



**Columbus Gold Corp.
1090 Hamilton Street
Vancouver, B.C.
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Canada**

Management's Discussion and Analysis

**For the Nine Months Ended
June 30, 2016
(Unaudited)**

(Stated in Canadian Dollars)

Dated August 4, 2016

Columbus Gold Corp.

Management's Discussion and Analysis (Unaudited)
For the Nine Months Ended June 30, 2016



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The following Management's Discussion and Analysis ("MD&A") focuses on significant factors that have affected Columbus Gold Corp. (the "Company" or "Columbus Gold") and its subsidiaries' performance and such factors that may affect its future performance. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended September 30, 2015 and the accompanying unaudited condensed interim consolidated financial statements for the interim period ended June 30, 2016, both of which were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Unless otherwise noted, all currency amounts are in Canadian dollars. "This quarter" or "current quarter" means the three month period ended June 30, 2016, and "this period" or "current period" means the nine month period ended June 30, 2016. This MD&A is dated August 4, 2016.

Forward looking information

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

Profile and strategy

The Company was incorporated on May 14, 2003 under the laws of the Province of Saskatchewan, Canada and continued in British Columbia, Canada on December 29, 2003. The Company changed its name from Purple Vein Resources Ltd. to Columbus Gold Corp. effective December 20, 2004. On May 24, 2006, the Company completed its initial public offering and obtained a listing on the TSX Venture Exchange ("TSX-V") as a Tier 2 mining issuer. The Company graduated from the TSX-V and commenced trading on the Toronto Stock Exchange (the "TSX") under the trading symbol "CGT" on January 26, 2016. The Company is also listed on the OTCQX International and the Santiago Stock Exchange.

The Company's principal business activities are the acquisition, exploration and development of resource properties, with gold as a principal focus. The Company is in the process of exploring and developing its resource properties but has not yet determined whether the properties contain ore reserves that are economically recoverable. The Company maintains active generative (prospecting) and evaluation programs and, as a key element of its strategy, broadens exposure, diversifies funding sources and minimizes risk through joint ventures on selected projects.

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

Overall performance and outlook

The following highlight's the Company's overall performance for the three and nine months ended June 30, 2016:

- net loss of \$301,720 and \$2,735,632 for the three and nine months ended June 30, 2016 compared to \$951,834 and \$3,437,704 during the same respective periods in the prior year;
- cash balance of \$5,984,043 at June 30, 2016, compared to \$6,560,497 at March 31, 2016, and \$1,303,562 at September 30, 2015; and
- working capital deficit of \$2,367,563 at June 30, 2016, compared to \$712,172 at March 31, 2016, and working capital of \$1,133,067 at September 30, 2015.

On July 21 2016, the Company granted incentive stock options to an employee providing investor relations services for the purchase of up to an aggregate of 75,000 common shares at an exercise price of \$0.70 per share for a period of 5 years. The options vest on October 28, 2016.

On July 6, 2016, two Exclusive Exploration Permits ("PER") on strike of the east and west extensions of Columbus Gold's Montagne d'Or gold deposit, were granted to the Company, by decree of the French Minister of Economy, and published in the Journal officiel de la République française on July 13, 2016 (JORF no0162). The two permits cover a total surface area of 54.8 km².

On January 12, 2016, the Company entered into an agreement with Nord Gold N.V. ("Nordgold") to sell a 5% minority interest in the Paul Isnard Gold Project for US\$6,000,000 (received). For further details, please refer to the *Discussion of operations* section.

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On December 22, 2015, the Company entered into an option agreement to farm out the Mogollon project. The agreement allows the optionee an option to acquire a 100% interest in the Mogollon silver-gold project located in Catron County, New Mexico, by paying an aggregate of US\$1,000,000 in staged annual payments over a four year period.

On October 16, 2015, the Company announced that Lycopodium Minerals Pty Ltd. ("Lycopodium") has won the tender to complete a feasibility study on the Montagne d'Or Gold Deposit, located within the Company's 100% owned Paul Isnard Gold Project in French Guiana. A final Feasibility Study is expected to be delivered by the end of 2016.

Discussion of operations

Exploration and evaluation assets

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

<u>Property</u>	Balance at October 1, 2015 (\$)	Additions (\$)	Other (\$)	Foreign exchange (\$)	Balance at June 30, 2016 (\$)
<u>French Guiana</u>					
Paul Isnard	30,902,362	8,593,048	(10,944,659) ¹	(448,377)	28,102,374
<u>Nevada</u>					
Big Lime	1	653	-	(20)	634
Bolo	3,529,312	17,300	-	(113,715)	3,432,897
Chert Cliff	-	275	-	(9)	266
Eastside	6,773,638	3,249,506	-	(315,637)	9,707,507
Four Metals	1	21	-	-	22
Hugh's Canyon	1	3,536	-	(107)	3,430
Mogollon	-	482,025	(7,490) ²	(14,252)	460,283
Monitor Hills	1	4,895	-	(148)	4,748
North Brown	1	1,239	-	(38)	1,202
Overland Pass	1	2,472	-	(74)	2,399
Red Hills	1	431	-	(14)	418
Weepah	1	90	-	(2)	89
White Canyon	1	-	-	-	1
White Horse Flats	1	538	-	(16)	523
White Horse Flats North	1	1,639	-	(41)	1,599
	41,205,323	12,357,668	(10,952,149)	(892,450)	41,718,392

¹ Consists of \$9,215,325 exploration and evaluation funded by Nordgold, operator's fee earned of \$383,844 and cost recoveries of \$1,345,490.

² \$68,517 (US\$50,000) option payment received from third party. Amounts in excess of carrying value of property at the time are recognized in consolidated statements of comprehensive loss.

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A summary of exploration and evaluation assets by property for the year ended September 30, 2015 is set out below:

Property	Balance at October 1, 2014 (\$)	Additions (\$)	Other (\$)	Impairment² (\$)	Foreign exchange (\$)	Balance at September 30, 2015 (\$)
French Guiana						
Paul Isnard	31,345,137	7,875,310	(8,939,502) ¹	-	621,417	30,902,362
Nevada						
Big Lime	1	5,344	-	(5,759)	415	1
Bolo	2,912,487	54,772	-	-	562,053	3,529,312
Brown's Canyon	126,307	6,754	-	(157,775)	24,714	-
Crestview	1	-	-	(1)	-	-
Eastside	2,460,729	3,564,704	-	-	748,205	6,773,638
Four Metals	11,825	6,504	-	(21,098)	2,770	1
Hugh's Canyon	330,508	26,809	-	(422,696)	65,380	1
Monitor Hills	240,758	24,409	-	(313,172)	48,006	1
North Brown	9,920	5,601	-	(17,855)	2,335	1
Overland Pass	1	18,802	-	(20,262)	1,460	1
Red Hills	4,010	-	-	(4,778)	769	1
Utah Clipper	1	49,875	-	(50,829)	953	-
Weepah	-	1,401	-	(1,509)	109	1
White Canyon	104	114	-	(245)	28	1
White Horse Flats	6,905	4,035	-	(12,573)	1,634	1
White Horse Flats North	13,487	7,615	-	(24,275)	3,174	1
	37,462,181	11,652,049	(8,939,502)	(1,052,827)	2,083,422	41,205,323

¹ Consists of \$8,117,567 exploration and evaluation funded by Nordgold and operator's fee earned of \$821,935.

