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MANAGEMENT DISCUSSION AND ANALYSIS

**For The Nine Month Period Ended
June 30, 2009**

COLUMBUS GOLD CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2009

INTRODUCTION

Management Discussion and Analysis (“MD&A”) focuses on significant factors that have affected Columbus Gold Corporation (the “Company” or “Columbus Gold”) and its subsidiaries’ performance and such factors that may affect its future performance. In order to better understand the MD&A, it should be read in conjunction with the interim consolidated financial statements for the nine month period ended June 30, 2009.

The financial information in this MD&A is derived from the Company’s consolidated financial statements which are prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are outlined within Note 2 to the interim consolidated financial statements of the Company. The Company’s reporting currency is Canadian dollars. The effective date of this Management Discussion and Analysis is August 20, 2009.

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

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; our strategies and objectives; our tax position and the tax and royalty rates applicable to us; our ability to acquire necessary permits and other authorizations in connection with our projects; risks associated with environmental compliance, including without limitation changes in legislation and regulation, and estimates of reclamation and other costs; our cost reduction and other financial and operating objectives; our environmental, health and safety initiatives; the availability of qualified employees and labour for our operations; risks that may affect our operating or capital plans; risks created through competition for mining properties; risks associated with exploration projects, and mineral reserve and resource estimates, including the risk of errors in assumptions and methodologies; risks associated with our dependence on third parties for the provision of critical services; risks associated with non-performance by contractual counterparties; risks associated with title; and general business and economic conditions.

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

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

DESCRIPTION OF BUSINESS

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

The Company’s principal business activities are the acquisition, exploration and development of mineral properties, with gold as a principal focus. Currently, all of the Company’s mineral properties are located in the United States. The Company is in the process of exploring and developing these mineral properties but has not yet determined whether the properties contain ore reserves that are economically recoverable. The Company maintains active generative (prospecting) and evaluation programs and, as a key element of its strategy, broadens exposure, minimizes risk and maintains focus on high priority prospects while seeking industry finance through joint ventures on selected projects.

RESULTS OF OPERATIONS

Current Quarter

The Company incurred a loss of \$253,171 during the current quarter versus a loss of \$322,240 in the same period last year. This amounts to a decrease of \$69,069 (21.4%) over the prior year period which can be attributed primarily to a substantial dilution in ownership of Columbus Silver. The completion of the Columbus Silver IPO in September 2008 resulted in the Company’s ownership being reduced from 100% to approximately 36%.

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The Company continued to be active in its exploration projects during the period as it expended \$278,991 on its property portfolio.

YTD

The Company incurred a loss of \$788,386 during the current period versus a loss of \$936,669 in the same period last year. This amounts to a decrease of \$148,283 (15.8%) over the prior year period which can be attributed primarily to a substantial dilution in ownership of Columbus Silver. The completion of the Columbus Silver IPO in September 2008 resulted in the Company's ownership being reduced from 100% to approximately 36%.

The Company continued to be active in its exploration projects during the period as it expended \$906,992 on its property portfolio

MINERAL PROPERTIES

Currently, the Company is focusing its exploration activities on the western United States with special emphasis on gold exploration in Nevada.

Bolo Property

The Bolo Property is located 60 kilometres (38 miles) northeast of Tonopah, Nevada. Subject to net smelter returns royalties, Columbus Gold controls a 100% interest in the Property.

Geology

Carlin-style gold mineralization is the target at Bolo where values from 0.34 to 4.7 g/t (0.010 to 0.15 opt) gold can be obtained from jasperoids and iron-stained structures cutting Cambrian and Ordovician sedimentary rocks, along two parallel north-south trending faults know as the Mine Fault and the East Fault. Alteration along the Mine Fault has been traced for 2,750 metres (m) (9,000 feet (ft)) along strike, with surface gold values ranging from anomalous to 3.7 g/t (0.12 opt) gold. The East Fault has been mapped for 2,200 m (7,200 ft) of strike with values from anomalous to 4.7 g/t (0.15 opt) gold. Both fault zones present excellent drill targets and are essentially untested.

Past Work

Bolo has had very limited previous drilling. Drilling by Chevron, USMX and Canerta in the 1970's and 1980's, was less than 45 m (150 ft) in depth. The drilling was concentrated primarily along the southerly 300 m (1000 ft) of the Mine Fault where several of the holes had ore grade intercepts.

In 2007, Columbus Gold completed an initial drilling program at Bolo, which consisted of 19 reverse circulation holes for a total of 3,014 m (9890 ft). Fifteen of the 19 holes completed intercepted anomalous gold values; the best holes were in the Mine Fault were BL-4 encountered 18.2 m (60 ft) of gold mineralization averaging 1.086 g/t gold (from 200-260 ft of depth); hole BL-3 intercepted 25.9 m

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(85 ft) of 0.431 g/t gold (from 25-110 ft of depth); and, hole BL-11 encountered 16.8 m (55 ft) of 0.611 g/t gold (from 390-445 ft of depth).

Drilling in the East Fault intercepted anomalous gold near surface in several holes, however, the gold grades encountered were significantly lower in the drill results than they were in surface sampling; indicating that the cross-structures controlling the better grades were missed.

In 2008, Columbus Gold completed a Phase II drilling program consisting of nine holes totaling 1,715 m (5,625 ft) of reverse circulation drilling.

The drilling was concentrated on the south and central zones of the Mine Fault and a covered target near the East Fault. Hole BL-23 was drilled through the southernmost part of the Mine Fault and is considered potentially very significant. BL-23 was a west-directed, forty five degree angle hole that intercepted a zone of silicified limestone and siltstone. The hole encountered 30.5 m of 2.37 g/t gold (100 ft of 0.069 opt) from 96.0-126.5 m (315-415 ft) of depth. The intercept was within a broader zone of mineralization averaging 1.15 g/t gold over 76.2 m (250 ft of 0.034 opt) from 77.7 m (255 ft) to the hole bottom at 154.0 m (505 ft) where the mineralization remains open. The zone is 56.4 m (185 ft) below the surface and is open, both down-dip and to the south. It is also open up-dip to the surface, where surface sampling has yielded values up to 5.18 g/t (0.15 opt) gold.

