089	19,390	-	20,384	311,863
Monitor Hills	197,283	4,208	-	14,513	216,004
North Brown	4,036	348	-	304	4,688
Overland Pass	1	-	-	-	1
Pete's Summit	92,839	196,481	(301,417)[3]	12,097	-
Red Hills	1,261	2,537	-	160	3,958
Utah Clipper	255,716	-	-	18,664	274,380
Weepah	250,230	-	(10,168)[4]	17,721	257,783
White Canyon	1	-	-	-	1
White Horse Flats	2,686	252	-	203	3,141
White Horse Flats North	5,487	472	-	413	6,372
White Oaks	1	-	-	-	1
Winnemucca	1	-	-	-	1
	29,081,776	**13,405,407**	**(3,252,309)**	**1,574,550**	**40,809,424**

[1] Consists of $2,769,441 exploration and evaluation funded by Nordgold, operator's fee earned of $289,145, offset by $159,509 transferred from equipment.
[2] Golden Mile was impaired during the six months ended March 31, 2014 and subsequently assigned to a third party.
[3] Pete's Summit was impaired during the six months ended March 31, 2014.
[4] Option payment received in shares of Sniper Resources Ltd.

(Expressed in Canadian Dollars)

7. Exploration and evaluation assets - *continued*

A summary of exploration and evaluation assets by property for the year ended September 30, 2013 is set out below:

Property	Balance at October 1, 2012 ($)	Reclassified from non-current assets held for sale ($)	Additions ($)	Other ($)	Foreign exchange ($)	Balance at September 30, 2013 ($)
French Guiana						
Paul Isnard	26,762,336	-	2,051,356	(5,103,386)[1]	513,709	24,224,015
Nevada						
Antelope	-	1	-	-	-	1
Big Lime	-	103,095	53,048	-	2,174	158,317
Bolo	-	1,960,611	573,200	-	42,650	2,576,461
Brown's Canyon	-	103,120	4,339	-	2,321	109,780
Chaos Creek	-	53,135	-	(54,759)[2]	1,624	-
Combs Peak	-	206	-	(206)[2]	-	-
Crestview	-	182,502	-	-	4,130	186,632
Dutch Flat	-	1	-	-	-	1
Eastside	-	465,562	227,732	-	9,853	703,147
Four Metals	-	-	4,822	-	(14)	4,808
Golden Mile	-	30,436	5,876	-	671	36,983
Hugh’s Canyon	-	255,089	11,261	-	5,739	272,089
Monitor Hills	-	84,652	111,048	-	1,583	197,283
North Brown	-	300	3,740	-	(4)	4,036
Overland Pass	-	1	-	-	-	1
Pete's Summit	-	65,783	25,644	-	1,412	92,839
Red Hills	-	1	1,264	-	(4)	1,261
Steven's Basin	-	277	-	(291)[2]	14	-
Utah Clipper	-	280,282	-	(31,002)[3]	6,436	255,716
Weepah	-	244,693	-	-	5,537	250,230
White Canyon	-	1	-	-	-	1
White Horse Flats	-	1	2,693	-	(8)	2,686
White Horse Flats North	-	406	5,087	-	(6)	5,487
White Oaks	-	1	-	-	-	1
Winnemucca	-	1	-	-	-	1
	26,762,336	**3,830,157**	**3,081,110**	**(5,189,644)**	**597,817**	**29,081,776**

[1] During year ended September 30, 2013, the Company sold a 1% net smelter returns royalty on production from the Paul Isnard Gold Project for cash proceeds of US$5,000,000.

[2] The Chaos Creek, Combs Peak and Steven’s Basin projects were dropped by the Company during the year ended September 30, 2013. The Company correspondingly wrote-off the balances of the projects.

[3] During the year ended September 30, 2013, the Company received shares of Navaho Gold Ltd. as required under an option agreement relating to the Utah Clipper Project.

(Expressed in Canadian Dollars)

7. Exploration and evaluation assets - *continued*

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

	($)
Balance at September 30, 2012	26,762,336
Acquisition and land	99,603
Camp costs and other	130,459
Drilling	1,988,519
Management and administration	492,481
Technical studies	152,984
Travel	217,064
Reclassified from non-current assets held for sale	3,830,157
Payments received	(5,134,388)
Impairment	(55,256)
Foreign exchange	597,817
Balance at September 30, 2013	**29,081,776**
Acquisition and land	9,641,547
Camp costs and other	553,842
Drilling	2,329,561
Equipment	52,708
Geology and trenching	43,805
Geophysics	55,716
Management and administration	582,276
Technical studies	102,378
Travel	43,574
Reclassified from equipment	159,509
Amounts funded by Nordgold and operator fee	(3,058,586)
Payments received	(10,168)
Impairment	(343,064)
Foreign exchange	1,574,550
Balance at March 31, 2014	**40,809,424**

8. Share capital

(a) Common shares

Authorized - Unlimited common shares without par value.