² The Company dropped and written off the Brown's Canyon, Crestview and Utah Clipper properties during the period. The Company further impaired all other Nevada properties to \$1 except the Bolo and Eastside properties.

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

	(\$)
Balance at October 1, 2014	37,462,181
Acquisition and land	57,132
Camp costs and other	999,868
Drilling	6,060,556
Equipment	417,163
Geology and trenching	629,994
Management and administration	2,689,754
Technical studies	588,820
Travel	208,762
Operator fee	(821,935)
Amounts funded by Nordgold	(8,117,567)
Impairment	(1,052,827)
Foreign exchange	2,083,422
Balance at September 30, 2015	41,205,323
Acquisition and land	454,941
Camp costs and other	748,716
Drilling	7,489,201
Equipment	346,138
Geology and trenching	732,783
Management and administration	1,969,917
Technical studies	453,439
Travel	162,533
Operator fee	(383,844)
Amounts funded by Nordgold	(9,215,325)
Cost recoveries	(1,345,490)
Option payments received	(7,490)
Foreign exchange	(892,450)
Balance at June 30, 2016	41,718,392

Paul Isnard – French Guiana

The Paul Isnard Gold Project consists of eight mining concessions and two exclusive exploration permits covering 190 km², 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.

Nordgold option

Columbus Gold entered into a binding letter option agreement with major gold producer Nordgold on September 17, 2013, and subsequently executed a definitive agreement on March 13, 2014, under which Nordgold has been granted the right to acquire a 50.01% interest in the eight Paul Isnard mining concessions and the pending exploration permits. 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, up to January 14, 2016, Columbus Gold was the project operator and earned a 10% operator fee on certain expenditures. Effective January 15, 2016, Nordgold is the project operator.

On January 12, 2016, the Company entered into an agreement with Nordgold to sell a 5% minority interest in the Paul Isnard Gold Project for \$7,750,200 (US\$6,000,000) (received). The formal acquisition and transfer of the 5% interest will not occur until Nordgold has funded completion of a Bankable Feasibility Study and achieved a minimum of US\$30,000,000 in project expenditures, in order to earn an additional 50.01% interest in the Paul Isnard Gold Project. If Nordgold does not earn its initial 50.01% interest, then the Company is required to refund the advance of \$7,750,200 (US\$6,000,000).

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Since the beginning of the Company's involvement with the Paul Isnard Gold Project to June 30, 2016, the Company has invested a total of \$63.8 million, of which, \$24.0 million has been funded by Nordgold.

Initial development program

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 thereafter.

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;
- internally expand the current mineral resource on strike and at depth;
- increase confidence in the gold grade-width distribution and convert a significant 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.

On November 26, 2014, the Company announced the completion of the Phase II drilling program. The Phase II program amounted to 126 diamond drill holes, for a total of 25,560 meters. In addition, six large diameter HQ-calibre core holes, for a total of 975 meters, were completed for comprehensive metallurgical tests.

Phase III drilling program

On June 30, 2015 the Company announced the commencement of the Phase III drilling program. Equipment including two track-mounted multi-purpose drill rigs, capable of reverse circulation and diamond drilling, support vehicles and equipment, and supplies arrived on site and commenced drilling on August 10, 2015. Two additional drill rigs, for a total of four, were put into operation in late November 2015.

The Phase III drilling program consists of the following:

- 5,000 metres of reverse circulation fence drilling for infrastructure site condemnation;
- 15,000 metres of combined reverse circulation and core in-fill drilling to: 1) convert a portion of the current Indicated resources to the Measured category, and 2) better define mineralization contained within the surface saprolite zone (oxide), and;
- 3,500 metres of geotechnical drilling.

As at February 9, 2016, a total of 46 infill holes (4,845 metres) and 35 geotechnical holes (3,983 metres) were completed.

Mineral resources

On April 21, 2015, the Company announced an updated resource estimate on the Montagne d'Or gold deposit, which incorporated the results of the Phase II drilling program. The resources are confined by a Whittle Pit shell based on US\$1,300/oz gold price. The current geologic modelling and updated resource estimates were prepared by independent consultant SRK Consulting (U.S.), Inc. of Denver, Colorado in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). A significant amount of Inferred resources have been moved into the Indicated resources category with the completion of the Phase II drilling program. Furthermore, the resource is not highly sensitive to gold price variations above US\$900/oz gold price.

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

Paul Isnard Gold Project Indicated Resources Montagne d'Or Resource Report			
Cut-Off Grade	Million Tonnes	Average Grade (g/t Au)	Contained Gold (M oz)
0.3	87.222	1.405	3.94
0.4	83.240	1.455	3.89
0.5	77.064	1.536	3.81
0.7	62.549	1.753	3.53
1.0	43.708	2.145	3.01

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

Metallurgical tests

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

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

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

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

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

Highlights of Phase II and III metallurgical test work include:

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

Preliminary Economic Assessment

On July 8, 2015, the Company announced the results of the NI 43-101 compliant, PEA at the Montagne d'Or gold deposit, with highlights as follows:

- After-tax NPV (at 8%) of US\$324 Million
- After-tax IRR of 23%, at a gold price of US\$1200 per oz
- Initial Capital Cost of US\$366M, including US\$44M contingency
- All-in Sustaining Costs of US\$711/oz
- Life of Mine Production of 3.05 million ounces
- Average Annual Gold Production 273,000 ounces in years 1-10
- Milling Capacity of 12,500 tonnes per day, with an average gold grade 2.0 g/t in years 1-10

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

Nevada drilling and exploration activity

Bolo

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

Eastside

The Eastside gold project ("Eastside") is located approximately 32 km west of Tonopah, Nevada. Subject to underlying royalties, the Company controls a 100% interest in Eastside. On May 20, 2015, the Company filed on SEDAR, a NI 43-101 Technical Report on the Eastside Property, with an effective date of March 19, 2015.

The Company commenced a US\$6.5 million exploration program at Eastside during the second quarter of fiscal 2015. Five targets have been identified at Eastside, however, permitting efforts are focused on the original discovery, referred to as "Original Target" and on Target 4, and the northern part of Target 1. The current exploration plan consists of:

- up to 39,000 metres of reverse circulation drilling in up to 150 holes at the Original Target;
- up to 6,500 metres of reverse circulation drilling in up to 25 holes at Targets 1, and 4;
- up to 2,600 metres of core drilling in 10 holes;
- commencement of comprehensive metallurgical studies.

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On June 11, 2015, the Company announced that it commenced drilling at Eastside, consisting of 250 rotary holes, of which 175 holes totaling approximately 45,000 metres are planned to be completed in 2015. Drilling commenced with one drill and increased to two drills in late June.