The other 8 holes drilled in Phase II all intersected thick zones of alteration and highly anomalous gold, requiring follow-up drilling. A table with complete drill results can be viewed here:

[www.columbusgoldcorp.com/i/pdf/Bolo Phase II Drill assays 2008.pdf](http://www.columbusgoldcorp.com/i/pdf/Bolo_Phase_II_Drill_assays_2008.pdf)

Planned Program

Permitting is in progress for additional holes offsetting BL-23 at the south end of the Mine Fault, initial drilling of untested targets with surface values up to 2 g/t (0.06 opt) gold, and, testing of the large 7.8 square km (approx. 3 square mile) gravel covered area to the east of the East Fault where a hole drilled in Phase I intercepted thick zones of silicification and anomalous gold.

Summit Property

The Summit Project is located along the northeastern flank of the Pequop Range, approximately 14 miles (22 km) east of Wells, Nevada and strategically positioned along strike and approximately 4,000 feet (1.2 km) from the northern end of the Long Canyon gold deposit of AuEx Ventures, Inc. and Frontier Development Group Inc. where ongoing drilling continues to confirm the presence of high-grade oxide gold mineralization. The Summit Project is also in close proximity to AuEx's and Agnico-Eagle Mines' West Pequop gold project.

The Summit claims are staked in an area of Nevada known as the "checkerboard" where every other square mile is private; therefore Columbus Gold's claims cover the intervening federal lands, between the private parcels.

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Subject to third party net smelter returns royalties, the Summit Project is 100% controlled by Columbus Gold and has been optioned to Agnico-Eagle. Agnico-Eagle can earn an initial 51% interest in Summit by incurring exploration expenditures totaling US\$3 million over a five year period.

Geology

The claims were staked by Columbus in response to the November 2005 announcement of the discovery drill holes of good grade, Carlin-type gold mineralization, by AuEx Ventures, Inc., at their nearby Long Canyon Project. Columbus Gold's claims are positioned to cover either outcropping Lower Paleozoic sedimentary rocks similar to the host rock at Long Canyon, or shallow pediment along strike of structures trending to the Long Canyon area.

Past Work

Columbus is not aware of any prior exploration activity at Summit prior to the staking of the property in 2005. The property was optioned to Agnico-Eagle in 2007 and their work during the 2007 and 2008 field seasons was primarily directed at the interpreted strike extension of the Long Canyon deposit mineralization.

Agnico-Eagle performed geological mapping, collected 2,500 soil samples and 70 stream sediment samples, and completed seven rotary holes totaling 6,040 ft (1,830 meters) in their initial drilling program completed in December 2008.

One hole tested the Upper Paleozoic section-equivalent to the Pilot and Joana Formations, known to be favorable for Carlin-style gold deposits regionally. These favorable rocks are extensive, but almost everywhere covered by alluvium. The drill hole encountered multiple, thick sections (up to 100 ft (30 m)) of anomalous gold and arsenic both in the Upper Paleozoic section and in the underlying Guilmette Formation carbonate rocks, with a high assay of 203 ppb over five feet (1.5 m). This was the only drill hole to test this stratigraphic horizon in the Northern Pequop Range, which deserves considerable attention for further work.

Three holes tested geochemical anomalies near a thrust fault juxtaposing Devonian Guilmette Formation and Permian sedimentary rocks. Two of these holes encountered anomalous gold and lead in multiple zones over thicknesses of 75-100 ft (23-30 m). The gold values ranged from 10-122 ppb.

The other three holes were located near the eastern range front, north of the Long Canyon discovery. These holes cut Lower Paleozoic formations and intersected scattered weakly anomalous gold over narrow intervals.

Planned Program

Agnico-Eagle has advised Columbus Gold that it intends to continue with its option to earn an interest in the Summit Project and with plans to carry-out additional exploration expenditures during the 2009 field season.

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Utah Clipper and Crestview Properties

The Utah Clipper and Crestview Properties are situated in the Bullion Mining District, in the Shoshone Range, Lander County, Nevada.

The Company has prepared technical reports under National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“**NI 43-101**”) for the Utah Clipper Property (Sedar filed on February 21, 2006)

In December 2007, the Company entered into an agreement (the Barrick Agreement”) with Barrick Gold Exploration Inc. ("Barrick"), a subsidiary of Barrick Gold Corporation, to explore and develop the Utah Clipper and Crestview properties. Under the terms of the Barrick Agreement, Barrick can earn a 60% interest in the two properties by undertaking staged work expenditures totaling US\$6 million over a six year period. Upon completing US\$6 million in aggregate work expenditures, Barrick will have earned a 60% interest in the properties and at this time it may elect to earn an additional 10% interest in the properties (for a total interest of 70%) by completing additional work expenditures of US\$2.5 million by the 7th anniversary of the Barrick Agreement. Barrick can also elect to earn an additional 5% (total 75%) in the properties by carrying Columbus to a production decision and arranging financing for Columbus' pro rata share of mine construction costs.

On December 1, 2008, the Company announced that Barrick had commenced drilling at Utah Clipper. Results are pending.