At March 31, 2014, the Company had 121,736,484 (September 30, 2013 – 102,825,156) common shares issued and outstanding.

On November 7, 2013, the Company issued 18,208,328 shares to Euro Ressources as partial consideration for exercising the Option Over Royalty Agreement (note 7). The Company recorded a value of $5,371,456 for the common shares issued.

(Expressed in Canadian Dollars)

8. Share capital - *continued*

(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, September 30, 2012	6,383,000	0.58
Granted	5,000,000	0.32
Expired	(1,308,000)	0.61
Balance, September 30, 2013	10,075,000	0.45
Granted	2,125,000	0.35
Exercised	(675,000)	0.27
Cancelled	(200,000)	0.45
Balance, March 31, 2014	**11,325,000**	**0.44**

A summary of the Company’s options at March 31, 2014 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)
0.25	800,000	0.83	800,000	0.83
0.25	200,000	0.16	200,000	0.16
0.30	2,425,000	9.03	2,337,500	9.03
0.30	1,750,000	9.44	-	9.44
0.35	2,125,000	4.72	1,200,000	4.72
0.45	400,000	8.83	400,000	8.83
0.50	1,008,500	1.68	1,008,500	1.68
0.78	1,331,500	2.21	1,331,500	2.21
0.78	1,285,000	2.73	1,285,000	2.73
0.25-0.78	**11,325,000**	**5.37**	**8,562,500**	**4.57**

The fair value of share options recognized as an expense during the three and six months ended March 31, 2014 was $85,418 and $345,458 respectively (2013 - $16,755 and $69,069 respectively).

Nil and 2,125,000 share options were granted during the three and six months ended March 31, 2014 respectively (2013 – 600,000 for both respective periods). The weighted average fair value of options granted during six months ended March 31, 2014 was $0.16, resulting in a total fair value of $332,793. The weighted average fair value of options granted during the three and six months ended March 31, 2013 was $0.13, resulting in a total fair value of $76,591.

(Expressed in Canadian Dollars)

8. Share capital – *continued*

The following are the weighted average assumptions used in the Black-Scholes options pricing model for share options granted during the three and six months ended March 31, 2014 and 2013:

	Three months ended		Six months ended	
	March 31, 2014	**March 31, 2013**	**March 31, 2014**	**March 31, 2013**
Expected price volatility	n/a	77%	85%	77%
Risk free interest rate	n/a	1.13%	1.08%	1.13%
Expected life of options	n/a	3 years	3 years	3 years
Expected dividend yield	n/a	nil	nil	nil

The fair value of each share option is estimated on the date of grant using the Black-Scholes option pricing model that uses the assumptions noted in the table above. Expected volatilities are based on historical volatility of the Company's shares, and other factors. The expected term of share options granted represents the period of time that share options granted are expected to be outstanding. The risk-free rate of periods within the contractual life of the share option is based on the Canadian government bond rate.

(c) Warrants

The continuity of the Company's warrants is as follows:

	Number of warrants	**Weighted average exercise price ($)**
Balance, September 30, 2012	6,000,000	0.65
Expired	(300,000)	0.80
Balance, September 30, 2013	5,700,000	0.64
Exercised	(28,000)	0.55
Balance, March 31, 2014	**5,672,000**	**0.64**

A summary of the Company's warrants at March 31, 2014 is as follows:

	Warrants outstanding		Warrants exercisable	
Exercise price ($)	**Number of warrants outstanding**	**Weighted average remaining contractual life (years)**	**Number of warrants exercisable**	**Weighted average remaining contractual life (years)**
0.65	5,000,000	0.13	5,000,000	0.13
0.55	672,000	0.13	672,000	0.13
0.55-0.65	**5,672,000**	**0.13**	**5,672,000**	**0.13**

(Expressed in Canadian Dollars)

8. Share capital – *continued*

(d) Loss per share

	Three months ended		Six months ended	
	March 31, 2014 ($)	**March 31, 2013 ($)**	**March 31, 2014 ($)**	**March 31, 2013 ($)**
Basic loss per share	(0.00)	(0.01)	(0.01)	(0.01)
Diluted loss per share	(0.00)	(0.01)	(0.01)	(0.01)
Net loss for the period	**(345,672)**	**(570,326)**	**(960,281)**	**(1,127,603)**