On September 22, 2015, the Company announced the results of the reverse circulation drilling program at Eastside. Significant intercepts are presented below:

Drill hole	Results
ES-80	152.4 m of 0.71 g/t gold, including 28.9 m of 2.16 g/t and 3 m of 10.88 g/t gold
ES-83	109 m of 0.69 g/t gold, including 10.8 m of 2.30 g/t and 18.2 m of 1.32 g/t gold and an additional 10.6 m of 1.49 g/t gold
ES-84	63.6 m of 1.20 g/t gold, including 4.5 m of 2.06 g/t , 1.5 m of 2.43 g/t gold, 7.6 m of 4.25 g/t gold and 1.5 m of 2.65 g/t gold
ES-86	24.4 m of 2.70 g/t gold, including 3 m of 17.3 g/t gold
ES-39	27.4 m of 2.54 g/t gold and 36.5 g/t silver, including 3 m of 19.61 g/t gold
ES-40	32.0 m of 1.248 g/t gold and 3 m of 203 g/t silver
ES-45	59.4 m of 0.92 g/t gold, including 25.9 m of 1.62 g/t gold
ES-46	59.4 m of 0.58 g/t gold, including 16.8 m of 1.03 g/t gold
ES-58	19.8 m of 1.00 g/t gold and 4.6 m of 1.01 g/t gold
ES-61	21.3 m of 0.89 g/t gold, including 3 m of 2.07 g/t gold
ES-67	22.9 m of 1.37 g/t gold, including 7.6 m of 2.95 g/t gold
ES-71	35.1 m of 0.90 g/t gold, including 12.2 m of 2.61 g/t and 7.6 m of 3.53 g/t gold and an additional 19.8 m of 0.96 g/t gold, including 3 m of 4.57 g/t gold
ES-78	7.6 m of 3.19 g/t gold
ES-81	56.4 m of 0.62 g/t gold and 11 g/t silver, including 13.7 m of 1.13 g/t gold

On February 10th, 2016, the Company announced that it planned to commence a follow-up drilling program at its Eastside gold project in Nevada on February 25th, 2016. Two drill rigs, a rotary rig and a core rig will be used and the preparation of access roads and drill sites is underway.

The planned program includes 16,000 feet (4,850 m) of core drilling in 16 to 18 core holes, and 32,000 feet (9,700 meters) of reverse circulation, rotary drilling. Core holes will be pre-drilled by rotary drilling to 600 feet and then entered with the core rig to complete the holes. Some exploration holes and several infill holes will be completed by rotary drilling alone.

Red Hills

On February 11, 2016, the Company announced drill results from Rattler Prospect, Red Hills Project located in eastern Nevada USA, within the prolific Carlin Trend. On July 11, 2016, Carnavale Resources Limited terminated an existing option agreement on the Red Hills Project and retains no interest. Columbus Gold owns 100% of the Red Hills Project.

Mogollon

On December 22, 2015, the Company entered into an option agreement with a third party, allowing the third party an option to acquire a 100% interest in the Company's beneficially owned Mogollon silver-gold project located in Catron County, New Mexico. The agreement requires the third party to pay Columbus Gold an aggregate of US\$1,000,000 in staged annual payments over a four year period. The Company received US\$50,000 to date.

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

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

Summary of quarterly and year-to-date information

	Q3 2016 (\$)	Q2 2016 (\$)	Q1 2016 (\$)	Q4 2015 (\$)	Q3 2015 (\$)	Q2 2015 (\$)	Q1 2015 (\$)	Q4 2014 (\$)
Net loss for the period	(301,720)	(1,780,397)	(653,515)	(1,615,705)	(951,834)	(1,428,601)	(1,057,269)	(2,061,613)
Basic loss per share	(0.00)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Diluted loss per share	(0.00)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

	Jun 30, 2016 (\$)	Mar 31, 2016 (\$)	Dec 31, 2015 (\$)	Sep 30, 2015 (\$)	Jun 30, 2015 (\$)	Mar 31, 2015 (\$)	Dec 31, 2014 (\$)	Sep 30, 2014 (\$)
Cash and cash equivalents	5,984,043	6,560,497	1,069,347	1,303,562	4,851,582	3,943,660	7,180,144	10,366,494
Total assets	48,672,581	50,641,596	44,416,733	44,647,326	44,832,354	43,452,085	46,747,055	50,541,200
Total non-current financial liabilities	-	-	(3,404)	(8,509)	(13,614)	(18,720)	(23,825)	(28,930)

Review of financial results – current quarter

During the three months ended June 30, 2016, the Company had a 68% decrease in its net loss, to \$301,720, from \$951,834 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 decreased its general exploration and investor relations activities during the current quarter, resulting in a decrease of \$37,818 and \$85,530, respectively, compared to the prior year period.

Professional fees during the three months ended June 30, 2016 increased to \$251,441, from \$151,767 during the comparative period in the prior year. The increase is mainly attributable to tax advisory fees and the implementation of additional internal controls.

Travel costs have decreased by \$107,790 this quarter, mainly attributable to the Company having incurred a onetime expense for arranging travel for a group site visit to the Paul Isnard Gold Project during the prior year period.

During the three months ended June 30, 2016, the Company recorded \$301,499 in other income, compared to \$2,885 during the prior year period. Other income during the current quarter consists of gains from the sale of available-for-sale investments of \$257,566, and income from providing professional services of \$25,750.

The Company recorded a foreign exchange gain of \$356,623 during this quarter, compared to \$14,574 during the prior year period. The significant increase in the current quarter is attributable to the strengthening of the Canadian Dollar, relative to the US Dollar.

During the current quarter, the Company determined that the decline in the value of its available-for-sale investments was other than temporary. Consequently, the Company reclassified an accumulated loss amount of \$144,179 from other comprehensive income to net loss, in accordance with IFRS.

Review of financial results – year-to-date

During nine months ended June 30, 2016, the Company had a 20% decrease in its net loss, to \$2,735,632, from \$3,437,704 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 decreased its general exploration and investor relations activities during the current period, resulting in a decrease of \$58,187 and \$501,982, respectively, compared to the prior year period.

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Transfer and filing fees increased to \$162,622 this period, compared to \$69,436 during the prior year period. The increase is mainly attributable to the Company graduating from the TSX-V, and commenced trading on the TSX.

Travel costs decreased by \$187,111 this period, mainly due to a general reduction in travel activities and the Company having incurred a onetime expense for arranging travel for a group site visit to the Paul Isnard Gold Project during the prior year period.

No impairment charges on exploration and evaluation assets were recorded this period, compared to \$50,830 during the same period in the prior year. The prior year impairment charge is in connection with the Crestview and Utah Clipper properties.

During the nine months ended June 30, 2016, the Company received \$68,517 (US\$50,000) from a third party as an initial payment to earn into the Mogollon property. Under IFRS, these proceeds were applied as a reduction to the carrying value of the Mogollon property, and amounts in excess of the carrying value at the time were recognized in income (\$61,027). No option payments were recognized in income during the comparative prior year period.