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Other Properties

Property	Location	Status
Barton Canyon	Nevada	Initial exploration.
Burnt Well	Arizona	No work planned so an impairment was recorded.
Chert Cliff	Nevada	Lease to Platte River Gold (US) Inc.
Clanton Hills	Arizona	Initial exploration.
Crestview	Nevada	Joint Venture option to Barrick Gold Exploration Inc.
Del Oro	Nevada	Joint Venture option to Ventura Gold Corp.
Dutch Flat	Nevada	Joint venture option to Piedmont Mining Company, Inc.
Eastside	Nevada	Initial exploration.
Ferguson Flats	Nevada	Initial exploration.
Four Metals	Arizona	Sale option to Black Pearl Minerals Consolidated Inc.
General Thomas	Nevada	Initial exploration.
Golden Mile		Property is under option to Portage Minerals, but management has decided that impairment is justified due to funding concerns by Portage.
Guild, Linka, Overland Pass and Pete's Summit	Nevada	Joint venture option to Sniper Resources Ltd.
Grulla	Nevada	No work planned so an impairment was recorded.
Hoyt Canyon	Nevada	Initial exploration.
Keg	Utah	Initial exploration.
Laura	Nevada	No work planned so an impairment was recorded.
Mill Canyon	Nevada	No work planned so an impairment was recorded.
Mogollon	New Mexico	Columbus Silver drilling program to begin in the fall.
Red Hills	Nevada	No work planned so an impairment was recorded.
Scraper	Nevada	Joint venture option to Newmont Mining Corporation.
Silver District	Arizona	Initial exploration.
Silver Dome	Utah	Initial exploration.
Spring	Nevada	No work planned so an impairment was recorded.
Stage	Nevada	No work planned so an impairment was recorded.
Summit	Nevada	Joint venture option to Agnico Eagle (USA) Ltd.
Weepah	Nevada	Initial exploration.
Westside	Nevada	Initial exploration.
White Canyon	Nevada	Lease to Atna Resources Ltd.
White Horse Flats	Nevada	No work planned so an impairment was recorded.
White Horse Flats North	Nevada	No work planned so an impairment was recorded.
Winnemucca Mountain	Nevada	No work planned so an impairment was recorded.

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Expenditure Summary

	September 30, 2008	Acquisition Cost	Deferred Exploration	Write-down/ Amortization	June 30, 2009
Utah Clipper – NV	\$ 688,909	\$ -	\$ 1,101	\$ -	\$ 690,010
Awakening – NV	580,159	-	22,377	-	602,536
Dutch Flat – NV	117,653	-	-	-	117,653
Chert Cliff – NV	18,346	-	(18,346)	-	-
Silver Dome – UT	376,250	-	248,636	-	624,886
Silver District – AZ	411,508	37,359	7,634	-	456,501
Crestview – NV	210,385	-	-	-	210,385
Laura – NV	-	-	4,866	-	4,866
Guild – NV	46,458	-	-	-	46,458
Overland Pass – NV	28,848	-	-	-	28,848
Linka – NV	55,307	-	-	-	55,307
Pete’s Summit – NV	41,975	-	-	-	41,975
Bolo – NV	1,181,337	1,262	117,692	-	1,300,291
Scraper – NV	111,077	-	-	-	111,077
Eastside – NV	-	6,128	72,942	-	79,070
Weepah – NV	-	2,427	296	-	2,723
Hoyt Canyon – NV	-	9,692	15,022	-	24,714
General Thomas – NV	-	8,955	1,411	-	10,366
Del Oro – NV	17,356	-	(17,356)	-	-
White Canyon – NV	11,290	-	(5,412)	-	5,878
Clanton Hills – AZ	48,455	-	19	-	48,474
Keg – UT	75,058	-	6,596	-	81,654
Summit – NV	179,942	-	(58,360)	-	121,582
Ferguson Flats – NV	83,174	4,531	12,891	-	100,596
Mogollon – NM	39,944	188,890	213,870	-	442,704
Barton Canyon – NV	-	1,409	320	-	1,729
Westside – NV	-	2,757	604	-	3,361
Total Properties	\$ 4,323,431	\$ 263,410	\$ 626,803	\$ -	\$ 5,213,644

Property Locations:

NV – Nevada

AZ – Arizona

UT – Utah

NM – New Mexico

All disclosure of scientific or technical information on the Company's mineral properties contained in this Management's Discussion and Analysis, with the exception of the information presented in the Utah Clipper Technical Report and the Golden Mile Technical Report, is based on information prepared by or under the supervision of the Company's Qualified Person, Andy Wallace.

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SELECTED FINANCIAL DATA

	Jun. 30, 2009 (\$)	Mar. 31, 2009 (\$)	Dec. 31, 2008 (\$)	Sep. 30, 2008 (\$)	Jun. 30, 2008 (\$)	Mar. 31, 2008 (\$)	Dec. 31, 2007 (\$)	Sept. 30, 2007 (\$)
Financial results:								
Net loss for period	253,171	317,831	217,385	1,616,100	322,240	326,460	287,969	398,717
Basic and diluted loss per share	0.01	0.01	0.01	0.08	0.01	0.01	0.01	0.02
Mineral property acquisition and exploration costs	220,784	295,659	373,770	741,210	496,281	295,956	390,024	635,047
Balance sheet data:								
Cash and short term deposits	866,206	1,401,177	1,404,863	2,203,971	1,723,742	2,545,100	2,620,717	2,316,315
Mineral properties	5,213,644	4,992,860	4,697,201	4,323,431	5,303,057	4,806,776	4,510,820	4,120,796
Total assets	6,663,093	6,997,730	6,811,862	7,103,343	7,784,559	8,012,321	7,545,584	6,960,628
Shareholders' equity	6,409,617	6,600,842	6,139,764	6,206,243	7,699,025	7,926,318	7,544,349	6,880,561

	September 30, 2008 (\$)	September 30, 2007 (\$)	September 30, 2006 (\$)
Financial results:			
Net loss for year	2,552,769	1,540,856	2,046,331
Basic and diluted loss per share	0.11	0.07	0.13
Mineral property acquisition and exploration costs	1,923,471	1,403,681	1,426,263
Balance sheet data:			
Cash and short term deposits	2,203,971	2,316,315	3,684,894
Mineral properties	4,323,431	4,120,796	2,717,115
Total assets	7,103,343	6,960,628	6,789,811
L/T Financial liabilities	-	-	-
Shareholders' equity	6,206,243	6,880,561	6,578,017

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CAPITAL RESOURCES

On January 28, 2009, the Company completed a non-brokered private placement of 3,305,500 units at \$0.20 per unit for gross proceeds of \$661,100. Each unit consisted of a common share and a share purchase warrant entitling the holder to acquire an additional common share at \$0.30 for a period of 18 months from closing. Share issuance costs of \$3,668 were incurred.