	Three months ended		Six months ended	
	March 31, 2014	**March 31, 2013**	**March 31, 2014**	**March 31, 2013**
Shares outstanding, beginning of period	121,033,484	102,825,156	102,825,156	102,825,156
Effect of shares issued for royalty acquisition	-	-	14,506,635	-
Effect of share options exercised	209,445	-	103,571	-
Effect of warrants exercised	6,844	-	3,385	-
Basic weighted average number of shares outstanding	121,249,773	102,825,156	117,438,747	102,825,156
Effect of dilutive share options	-	-	-	-
Effect of dilutive warrants	-	-	-	-
Diluted weighted average number of shares outstanding	**121,249,773**	**102,825,156**	**117,438,747**	**102,825,156**

During the three and six months ended March 31, 2014 there were 4,537,500 (2013 – 1,450,000) share options that were potentially dilutive but not included in the diluted earnings per share calculation as the effect would be anti-dilutive.

9. Related party transactions

The following is a summary of related party transactions:

	Three months ended		Six months ended	
	March 31, 2014 ($)	**March 31, 2013 ($)**	**March 31, 2014 ($)**	**March 31, 2013 ($)**
Management fees incurred to a company controlled by a director and officer of the Company	195,000	47,500	232,500	85,000
Consulting fees paid or accrued to officers of the Company	29,025	35,000	52,251	58,667
Consulting fees paid or accrued to a company controlled by a director of the Company	55,165	50,430	107,635	100,000
Management fees paid or accrued to a director of the Company	-	15,000	15,000	30,000
Directors fees paid or accrued	30,000	24,000	54,000	48,000
Administration fees received or accrued from Companies under common management	(60,000)	(7,267)	(67,620)	(13,938)
	249,190	**164,663**	**393,766**	**307,729**

(Expressed in Canadian Dollars)

9. Related party transactions - *continued*

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

	March 31, 2014 ($)	September 30, 2013 ($)
Advances to a director and officer of the company or to a company controlled by a director and officer of the Company	25,000	12,500
Advances to officers of the Company	-	8,026
Interest receivable from a company under common management	299,144	290,091
Trade receivables from companies under common management	234,262	84,992
	558,406	**395,609**

During the three months ended March 31, 2014, the Company entered into a services agreement with Columbus Exploration Corporation and Columbus Copper Corporation, companies under common management, whereby the Company provides administration and management services to Columbus Exploration Corporation and Columbus Copper Corporation for a fixed fee of $10,000 per month to each company. The aforementioned services agreement is effective January 1, 2014, and may be terminated with 90 days notice.

10. Segmented information

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

	March 31, 2014 ($)	September 30, 2013 ($)
Current assets		
Canada	980,042	6,922,255
USA	140,424	-
France (French Guiana)	2,713,135	750,847
	3,833,601	7,673,102
Non-current assets		
Canada	147,010	153,429
USA	6,281,257	5,101,949
France (French Guiana)	34,777,045	24,375,208
	41,205,312	29,630,586
Total assets		
Canada	1,127,052	7,075,684
USA	6,421,681	5,101,949
France (French Guiana)	37,490,180	25,126,055
	45,038,913	**37,303,688**

(Expressed in Canadian Dollars)

11. Commitments

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 Company and Cordex have amended and restated this agreement, previously dated January 1, 2011, by entering into an agreement effective January 1, 2012 ("January 2012 Agreement"). The primary change to the January 2012 Agreement is to extend its term to December 31, 2014. Monthly payments have been reduced under the January 2012 Agreement, from a monthly overhead fee of US$44,000 to a monthly management fee of US$16,667. The Company has committed to fund annual exploration programs through Cordex of not less than US$600,000. The Company and Cordex have further amended the January 2012 Agreement in June 2013 (the "June 2013 Agreement"). The primary change in the June 2013 Agreement is to specify a NSR royalty for Cordex on existing and new Columbus Gold properties. Cordex and the Company share an officer and/or director in common.

In addition, the Company has commitments as follows:

	1 year ($)	**2-3 years ($)**	**4-5 years ($)**	**Total ($)**
Minimum drilling commitment	2,400,000	-	-	2,400,000
Office lease payments	102,338	196,147	-	298,485
	2,502,338	**196,147**	**-**	**2,698,485**

12. Contingent liability

During the year ended September 30, 2013, a subsidiary of the Company received an "Order to Pay" from *Tribunal Mixte de Commerce* of Cayenne, French Guiana, in the amount of €375,066, as filed by a third party. The Order to Pay relates to services provided by the third party that the Company believes was not explicitly authorized by the Company. The Company is of the opinion the amount is not payable by the Company, and has indicated to the local court it opposes the Order to Pay.