During the nine months ended June 30, 2016, the Company recorded \$374,312 in other income, compared to \$25,824 during the prior year period. Other income during the current period primarily consists of gains from the sale of available-for-sale investments of \$257,566, income from providing professional services of \$98,750, partially offset by other losses.

The Company recorded a foreign exchange gain of \$392,291 during this period, compared to \$51,184 during the prior year period. The significant increase in the current period is attributable to the strengthening of the Canadian Dollar, relative to the US Dollar.

During the current period, the Company determined that the decline in the value of its available-for-sale investments was other than temporary. Consequently, the Company reclassified an accumulated loss amount of \$591,663 from other comprehensive income to net loss, in accordance with IFRS.

Liquidity and capital resources

The Company does not currently own or have an interest in any producing resource properties and does not derive any significant revenues from operations. The Company's activities have been funded primarily through equity financing and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flow from operations. The Company has been successful in its fund raising efforts in the past, but there can be no assurance that the Company will continue to be successful in the future. If such funds are not available or other sources of finance cannot be obtained, then the Company will be required to curtail its activities to a level for which funding is available and can be obtained. The Company's ability to access funding is also contingent on the ongoing demand for commodities and also a function of the demand for gold, both of which are subject to macroeconomic conditions and market fluctuations.

At June 30, 2016, the Company had cash of \$5,984,043 and a working capital deficit of \$2,367,563, compared to \$6,560,497 and \$712,172, respectively, at March 31, 2016 and cash of \$1,303,562 and working capital of \$1,133,067 at September 30, 2015.

During the three months ended June 30, 2016, the Company used cash of \$175,642 in operating activities, compared to \$719,562 during the prior year comparative period. During the nine months ended June 30, 2016, the Company used cash of \$1,261,638, compared to \$3,162,686 during the prior year comparative period. Cash used in operations consist of cash used to fund the loss for the period less the impact of non-cash items and changes in non-cash working capital.

During the current quarter, the company used \$556,715 in investing activities, compared to \$336,634 during the same period in the prior year. During the current quarter, the Company invested \$2,204,328 in exploration and evaluation assets, partially offset by proceeds from the sale of available-for-sale assets of \$1,257,433 and receiving exploration advances of \$402,648 from Nordgold. During the three months ended June 30, 2015, the Company invested \$509,188 in exploration and evaluation assets and \$201,520 in reclamation bonds, partially offset by receiving exploration advances of \$247,332 from Nordgold, and earning an operator's fee of \$124,357.

During the current period, the Company had net cash inflows of \$6,136,182 from investing activities, compared to cash used of \$4,610,001 during the comparative prior year period. The significant cash inflows during the current period is mainly attributable to receiving an advance of \$8,375,959 (US\$6,000,000) from the deferred sale of a minority interest in the Paul Isnard Gold Project, partially offset by investments in exploration and evaluation assets of \$3,408,884. Cash used in investing activities during the nine months ended June 30, 2015, was primarily attributable to the drawdown of exploration advances from Nordgold of \$2,886,701,

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investments in exploration and evaluation of \$1,831,904 and restoration costs of \$359,929, partially offset by operator's fee earned of \$618,791.

During the three and nine months ended June 30, 2016, the Company received \$398,250 from share options exercised, compared to \$21,000 and \$220,373, during the respective prior year periods. The Company completed a private placement for net proceeds of \$1,880,000 during the three and nine months ended June 30, 2015.

At June 30, 2016, the Company had current liabilities of \$8,797,028.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Related party transactions

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

On March 2, 2015, the Company entered into an agreement with Organto, pursuant to which Organto will transfer to Columbus Gold its Mogollon Project in consideration for the cancellation of debts owed by Organto to Columbus Gold of \$443,429. The Mogollon Project has been formally transferred to Organto during the fiscal 2016 year, and corresponding debts cancelled.

The following is a summary of related party transactions:

	Three months ended		Nine months ended	
	June 30, 2016 (\$)	June 30, 2015 (\$)	June 30, 2016 (\$)	June 30, 2015 (\$)
Management fees paid to a company controlled by the CEO and Chairman of the Company	75,000	75,000	275,000	255,000
Accounting fees paid to the CFO of the Company	25,890	-	25,890	-
Accounting fees paid to the former CFO of the Company	41,603	29,025	104,490	96,750
Consulting fees paid or accrued to Cordex Exploration LLC	64,425	61,470	199,800	182,230
Directors fees paid or accrued	36,000	36,000	108,000	96,000
Administration fees received or accrued from Organto and EnerGulf	(25,750)	(9,000)	(98,750)	(27,000)
	217,168	192,495	614,430	602,980

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

	June 30, 2016 (\$)	September 30, 2015 (\$)
Advances to a Company controlled by the CEO and Chairman of the Company	25,000	50,000
Advances to the CEO of the Company	-	25,467
Receivable from Columbus Exploration to be settled for Mogollon Project	-	447,739
Trade receivables from Organto	73,500	257,882
Directors fees payable	(58,000)	(31,000)
	40,500	750,088

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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 current agreement is in effect to December 31, 2016. Monthly payments consist of a management fee of US\$16,667. There is a specified NSR for Cordex on existing and new Columbus Gold properties. The principal of Cordex is an officer of a subsidiary of the Company.

In addition, the Company has commitments as follows:

	1 year (\$)	2-3 years (\$)	4-5 years (\$)	Total (\$)
Office lease payments	164,636	335,386	202,948	702,970

Proposed transactions

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

Critical accounting estimates

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

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

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

Changes in accounting policies and standards

A number of new standards, and amendments to standards and interpretations, are not yet effective for the interim period ended June 30, 2016, and have not been applied in preparing the consolidated financial statements. Those that may have a significant effect on the consolidated financial statements of the Company are as follows:

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

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

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(b) Other

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

Financial instruments

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

Financial instrument	Financial statement classification	Associated risks	Fair value at June 30, 2016 (\$)
Cash	Carrying value	Credit, currency, and interest rate	5,984,043
Available-for-sale investments	Fair value	Currency, and exchange	59,577
Receivables	Carrying value	Credit, currency, and concentration	232,708
Reclamation bonds	Carrying value	Credit, currency and concentration	462,268
Accounts payable	Carrying value	Currency	(205,922)
Deferred exploration advances from Nordgold	Carrying value	Currency	(567,631)
			5,965,043

Financial risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at June 30, 2016 are summarized below. The Board of Directors reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

(a) Credit risk

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

(b) Liquidity risk

Liquidity risk arises from the Company's general and capital financing needs. The Company manages liquidity risk by attempting to maintain sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at June 30, 2016, the Company has working capital deficiency of \$2,367,563 (September 30, 2015 – working capital of \$1,133,067).

(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, SOTRAPMAG. The Company also has assets and liabilities denoted in US dollars and the European Euro. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar or European Euro could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

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(ii) Commodity price risk

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

(iii) Interest rate risk

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

Sensitivity analysis

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

The Company maintains significant cash balances, accounts receivable, accounts payable and other liabilities in US Dollars and European Euros, currencies other than the functional currency of Company. The Company estimates that a +/-10% change in the value of the Canadian Dollar relative to the US Dollar and European Euro would have a corresponding effect of approximately \$400,000 to profit or loss.