In March 2008, the Company completed a private placement of 800,000 units at \$0.80 per unit for gross proceeds of \$640,000. Each unit consisted of a common share and a share purchase warrant entitling the holder to acquire an additional common share at a price of \$0.90 per share until September 12, 2009.

During the prior year, the Company issued 606,540 common shares on the exercise of share purchase warrants at \$1.25 per share for gross proceeds of \$758,175. Furthermore, the Company issued 45,000 common shares on the exercise of incentive stock options at \$0.85 per share for gross proceeds of \$38,250.

In September 2008, the Company's wholly-owned subsidiary, Columbus Silver Corp., completed its IPO in September 2008 by raising gross proceeds of \$1,802,250. After completion of the IPO, the Company maintains a 36% ownership position.

LIQUIDITY

The Company does not currently own or have an interest in any producing mineral properties and does not derive any revenues from operations. The Company's activities have been funded through equity financing and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flow from operations. The Company has been successful in its fund raising efforts in the past, but there can be no assurance that the Company will continue to be successful in the future. If such funds are not available or other sources of finance cannot be obtained, then the Company will be forced to curtail its activities to a level for which funding is available and can be obtained.

During the period, the Company's working capital position decreased to \$1,169,933, which included a cash balance of \$666,206 and a term deposit of \$200,000. At September 30, 2008, the Company had a working capital balance of \$2,270,363 which included a cash balance of \$586,001 and a liquid term deposit of \$1,617,970.

The Company experienced a cash outflow from operations of \$1,334,404 and invested \$906,992 in cash to acquire and explore its mineral properties. As at June 30, 2009, the Company had total assets of \$6,663,093, and the principal non-cash assets of the Company were its mineral exploration properties in Utah, Nevada, New Mexico and Arizona, with a carrying value of \$5,213,644 representing 78% of its total assets.

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

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OUTSTANDING SHARE DATA

Common Shares O/S at June 30, 2009	26,293,424
Stock Options	4,640,500
Share Purchase Warrants	4,105,500
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Fully Diluted Shares	35,039,424

Options

A summary of stock options outstanding at June 30, 2009 is as follows:

Number of Options	Exercise Price	Expiry Date
1,727,500	\$0.85	May 24, 2011
65,000	\$0.85	July 25, 2011
90,000	\$1.40	December 20, 2011
10,000	\$1.25	December 20, 2011
35,000	\$1.68	February 15, 2012
10,000	\$1.25	February 15, 2012
30,000	\$1.25	April 3, 2012
70,000	\$1.25	May 2, 2012
60,000	\$1.25	October 31, 2012
90,000	\$1.25	November 29, 2012
83,000	\$0.85	March 12, 2013
2,170,000	\$0.50	August 15, 2013
200,000	\$0.25	May 28, 2014

Warrants

A summary of warrants outstanding at June 30, 2009 is as follows:

Number of Warrants	Exercise Price	Expiry Date
800,000	\$0.40	September 12, 2009
3,305,500	\$0.30	July 28, 2010

OFF-BALANCE SHEET ARRANGEMENTS

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

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COMMITMENTS

The Company has the following commitments:

- a) Effective January 1, 2009, the Company entered into a management services agreement with Perennial Capital Corporation, a corporation controlled by the Company's CEO. Under the terms of the agreement, the Company agreed to pay a monthly fee of \$5,000. The agreement expires on December 31, 2009.

- b) In September 2007, as amended in October 2008, the Company, through its subsidiaries, entered into two new operations agreements with Cordex, a company that shares an officer in common with the subsidiaries, Columbus Gold (U.S.) and Columbus Silver (U.S.), to design, initiate and carry out mineral exploration and development activities on behalf of the Company with the objective of identifying, acquiring and exploring new mineral properties and operating exploration programs on the Company's existing portfolio of mineral properties.

The agreement with Columbus Gold (U.S.) expires on December 31, 2009, but it contains an option to extend, under certain conditions, for up to an additional four years. Columbus Gold (U.S.) provides Cordex with general operating capital, exclusive of third party contractor expenses, of up to US\$20,500 per month which includes a monthly management fee to Cordex of US\$7,500.

The agreement with Columbus Silver (U.S.) expires on December 31, 2009, but it contains an option to extend, under certain conditions, for up to an additional four years. Columbus Silver (U.S.) provides Cordex with general operating capital, exclusive of third party contractor expenses, of up to US\$20,500 per month which includes a monthly management fee to Cordex of US\$7,500.

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

- c) Effective February 1, 2009, the Company entered into a consulting agreement with HRG Management Ltd. Under the terms of the agreement, the Company agreed to pay a corporate administration fee of approximately \$12,268 that includes office rent, administration, accounting, corporate secretarial, chief financial officer and other related services. HRG is a management company jointly owned by the Company and certain other public companies, all of which share office space and staff on a cost recovery basis. Subsequent to the end of the period, both parties mutually agreed to terminate the agreement.

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SUBSEQUENT EVENTS

Subsequent to the end of the period, the Company:

- a) announced its participation in a non-brokered private placement of Columbus Silver wherein Columbus Silver will issue up to 13,000,000 units at \$0.10 per unit for gross proceeds of \$1,300,000. Each unit is comprised of a common share and one share purchase warrant which entitles the holder to acquire one additional common share at \$0.20 for two years. The Company organized the sale of 1,000,000 common shares of Columbus Silver in order to participate in the financing.
- b) terminated its consulting agreement with HRG Management and entered into a new office lease agreement with a monthly charge of \$2,834 and which expires on December 31, 2009.
- c) entered into an option agreement with White Cloud, LLC (“White Cloud”) regarding the Four Metals property. The agreement allows White Cloud to earn a 100% interest, subject to a 1.5% royalty, by paying US\$335,000 in staged payments over 5 years.