Capital management

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

In the management of capital, the Company includes the components of shareholders' equity as well as cash and receivables.

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

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors approves the annual and updated budgets. There have been no changes to the Company's capital management policies and procedures since the end of the most recent fiscal year.

Fair value

The fair values of available-for-sale investments are based on quoted market prices for publicly traded shares.

IFRS 7, Financial Instruments: Disclosure establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. Available-for-sale investments are classified as Level 1. At June 30, 2016, there were no financial assets or liabilities measured and recognized in the consolidated statement of position that would be categorized as Level 2 or Level 3 in the fair value hierarchy above.

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Other information

Outstanding share data

At June 30, 2016, the Company had 140,690,086 shares issued and outstanding, and an additional 2,230,000 shares issued and remaining in treasury. In addition, there were 12,020,000 share purchase options outstanding with exercise prices ranging from \$0.30 to \$0.78 per share.

At the date of this MD&A, the Company has 140,690,086 shares issued and outstanding, and an additional 2,230,000 shares issued and remaining in treasury. In addition, there are 12,095,000 share purchase options outstanding with exercise prices ranging from \$0.30 to \$0.78 per share.

Risks and uncertainties

Risk factors

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

Exploration, development and production risks

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

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

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

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

No assurance can be given that minerals will be discovered in sufficient quantities at any of the Company's mineral projects to justify commercial operations or that funds required for additional exploration or development will be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; the proximity and capacity of milling facilities; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing

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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

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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 constituting 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.

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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.

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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 controls and procedures

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.

Effective for the three months ending June 30, 2016, the Company has enhanced disclosure controls and procedures through the implementation of the *Internal Control – Integrated Framework (2013 Framework)* ("COSO 2013") control framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

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

Columbus Gold Corp.

Management's Discussion and Analysis (Unaudited)

For the Nine Months Ended June 30, 2016



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.

Columbus Gold Corp.

Management's Discussion and Analysis (Unaudited)
For the Nine Months Ended June 30, 2016



Corporation information

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



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

Condensed Interim Consolidated Financial Statements

**For the Nine Months Ended
June 30, 2016**

**(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 nine months ended June 30, 2016, which follow this notice, have not been reviewed by an auditor.

Columbus Gold Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position (Unaudited)

(Expressed in Canadian Dollars)



	June 30, 2016 (\$)	September 30, 2015 (\$)
Assets		
Current assets		
Cash	5,984,043	1,303,562
Available-for-sale investments (note 3)	59,577	146,801
Receivables (note 4)	232,708	737,599
Prepaid expenses	153,137	220,563
	6,429,465	2,408,525
Non-current assets		
Receivable from related party (note 8)	-	447,739
Reclamation bonds (note 5)	462,268	477,586
Exploration and evaluation assets (note 6)	41,718,392	41,205,323
Equipment	62,456	108,153
	48,672,581	44,647,326
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable (note 8)	205,922	715,683
Accrued liabilities (note 8)	273,275	440,349
Deferred exploration advances from Nord Gold N.V. (note 6)	567,631	-
Restoration provision	-	119,426
Deferred sale of minority interest in Paul Isnard Gold Project (note 6)	7,750,200	-
	8,797,028	1,275,458
Non-current liabilities		
Other non-current liabilities	-	8,509
	8,797,028	1,283,967
Shareholders' equity		
Share capital (note 7)	54,767,678	55,417,561
Reserves	10,298,917	10,401,208
Deficit	(25,191,042)	(22,455,410)
	39,875,553	43,363,359
	48,672,581	44,647,326

Nature of operations and going concern (note 1)

Commitments (note 10)

Subsequent event (note 11)

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

Approved by the Board of Directors*"Robert Giustra"*

Robert Giustra – Director

"Gil Atzmon"

Gil Atzmon - Director

Columbus Gold Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Comprehensive Loss (Unaudited)

(Expressed in Canadian Dollars)



	Three months ended		Nine months ended	
	June 30, 2016 (\$)	June 30, 2015 (\$)	June 30, 2016 (\$)	June 30, 2015 (\$)
Operating expenses				
Administration and office	300,397	336,302	1,037,594	1,078,327
Directors fees (note 8)	36,000	36,000	108,000	96,000
General exploration	212	38,030	14,340	72,527
Investor relations	35,517	121,047	105,278	607,260
Management fees (note 8)	75,000	75,000	275,000	255,000
Professional fees	251,441	151,767	435,457	369,902
Share-based payments (note 7b)	52,049	43,372	742,305	663,670
Transfer and filing fees	28,698	24,899	162,622	69,436
Travel	26,785	134,575	55,553	242,664
Amortization	15,192	15,510	46,420	43,771
Impairment of exploration and evaluation assets	-	-	-	50,830
Income from third party interest in exploration and evaluation assets	-	-	(61,027)	-
Loss before other items	(821,291)	(976,502)	(2,921,542)	(3,549,387)
Other items				
Interest income	5,628	7,209	10,970	34,675
Other income	301,499	2,885	374,312	25,824
Foreign exchange gain	356,623	14,574	392,291	51,184
Impairment of available-for-sale investments (note 3)	(144,179)	-	(591,663)	-
Net loss for the period	(301,720)	(951,834)	(2,735,632)	(3,437,704)
Reclassified to net income or loss:				
Unrealized loss on available-for-sale investments (note 3)	144,179	-	591,663	-
Items that may subsequently be reclassified to net income or loss:				
Unrealized loss on available-for-sale investments	(191,196)	(6,419)	(112,686)	(336,145)
Foreign currency translation	(721,071)	79,030	(1,116,216)	543,860
Comprehensive loss for the period	(1,069,808)	(879,223)	(3,372,871)	(3,229,989)
Loss per share (note 7d)				
Basic	(0.00)	(0.01)	(0.02)	(0.03)
Diluted	(0.00)	(0.01)	(0.02)	(0.03)

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

Columbus Gold Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flows (Unaudited)

(Expressed in Canadian Dollars)



	Three months ended		Nine months ended	
	June 30, 2016 (\$)	June 30, 2015 (\$)	June 30, 2016 (\$)	June 30, 2015 (\$)
Operating activities				
Net loss for the period	(301,720)	(951,834)	(2,735,632)	(3,437,704)
Items not involving cash				
Amortization	15,192	15,510	46,420	43,771
Share-based payments (note 7b)	52,049	43,372	742,305	663,670
Unrealized foreign exchange gain	(179,440)	(97,880)	(332,602)	(215,142)
Gain from sale of available-for-sale assets	(257,566)	-	(257,566)	-
Impairment of available-for-sale investments	144,179	-	591,663	50,830
	(527,306)	(990,832)	(1,945,412)	(2,894,575)
Changes in non-cash working capital				
Receivables and prepaid expenses	(17,598)	964,937	536,685	761,119
Accounts payable and accrued liabilities	369,262	(693,667)	147,089	(1,029,230)
Cash used in operating activities	(175,642)	(719,562)	(1,261,638)	(3,162,686)
Investing activities				
Deferred sale of minority interest in Paul Isnard Gold Project (note 6)	-	-	8,375,959	-
Exploration advances from Nord Gold N.V. (note 6)	402,648	247,332	567,631	(2,886,701)
Operator's fee (note 6)	-	124,357	383,844	618,791
Net proceeds from available-for-sale assets	1,257,433	-	257,566	-
Interest received	5,628	6,634	10,970	34,100
Option payments received	-	-	7,490	-
Reclamation bonds	-	(201,520)	-	(163,502)
Exploration and evaluation assets (note 6)	(2,204,328)	(509,188)	(3,408,884)	(1,831,904)
Equipment	-	(4,249)	(1,714)	(20,856)
Restoration costs	(18,096)	-	(56,680)	(359,929)
Cash from (used in) investing activities	(556,715)	(336,634)	6,136,182	(4,610,001)
Financing activities				
Private placement net of finder's fee	-	1,880,000	-	1,880,000
Proceeds from share options exercised	398,250	21,000	398,250	220,373
Repayment of leasehold improvements costs	-	(5,106)	(8,507)	(15,316)
Cash from financing activities	398,250	1,895,894	389,743	2,085,057
Effect of foreign exchange on cash	(242,347)	68,224	(583,806)	172,718
Increase (decrease) in cash	(576,454)	907,922	4,680,481	(5,514,912)
Cash, beginning of period	6,560,497	3,943,660	1,303,562	10,366,494
Cash, end of period	5,984,043	4,851,582	5,984,043	4,851,582

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

Columbus Gold Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Shareholders' Equity (Unaudited)

(Expressed in Canadian Dollars)



	Share capital		Reserves				
	Number of shares	Share capital (\$)	Share options and warrants (\$)	Accumulated other comprehensive income (loss) (\$)	Total (\$)	Deficit (\$)	Total (\$)
Balance, October 1, 2014	135,807,586	53,185,056	7,268,517	1,263,679	8,532,196	(17,402,001)	44,315,251
Private Placement	5,000,000	1,880,000	-	-	-	-	1,880,000
Share options exercised	857,500	352,505	(132,132)	-	(132,132)	-	220,373
Share-based payments	-	-	663,670	-	663,670	-	663,670
Comprehensive loss	-	-	-	207,715	207,715	(3,437,704)	(3,229,989)
Balance, June 30, 2015	141,665,086	55,417,561	7,800,055	1,471,394	9,271,449	(20,839,705)	43,849,305
Balance, October 1, 2015	141,665,086	55,417,561	7,814,696	2,586,512	10,401,208	(22,455,410)	43,363,359
Treasury shares (note 7(a))	-	(1,255,490)	-	-	-	-	(1,255,490)
Share options exercised	1,255,000	605,607	(207,357)	-	(207,357)	-	398,250
Share-based payments (note 7(b))	-	-	742,305	-	742,305	-	742,305
Comprehensive loss	-	-	-	(637,239)	(637,239)	(2,735,632)	(3,372,871)
Balance, June 30, 2016	142,920,086	54,767,678	8,349,644	1,949,273	10,298,917	(25,191,042)	39,875,553

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

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended June 30, 2016 and 2015

(Expressed in Canadian Dollars)



1. Nature of operations and going concern

Columbus Gold Corp. (the “Company” or “Columbus Gold”) was incorporated on May 14, 2003 under the laws of the Province of Saskatchewan, Canada and continued on to British Columbia, Canada on December 29, 2003. The Company is currently listed on the Toronto Stock Exchange (the “TSX” or “Exchange”), the OTCQX International and the Santiago Stock Exchange.

The Company’s principal business activities are the exploration and development of resource properties which are located in French Guiana and the United States of America. The Company is in the process of exploring and developing its resource properties, but has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production or from proceeds of disposition. The Company’s exploration and evaluation activities are not dependent on seasonality and may operate year-round; however, the Company may adjust the level of exploration and evaluation activities to manage 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 June 30, 2016, the Company has working capital deficiency of \$2,367,563 (September 30, 2015 – working capital of \$1,133,067) and an accumulated deficit of \$25,191,042 (September 30, 2015 - \$22,455,410). 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, 2015. 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 August 4th, 2016.

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended June 30, 2016 and 2015

(Expressed in Canadian Dollars)

**3. Available-for-sale investments**

	June 30, 2016	September 30, 2015
	(\$)	(\$)
EnerGulf Resources Inc.	30,555	-
Navaho Gold Limited	28,022	10,898
Piedmont Mining Corp.	-	7,549
Roscan Minerals Corporation	1,000	500
Sniper Resources Ltd.	-	127,854
	59,577	146,801

During the three and nine months ended June 30, 2016, the Company reclassified \$144,179 (2015 - \$nil) and \$591,663 (2015 - \$nil) respectively from accumulated other comprehensive loss to profit or loss as a result of impairment of the Company's available-for-sale investments. Further changes to the fair value of available-for-sale investments that are not considered an impairment are recorded in other comprehensive income (loss).

4. Receivables

	June 30, 2016	September 30, 2015
	(\$)	(\$)
Due from related parties (note 8)	73,500	257,882
Due from Nord Gold N.V. ("Nordgold")	-	239,587
Other receivables	159,208	240,130
	232,708	737,599

5. Reclamation bonds

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

	June 30, 2016	September 30, 2015
	(\$)	(\$)
Antelope	6,260	6,467
Big Lime	10,075	10,409
Bolo	200,860	207,515
Brown's Canyon	8,951	9,248
Eastside	229,793	237,408
Pete's Summit	6,329	6,539
	462,268	477,586

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended June 30, 2016 and 2015

(Expressed in Canadian Dollars)

**6. Exploration and evaluation assets**

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

Property	Balance at October 1, 2015 (\$)	Additions (\$)	Other (\$)	Foreign exchange (\$)	Balance at June 30, 2016 (\$)
French Guiana					
Paul Isnard	30,902,362	8,593,048	(10,944,659) ¹	(448,377)	28,102,374
Nevada					
Big Lime	1	653	-	(20)	634
Bolo	3,529,312	17,300	-	(113,715)	3,432,897
Chert Cliff	-	275	-	(9)	266
Eastside	6,773,638	3,249,506	-	(315,637)	9,707,507
Four Metals	1	21	-	-	22
Hugh's Canyon	1	3,536	-	(107)	3,430
Mogollon	-	482,025	(7,490) ²	(14,252)	460,283
Monitor Hills	1	4,895	-	(148)	4,748
North Brown	1	1,239	-	(38)	1,202
Overland Pass	1	2,472	-	(74)	2,399
Red Hills	1	431	-	(14)	418
Weepah	1	90	-	(2)	89
White Canyon	1	-	-	-	1
White Horse Flats	1	538	-	(16)	523
White Horse Flats North	1	1,639	-	(41)	1,599
	41,205,323	12,357,668	(10,952,149)	(892,450)	41,718,392

¹ Consists of \$9,215,325 exploration and evaluation funded by Nordgold, operator's fee earned of \$383,844 and cost recoveries of \$1,345,490.² \$68,517 (US\$50,000) option payment received from third party. Amounts in excess of carrying value of property at the time are recognized in consolidated statements of comprehensive loss.