CRITICAL ACCOUNTING ESTIMATES

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

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

COLUMBUS GOLD CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2009

OUTLOOK

Commodity prices declined drastically in 2008 and consequently resource stocks, and in particular junior resource companies, have suffered in tandem. This has caused continued uncertainty in the capital markets both in North America and internationally. This uncertainty has had an adverse impact on the ability of junior resource exploration companies to finance their activities. As a result, the Company is assessing opportunities to acquire advanced stage development resource projects which might provide support for the Company's continuing exploration activities.

RISKS AND UNCERTAINTIES

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

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

Metal Price Risk

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

Financial Market Risk

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

Title Risk

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

Value Risk

There is no certainty that the properties which the Company has deferred as assets on its consolidated balance sheet will be realized at the amounts recorded. These amounts should not be taken to reflect realizable value.

COLUMBUS GOLD CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2009

Environmental Risk

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

Equipment and Service Availability

There is no certainty that the drilling equipment and crew services which the Company requires to complete its exploration programs will be available when needed. The Company primarily operates in Nevada, which is one of the busiest exploration areas in North America. Consequently, third party drill contractors are in high demand thus have limited availability.

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

CHANGES IN ACCOUNTING POLICIES

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

International Financial Reporting Standards (IFRS) changeover plan

The Accounting Standards Board of the CICA announced on February 13, 2008 that Canadian generally accepted accounting principles for publicly accountable enterprises will be replaced with International Financial Reporting Standards (IFRS) for fiscal years beginning on or after January 1, 2011.

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

COLUMBUS GOLD CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2009

FINANCIAL AND OTHER INSTRUMENTS

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

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

DISCLOSURE AND INTERNAL CONTROLS

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

OTHER INFORMATION

At the Company's Annual General Meeting held March 23, 2009, Peter Gianulis was appointed to the board of directors. On June 16, 2009, Mr. Judge resigned from the Board of Directors to focus on other business interests and Jacqueline Collins resigned as the Corporate Secretary. Joel Schuster has accepted the position of Corporate Secretary. Additional information about the Company is available on the Company's website at www.columbusgoldcorp.com or SEDAR at www.sedar.com.

COLUMBUS GOLD CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2009

CORPORATE INFORMATION

Head Office: Suite 910 – 475 Howe Street
Vancouver, BC
V6C 2B3

Directors: Robert Giustra
Gil Atzmon
Don Gustafson
Peter Gianulis

Officers: Robert Giustra, President and CEO
Sean McGrath, CFO
Joel Schuster, Vice President and Corporate Secretary

Auditor: PricewaterhouseCoopers
PricewaterhouseCoopers Place
7th Floor, 250 Howe Street
Vancouver, BC V6C 3S7

Legal Counsel: Lang Michener LLP
Suite 1500 - 1055 West Georgia Street
Vancouver, BC V6E 4N7

Transfer Agent: Computershare Investor Services
2nd Floor – 510 Burrard Street
Vancouver, BC V6C 3B9



**Suite 910 – 475 Howe Street
Vancouver, B.C.
V6C 2B3**

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**For the Nine Month Period Ended
June 30, 2009**

(Canadian Dollars)

Columbus Gold Corporation

(An Exploration Stage Company)

Interim Consolidated Balance Sheet
(Unaudited)

Statement 1

	June 30, 2009	September 30, 2008
ASSETS		
Current assets		
Cash and cash equivalents	\$ 666,206	\$ 586,001
Term deposits (note 4)	200,000	1,617,970
Marketable securities (note 3)	89,037	2
Prepays and receivables	338,444	183,347
	1,293,687	2,387,320
Advances to a related party for exploration (note 12)	41,697	287,896
Reclamation Bond (note 6)	114,065	103,997
Property and equipment, net (note 5)	-	699
Mineral properties (note 7)	5,213,644	4,323,431
	\$ 6,663,093	\$ 7,103,343
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 120,512	\$ 104,272
Due to related parties (note 12)	3,242	12,685
	123,754	116,957
Non-controlling interest	129,722	780,143
Shareholders' equity		
Share capital (note 8)	12,051,499	11,529,910
Contributed surplus (note 8)	2,824,766	2,343,196
Accumulated other comprehensive loss	(11,399)	-
Deficit	(8,455,249)	(7,666,863)
	6,409,617	6,206,243
	\$ 6,663,093	\$ 7,103,343

Nature of operations (note 1)

Commitments (note 10)

Approved by the Board of Directors:

"Robert Giustra"

Robert Giustra - Director

"Gil Atzmon"

Gil Atzmon - Director

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

Columbus Gold Corporation

(An Exploration Stage Company)

Interim Consolidated Statement of Loss and Deficit

(Unaudited)

Statement 2

	Three Month Period Ended June 30, 2009	Nine Month Period Ended June 30, 2009	Three Month Period Ended June 30, 2008	Nine Month Period Ended June 30, 2008
EXPENSES				
Administration	\$ 36,767	\$ 130,139	\$ 45,912	\$ 112,705
Amortization	-	699	735	2,205
Consulting fees	36,875	126,301	23,295	72,483
Corporate administration fees	24,371	98,986	47,498	94,218
Director fees	27,000	75,000	10,000	34,000
Foreign exchange gain	57,296	(83,376)	24,097	(124,921)
General exploration	154,427	505,303	124,438	318,545
Investor relations	20,564	62,743	29,276	154,114
Management fees	30,000	90,000	36,000	108,000
Professional fees	22,112	137,613	24,584	131,667
Stock-based compensation costs (note 8(b))	60,182	291,137	13,031	46,273
Transfer and filing fees (recovery)	14,184	45,877	22,305	57,685
Travel, advertising and promotion	11,707	32,184	13,873	55,507
Loss before other items	(495,486)	(1,512,607)	(415,044)	(1,062,481)
OTHER ITEMS				
Interest income	1,432	9,630	12,672	54,995
Gain on sale of marketable securities	-	-	76,140	76,140
Income from third party interest in mineral property	57,290	64,170	-	-
Non-controlling interest	183,593	650,421	3,992	(5,323)
Loss for the period	(253,171)	(788,386)	(322,240)	(936,669)
Deficit, beginning of period	(7,666,863)	(7,666,863)	(5,728,523)	(5,114,094)
Deficit, end of period	\$ (7,920,034)	\$ (8,455,249)	\$ (6,050,763)	\$ (6,050,763)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.03)	\$ (0.01)	\$ (0.04)
Weighted average common shares outstanding	26,277,765	24,830,679	22,896,123	22,279,339