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended June 30, 2016 and 2015

(Expressed in Canadian Dollars)

**6. Exploration and evaluation assets - continued**

A summary of exploration and evaluation assets by property for the year ended September 30, 2015 is set out below:

Property	Balance at October 1, 2014 (\$)	Additions (\$)	Other (\$)	Impairment² (\$)	Foreign exchange (\$)	Balance at September 30, 2015 (\$)
French Guiana						
Paul Isnard	31,345,137	7,875,310	(8,939,502) ¹	-	621,417	30,902,362
Nevada						
Big Lime	1	5,344	-	(5,759)	415	1
Bolo	2,912,487	54,772	-	-	562,053	3,529,312
Brown's Canyon	126,307	6,754	-	(157,775)	24,714	-
Crestview	1	-	-	(1)	-	-
Eastside	2,460,729	3,564,704	-	-	748,205	6,773,638
Four Metals	11,825	6,504	-	(21,098)	2,770	1
Hugh's Canyon	330,508	26,809	-	(422,696)	65,380	1
Monitor Hills	240,758	24,409	-	(313,172)	48,006	1
North Brown	9,920	5,601	-	(17,855)	2,335	1
Overland Pass	1	18,802	-	(20,262)	1,460	1
Red Hills	4,010	-	-	(4,778)	769	1
Utah Clipper	1	49,875	-	(50,829)	953	-
Weepah	-	1,401	-	(1,509)	109	1
White Canyon	104	114	-	(245)	28	1
White Horse Flats	6,905	4,035	-	(12,573)	1,634	1
White Horse Flats North	13,487	7,615	-	(24,275)	3,174	1
	37,462,181	11,652,049	(8,939,502)	(1,052,827)	2,083,422	41,205,323

¹ Consists of \$8,117,567 exploration and evaluation funded by Nordgold and operator's fee earned of \$821,935.² The Company dropped and written off the Brown's Canyon, Crestview and Utah Clipper properties during the period. The Company further impaired all other Nevada properties to \$1 except the Bolo and Eastside properties.

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended June 30, 2016 and 2015

(Expressed in Canadian Dollars)



6. Exploration and evaluation assets - continued

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

	(\$)
Balance at October 1, 2014	37,462,181
Acquisition and land	57,132
Camp costs and other	999,868
Drilling	6,060,556
Equipment	417,163
Geology and trenching	629,994
Management and administration	2,689,754
Technical studies	588,820
Travel	208,762
Operator fee	(821,935)
Amounts funded by Nordgold	(8,117,567)
Impairment	(1,052,827)
Foreign exchange	2,083,422
Balance at September 30, 2015	41,205,323
Acquisition and land	454,941
Camp costs and other	748,716
Drilling	7,489,201
Equipment	346,138
Geology and trenching	732,783
Management and administration	1,969,917
Technical studies	453,439
Travel	162,533
Operator fee	(383,844)
Amounts funded by Nordgold	(9,215,325)
Cost recoveries	(1,345,490)
Option payments received	(7,490)
Foreign exchange	(892,450)
Balance at June 30, 2016	41,718,392

Paul Isnard

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

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

On January 12, 2016, the Company entered into an agreement with Nordgold to sell a 5% minority interest in the Paul Isnard Gold Project for \$7,750,200 (US\$6,000,000) (received). The formal acquisition and transfer of the 5% interest will not occur until Nordgold has funded completion of a Feasibility Study and achieved a minimum of US\$30,000,000 in project expenditures, in order to earn an additional 50.01% interest in the Paul Isnard Gold Project. If Nordgold does not earn its initial 50.01% interest, then the Company is required to refund the advance of \$7,750,200 (US\$6,000,000).

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended June 30, 2016 and 2015

(Expressed in Canadian Dollars)



6. Exploration and evaluation assets - continued

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

Bolo

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

Eastside

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

Mogollon

During the current year, Organto Food Inc. (“Organto”), a company with certain directors and officers in common, completed the transfer of the Mogollon property to Columbus Gold for settlement of \$443,429 owed by Organto to the Company.

On December 22, 2015, the Company entered into an option agreement with a third party, allowing the third party an option to acquire a 100% interest in the Company’s Mogollon silver-gold project located in Catron County, New Mexico. The agreement requires the third party to pay Columbus Gold an aggregate of US\$1,000,000 in staged annual payments over a four year period. As at June 30, 2016, the Company received US\$50,000.

Weepah

On June 30, 2014, the Company and Sniper Resources Ltd. (“Sniper”) terminated an option agreement dated September 26, 2011, whereby Sniper could have earned an initial 51% interest in Weepah, and replaced it with a purchase agreement dated June 30, 2014 (the “Second Weepah Agreement”). Under the terms of the Second Weepah Agreement, the Company sold a 50.01% undivided beneficial interest in Weepah to Sniper, in exchange for receiving 7,647,503 common shares (received) of Sniper. Sniper is obligated to earn a further 49.99% of Weepah on July 1, 2017 by issuing to the Company additional common shares of Sniper equal to 19.99% of the July 1, 2017 post-closing issued capital of Sniper less 12,785,248 common shares. Concurrently upon closing of the final 49.99% interest in Weepah, Sniper shall grant to the Company a 1% NSR on the Weepah project.

On June 1, 2016, Sniper informed the Company of its intention to return the Weepah property to the Company.

Other

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

7. Share capital

(a) Common shares

Authorized - Unlimited common shares without par value.

At June 30, 2016, the Company had 140,690,086 (September 30, 2015 – 141,665,086) common shares issued and outstanding, and an additional 2,230,000 (2015 – nil) common shares issued and remaining in treasury. The Company’s issued common shares in treasury have a value of \$1,255,490. The treasury shares were received during the current year, in satisfaction of an agreement with another party.

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended June 30, 2016 and 2015

(Expressed in Canadian Dollars)



7. Share capital – continued

During the current year, a total of 1,255,000 share options were exercised between \$0.30 to \$0.40 per share for the gross proceeds of \$398,250

On May 19, 2015, the Company completed a private placement of 5,000,000 common shares, at a price of \$0.40 per share, for gross proceeds of \$2 million. A finders' fee of 6% in cash has been paid in connection with the private placement.

(b) Share options

On January 25, 2013, the Company amended its share purchase option plan to authorize the Company to issue share options whereby the total share options outstanding may be up to 10% of its issued capital at the time of an applicable option grant. The Board of Directors may from time to time, grant options to directors, officers, employees or consultants. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant date.