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

Columbus Gold Corporation

(An Exploration Stage Company)

Statement 3

Interim Consolidated Statement of Comprehensive Loss and Accumulated Other Comprehensive Loss

(Unaudited)

	Three Month Period Ended June 30, 2009	Nine Month Period Ended June 30, 2009	Three Month Period Ended June 30, 2008	Nine Month Period Ended June 30, 2008
Loss for the period	\$ (253,171)	\$ (788,386)	\$ (322,240)	\$ (936,669)
Unrealized loss on securities available for sale	(11,399)	(11,399)	6,200	15,600
Comprehensive loss for the period	\$ (264,570)	\$ (799,785)	\$ (316,040)	\$ (921,069)
AOCL - Beginning of period	\$ -	\$ -	\$ (6,200)	\$ (15,600)
Other comprehensive loss	(11,399)	(11,399)	6,200	15,600
AOCL - End of period	\$ (11,399)	\$ (11,399)	\$ -	\$ -

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

Columbus Gold Corporation

(An Exploration Stage Company)

Statement 4

Interim Consolidated Statement of Cash Flows
(Canadian Funds)

	Three Month Period Ended June 30, 2009	Nine Month Period Ended June 30, 2009	Three Month Period Ended June 30, 2008	Nine Month Period Ended June 30, 2008
CASH PROVIDED BY (USED IN)				
OPERATING ACTIVITIES				
Loss for the period	\$ (253,171)	\$ (788,386)	\$ (322,240)	\$ (936,669)
Items not affecting cash:				
Amortization	-	699	735	2,205
Stock-based compensation costs	60,182	291,137	13,031	46,273
Loss on sale of marketable securities	-	-	(3,992)	5,323
Non-controlling interest	(183,593)	(650,421)	-	-
Foreign exchange gain on bond reclamation	9,586	(10,068)	1,608	875
Changes in non-cash working capital items:				
Increase (decrease) in prepaids and receivables	(240,090)	(184,162)	20,694	34,793
Increase (decrease) in accounts payable	48,338	16,240	(469)	(12,933)
Increase (decrease) in amounts due to related parties	(8,157)	(9,443)	-	18,400
	(566,905)	(1,334,404)	(290,633)	(841,733)
FINANCING ACTIVITIES				
Deferred share issuance costs	-	-	(49,518)	(62,100)
Proceeds from private placement	-	661,100	-	640,000
Share issuance costs	-	(3,668)	-	-
Share purchase warrants exercised	-	-	-	758,175
Stock options exercised	-	-	-	38,250
	-	657,432	(49,518)	1,374,325
INVESTING ACTIVITIES				
Advances to a related party for exploration	310,925	246,199	(426)	(93,808)
Proceeds from sale of marketable securities	-	-	22,392	47,878
Redemption of term deposit	869,719	1,417,970	291,383	658,260
Purchase of reclamation bond	-	-	(69,533)	(69,533)
Joint venture option proceeds received	-	-	69,784	69,784
Mineral property expenditures	(278,991)	(906,992)	(503,424)	(1,079,486)
	901,654	757,178	(189,824)	(466,905)
Change in cash during the period	334,748	80,205	(529,975)	65,687
Cash - Beginning of period	331,458	586,001	836,977	241,315
Cash - End of period	\$ 666,206	\$ 666,206	\$ 307,002	\$ 307,002

Supplemental Cash Flow Information - Note 9

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

Columbus Gold Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2009

1. Nature of Operations

Columbus Gold Corporation (the “Company”) 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. On May 23, 2006, the Company completed its initial public offering (“IPO”) and is currently listed on the TSX Venture Exchange (the “TSX” or “Exchange”) classified as a Tier 2 mining issuer.

Its principal business activities are the exploration and development of mineral properties. All of the Company’s mineral properties are currently located in the United States. The Company is in the process of exploring and developing its mineral properties, but has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. To date, the Company has not received any revenue from mining operations and is considered to be in the exploration stage.

2. Significant Accounting Policies

(a) Basis of presentation

These consolidated financial statements are presented in accordance with generally accepted accounting principles (“GAAP”) applicable in Canada. These consolidated financial statements include the accounts of Columbus Gold Corporation and its subsidiaries Columbus Gold (U.S.) Corporation (“Columbus Gold (U.S.)”), Columbus Silver Corporation (“Columbus Silver”) and Columbus Silver (U.S.) Corporation (“Columbus Silver (U.S.)”). All inter-company transactions and balances have been eliminated upon consolidation.

(b) Cash and cash equivalents

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

(c) Use of estimates

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

Columbus Gold Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2009

2. Significant Accounting Policies (continued)

(d) Foreign currency translation

The Company's functional and reporting currency is the Canadian dollar and the Company uses the temporal method of foreign currency translation for translating the operations of its US subsidiaries. Transactions are translated into Canadian dollars as follows:

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

(e) Future income taxes

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

(f) Property, Plant and Equipment

Property and equipment are valued at cost less accumulated amortization. The Company provides for amortization for all property and equipment classes using the declining balance method at rates between 30% and 45% and applies only one-half of the applicable rate in the year of acquisition.

(g) Mineral properties

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

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

Columbus Gold Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2009

2. Significant Accounting Policies (continued)

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

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

(h) Loss per share

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

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

(i) Asset retirement obligations

The Company recognizes the fair value of liabilities for asset retirement obligations in the period in which a reasonable estimate of such costs can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expenses using a systematic and rational method and is also adjusted to reflect period-to-period changes in the liability resulting from passage of time and revisions to either timing or the amount of the original estimate of the undiscounted cash flow. As at June 30, 2009, the Company did not have any asset retirement obligations.