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

	Number of options	Weighted average exercise price (\$)
Balance, October 1, 2014	12,147,500	0.44
Granted	1,700,000	0.50
Exercised	(857,500)	0.26
Forfeited	(75,000)	0.35
Cancelled	(400,000)	0.66
Balance, September 30, 2015	12,515,000	0.46
Granted	3,315,000	0.40
Expired	(2,090,000)	0.74
Exercised	(1,255,000)	0.32
Cancelled	(465,000)	0.60
Balance, June 30, 2016	12,020,000	0.42

A summary of the Company's options at June 30, 2016 is as follows:

Exercise price (\$)	Options outstanding		Options exercisable	
	Number of options outstanding	Weighted average remaining contractual life (years)	Number of Options exercisable	Weighted average remaining contractual life (years)
0.30	1,450,000	6.78	1,450,000	6.78
0.30	1,650,000	7.19	1,025,000	7.19
0.35	1,700,000	2.47	1,625,000	2.47
0.40	2,735,000	4.62	2,735,000	4.62
0.40	500,000	4.68	-	4.68
0.45	1,050,000	3.24	850,000	3.24
0.45	400,000	6.58	400,000	6.58
0.50	1,550,000	3.60	1,475,000	3.60
0.78	985,000	0.48	985,000	0.48
0.30-0.78	12,020,000	4.40	10,545,000	4.37

The fair value of share options recognized as an expense during the three and nine months ended June 30, 2016 was \$52,049 and \$742,305, respectively (2015 - \$43,372 and \$663,670, respectively).

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**7. Share capital - continued**

The following are the share options granted and weighted average assumptions used in the Black-Scholes options pricing model for share options granted during the three and nine months ended June 30, 2016 and 2015:

	Three months ended		Nine months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Number of share options granted	nil	nil	3,315,000 ¹	1,700,000 ²
Weighted average fair value per share option granted	n/a	n/a	\$0.22	\$0.27
Total fair value of share options granted	n/a	n/a	\$724,762	\$4,57,968

Black-Scholes option pricing model assumptions:

Expected price volatility	n/a	n/a	82%	87%
Risk free interest rate	n/a	n/a	0.40%	0.54%
Expected life of options	n/a	n/a	3.5 years	3 years
Expected dividend yield	n/a	n/a	nil	nil

¹ 500,000 share options granted have a vesting schedule where 25% vests every 6 months. The remainder of share options granted all vest immediately.

² 150,000 share options granted have a vesting schedule where 50% vests every 12 months. The remainder of share options granted all vest immediately.

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

On September 23, 2014, the Company granted 804,000 warrants to a third party as finder's fees, in connection with a private placement of the Company's common shares completed on September 24, 2014. The aforementioned warrants are exercisable immediately, at a price of \$0.40 per share until September 24, 2015. At the date of issue the estimated fair value of the warrants was \$161,258 based on the Black Scholes option pricing model, using the following assumptions:

Expected price volatility	87%
Risk free interest rate	1.11%
Expected life of options	1 year
Expected dividend yield	nil

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

	Number of warrants	Weighted average exercise price (\$)
Balance, October 1, 2014	804,000	0.40
Expired	(804,000)	0.40
Balance, September 30, 2015 and June 30, 2016	-	-

There are no warrants outstanding as at June 30, 2016.

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**7. Share capital - continued**

(d) Loss per share

	Three months ended		Nine months ended	
	June 30, 2016 (\$)	June 30, 2015 (\$)	June 30, 2016 (\$)	June 30, 2015 (\$)
Basic loss per share	(0.00)	(0.01)	(0.02)	(0.03)
Diluted loss per share	(0.00)	(0.01)	(0.02)	(0.03)
Net loss for the period	(301,720)	(951,834)	(2,735,632)	(3,437,704)

	Three months ended		Nine months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Shares outstanding, beginning of period	141,665,086	136,605,086	141,665,086	135,807,586
Effect of private placement	-	2,692,308	-	897,436
Effect of share options exercised	220,220	37,582	73,139	536,502
Basic weighted average number of shares outstanding	141,885,306	139,334,976	141,738,225	137,241,524
Effect of dilutive share options	-	-	-	-
Diluted weighted average number of shares outstanding	141,885,306	139,334,976	141,738,225	137,241,524

During the three and nine months ended June 30, 2016, there were 12,020,000 (2015 – 12,590,000) share options and nil (2015 – 804,000) warrants that were potentially dilutive but not included in the diluted earnings per share calculation as the effect would be anti-dilutive.

8. Related party transactions

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

On March 2, 2015, the Company entered into an agreement with Organto, pursuant to which Organto will transfer to Columbus Gold its Mogollon Project in consideration for the cancellation of debts owed by Organto to Columbus Gold of \$443,429. The Mogollon Project has been formally transferred to Organto during the fiscal 2016 year, and corresponding debt cancelled.

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**8. Related party transactions - continued**

The following is a summary of related party transactions:

	Three months ended		Nine months ended	
	June 30, 2016 (\$)	June 30, 2015 (\$)	June 30, 2016 (\$)	June 30, 2015 (\$)
Management fees paid to a company controlled by the CEO and Chairman of the Company	75,000	75,000	275,000	255,000
Accounting fees paid to the CFO of the Company	25,890	-	25,890	-
Accounting fees paid to the former CFO of the Company	41,603	29,025	104,490	96,750
Consulting fees paid or accrued to Cordex Exploration LLC (note 10)	64,425	61,470	199,800	182,230
Directors fees paid or accrued	36,000	36,000	108,000	96,000
Administration fees received or accrued from Organto and EnerGulf	(25,750)	(9,000)	(98,750)	(27,000)
	217,168	192,495	614,430	602,980

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

	June 30, 2016 (\$)	September 30, 2015 (\$)
Advances to a Company controlled by the CEO and Chairman of the Company	25,000	50,000
Advances to the CEO of the Company	-	25,467
Receivable from Columbus Exploration to be settled for Mogollon Project	-	447,739
Trade receivables from Organto	73,500	257,882
Directors fees payable	(58,000)	(31,000)
	40,500	750,088

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9. Segmented information

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

	June 30, 2016 (\$)	September 30, 2015 (\$)
Current assets		
Canada	4,050,354	1,283,997
USA	1,353,034	277,386
France (French Guiana)	1,026,077	847,142
	6,429,465	2,408,525
Non-current assets		
Canada	62,456	555,892
USA	14,078,286	10,780,551
France (French Guiana)	28,102,374	30,902,358
	42,243,116	42,238,801
Total assets		
Canada	4,112,810	1,839,889
USA	15,431,320	11,057,937
France (French Guiana)	29,128,451	31,749,500
	48,672,581	44,647,326

10. 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 current agreement is in effect to December 31, 2016. Monthly payments consist of a management fee of US\$16,667. There is a specified NSR for Cordex on existing and new Columbus Gold properties. The principal of Cordex is an officer of a subsidiary of the Company.

In addition, the Company has commitments as follows:

	1 year (\$)	2-3 years (\$)	4-5 years (\$)	Total (\$)
Office lease payments	164,636	335,386	202,948	702,970

11. Subsequent event

On July 21 2016, the Company granted incentive stock options to an employee providing investor relations services for the purchase of up to an aggregate of 75,000 common shares at an exercise price of \$0.70 per share for a period of 5 years. The options vest on October 28, 2016.