Columbus Gold Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2009

2. Significant Accounting Policies (continued)

(j) Stock-based compensation

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

(k) Financial Instruments, Comprehensive Income, and Hedges

(i) Financial Instruments

Under Section 3855, financial assets and liabilities, including derivative instruments, are initially recognized and subsequently measured based on their classification as held-for-trading, available for sale financial assets, held to maturity, loans and receivables, or other financial liabilities as follows:

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

Upon adoption of this new standard, the Company designated its cash and cash equivalents as held-for-trading, which is measured at fair value. Term deposits have been designated as available for sale, which is measured at fair value. Receivables have been designated as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities, promissory notes and due to related parties are classified as other financial liabilities, which are measured at amortized cost.

Columbus Gold Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2009

2. Significant Accounting Policies (continued)

(k) Financial Instruments, Comprehensive Income, and Hedges (continued)

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of all financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

Under Sections 3862 and 3863, the Company is required to provide disclosure of quantitative and qualitative information in its financial statements that enable users to evaluate (a) the significance of financial instruments for the Company's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the Company is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks.

(ii) Comprehensive Income

Section 1530 introduces the concept of comprehensive income, which is calculated by including other comprehensive income with net income. Other comprehensive income represents changes in shareholders' equity arising from transactions and other events with non-owner sources such as unrealized gains and losses on financial assets classified as available-for sale.

(iii) Hedges

Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed, as well as the disclosure requirements. Hedge accounting enables the recording of gains, losses, revenues and expenses from derivative financial instruments in the same period as for those related to the hedged item. The Company is not currently engaged in hedging activities.

(l) Capital disclosures

Effective October 1, 2007, Handbook Section 1535 "Capital Disclosures" specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance;

Columbus Gold Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2009

2. Significant Accounting Policies (continued)

(m) Recent Canadian Accounting Pronouncements

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

(i) International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011 and will be applicable to the Company commencing with its fiscal year beginning October 1, 2011. The transition date of October 1, 2010 for the Company will require the restatement for comparative purposes of amounts reported by the Company for the year ended September 30, 2010.

While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time

3. Marketable Securities

	Number of Shares	June 30, 2009	Number of Shares	September 30, 2008
Portage Minerals Inc. (Private)	200,000	\$ 1	100,000	\$ 1
EMC Metals Corp. (TSX-V)	51,859	5,445	-	-
Piedmont Mining Corp. (OTCBB)	500,000	18,250	-	-
Platte River Gold Inc. (Private)	25,000	59,700	-	-
Golden Predator Royalty and Development Corp.(TSX-V)	12,965	5,640	-	-
Sniper Resources Ltd. (Private)	100,000	1	100,000	1
		\$89,037		\$ 2

During the period the Company received 100,000 common shares (2008 – 100,000 shares) of Portage Minerals in connection with the Golden Mile property.

Columbus Gold Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2009

3. Marketable Securities (continued)

The Company received 51,859 common shares of EMC Metals Corp., 12,965 common shares of Golden Predator Royalty and Development Corp. and 25,000 common shares of Platte River Gold Inc. in connection with the Chert Cliff property. The Company also received 500,000 common shares of Piedmont Mining Corp. as a partial debt settlement (Note 7).

4. Term Deposits

	June 30, 2009	September 30, 2008
Short-term Investment Certificate	-	\$1,000,000
Maturity date	-	Sept 16, 2009
Interest rate per annum	-	Prime less 2%
Short-term Investment Certificate	-	\$317,970
Maturity date	-	June 1, 2009
Interest rate per annum	-	1.60%
Short-term Investment Certificate	-	\$300,000
Maturity date	-	May 27, 2009
Interest rate per annum	-	Prime less 2.25%
Short-term Investment Certificate	\$400,000	-
Maturity date	February 19, 2010	-
Interest rate per annum	0.75%	-

The short-term guaranteed investment certificates were issued through the Bank of Montreal and are redeemable at any time, but if redeemed within the first 30 days of issue then interest will not be paid.

Accrued interest of \$538 has been included in receivables at June 30, 2009.

5. Property, Plant and Equipment, net

	Cost	Accumulated Amortization	June 30, 2009 Net Book Value
Computer Equipment	\$ 5,504	\$ 5,504	\$ -
	Cost	Accumulated Amortization	September 30, 2008 Net Book Value
Computer Equipment	\$ 5,504	\$ 4,805	\$ 699

Columbus Gold Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2009

6. Reclamation Bond

The drilling permit for the following properties call for refundable reclamation bonds on the exploration site. The bonds are held by the USA Forest Service.

Property	June 30, 2009	September 30, 2008
Bolo	\$ 35,224	\$ 34,481
Awakening	12,230	11,150
Silver Dome	66,611	58,366
Total	\$ 114,065	\$ 103,997

7. Mineral Properties

	September 30, 2008	Acquisition Cost	Deferred Exploration	Write-down/ Amortization	June 30, 2009
Utah Clipper – NV	\$ 688,909	\$ -	\$ 1,101	\$ -	\$ 690,010
Awakening – NV	580,159	-	22,377	-	602,536
Dutch Flat – NV	117,653	-	-	-	117,653
Chert Cliff – NV	18,346	-	(18,346)	-	-
Silver Dome – UT	376,250	-	248,636	-	624,886
Silver District – AZ	411,508	37,359	7,634	-	456,501
Crestview – NV	210,385	-	-	-	210,385
Laura – NV	-	-	4,866	-	4,866
Guild – NV	46,458	-	-	-	46,458
Overland Pass – NV	28,848	-	-	-	28,848
Linka – NV	55,307	-	-	-	55,307
Pete’s Summit – NV	41,975	-	-	-	41,975
Bolo – NV	1,181,337	1,262	117,692	-	1,300,291
Scraper – NV	111,077	-	-	-	111,077
Eastside – NV	-	6,128	72,942	-	79,070
Weepah – NV	-	2,427	296	-	2,723
Hoyt Canyon – NV	-	9,692	15,022	-	24,714
General Thomas – NV	-	8,955	1,411	-	10,366
Del Oro – NV	17,356	-	(17,356)	-	-
White Canyon – NV	11,290	-	(5,412)	-	5,878
Clanton Hills – AZ	48,455	-	19	-	48,474
Keg – UT	75,058	-	6,596	-	81,654
Summit – NV	179,942	-	(58,360)	-	121,582
Ferguson Flats – NV	83,174	4,531	12,891	-	100,596
Mogollon – NM	39,944	188,890	213,870	-	442,704
Barton Canyon – NV	-	1,409	320	-	1,729
Westside – NV	-	2,757	604	-	3,361
Total Properties	\$ 4,323,431	\$ 263,410	\$ 626,803	\$ -	\$ 5,213,644

Property Locations: NV – Nevada AZ – Arizona UT – Utah NM – New Mexico

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7. Mineral Properties (continued)

A summary of the prior year's deferred exploration costs is as follows:

	September 30, 2007	Acquisition Cost	Deferred Exploration	Write-down/ Amortization	September 30, 2008
Utah Clipper – NV	\$ 719,418	\$ -	\$ (30,509)	\$ -	\$ 688,909
Golden Mile – NV	837,217	-	615	(837,832)	-
Awakening – NV	-	87,159	493,000	-	580,159
Dutch Flat – NV	117,653	-	-	-	117,653
Chert Cliff – NV	23,396	-	(5,050)	-	18,346
Silver Dome – UT	231,355	193	144,702	-	376,250
Silver District – AZ	299,698	38,729	73,081	-	411,508
Crestview – NV	206,924	-	3,461	-	210,385
Laura – NV	174,310	-	7,980	(182,290)	-
Guild – NV	70,983	-	(24,525)	-	46,458
Overland Pass – NV	28,848	-	-	-	28,848
Linka – NV	67,570	-	(12,263)	-	55,307
Pete's Summit – NV	54,237	-	(12,262)	-	41,975
Bolo – NV	350,846	18,915	811,576	-	1,181,337
Burnt Well – AZ	132,661	-	25,028	(157,689)	-
Scraper – NV	159,231	-	(48,154)	-	111,077
Del Oro – NV	68,635	-	(51,279)	-	17,356
Spring – NV	73,763	-	3,225	(76,988)	-
Winnemucca Mountain – NV	34,964	-	3,857	(38,821)	-
Mill Canyon – NV	21,907	-	284	(22,192)	-
White Canyon – NV	16,024	-	(4,734)	-	11,290
Clanton Hills – AZ	38,766	-	9,689	-	48,455
Keg – UT	46,764	-	28,294	-	75,058
Summit – NV	187,095	18,248	(25,401)	-	179,942
Red Hills – NV	72,490	-	14,779	(87,269)	-
Stage – NV	9,929	-	3,975	(13,904)	-
White Horse Flats – NV	60,064	-	16,080	(76,144)	-
White Horse Flats North - NV	-	19,970	65,803	(85,773)	-
Ferguson Flats – NV	-	24,236	58,938	-	83,174
Mogollon - NM	-	13,655	26,289	-	39,944
Grulla – NV	16,048	1,933	123,953	(141,934)	-
Total Properties	\$ 4,120,796	\$ 223,038	\$ 1,700,433	\$ (1,720,836)	\$ 4,323,431

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7. Mineral Properties (continued)

A breakdown of the exploration expenditures by type incurred during the periods is as follows:

	<u>Amount</u>
Balance – September 30, 2007	<u>\$4,120,796</u>
Acquisition	223,037
Administration	161,318
Advance royalties	21,772
Assays	96,834
Claim renewals	232,743
Drilling	287,747
Geologists and staff	560,373
Geophysics	59,902
Site preparation and reclamation	17,702
Travel	152,788
Trenching	264,075
Less: Option payments	(154,820)
Less: Property impairment	(1,720,836)
	<u>202,635</u>
Balance – September 30, 2008	<u>\$4,323,431</u>
Acquisition	263,410
Administration	107,133
Assays	56,979
Claim renewals	78,506
Drilling	113,958
Geologists and staff	256,892
Geophysics	9,571
Site preparation and reclamation	2,976
Travel	67,110
Trenching	33,152
Less: Option payments	(99,474)
	<u>890,213</u>
Balance – June 30, 2009	<u>\$5,213,644</u>

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For the Nine Month Period Ended June 30, 2009

7. Mineral Properties (continued)

Utah Clipper / Crestview Properties

In December 2007, the Company entered into an agreement (the "Barrick Agreement") with Barrick Gold Exploration Inc. ("Barrick"), a subsidiary of Barrick Gold Corporation, to explore and develop the Utah Clipper and Crestview properties. Under the terms of the Barrick Agreement, Barrick can earn a 60% interest in the two properties by undertaking staged work expenditures totaling US\$6 million over a six year period. Upon completing US\$6 million in aggregate work expenditures, Barrick will have earned a 60% interest in the properties and at this time it may elect to earn an additional 10% interest in the properties (for a total interest of 70%) by completing additional work expenditures of US\$2.5 million by the 7th anniversary of the Barrick Agreement. Barrick can also elect to earn an additional 5% (total 75%) in the properties by carrying the Company to a production decision and arranging financing for the Company's prorated share of mine construction costs.

Golden Mile Property

On October 21, 2007, the Company entered into an option agreement with Portage Minerals Inc. ("Portage") wherein Portage can earn an initial 60% interest in the Golden Mile property by incurring \$2.5 million in exploration expenditures and issuing to the Company 500,000 common shares (200,000 shares received) of Portage by December 31, 2012. Portage can increase its interest to 70% by completing a positive feasibility study.

During the prior year, the Company recorded an impairment on this property due to uncertainty surrounding the earn-in agreement with Portage and the low priority focus it holds internally.

Awakening Property

The Company entered into a ten year lease agreement with an effective date of June 2, 2008, whereby the Company leased unpatented mining claims (the "Bald Mountain Claims") in Nevada. The Bald Mountain Claims are subject to a NSR of 3% and advance royalty payments as follows:

Date	Amount (US)	Number of Shares
On Execution of the Agreement	\$ 10,000	25,000 (paid and issued)
By the June 2, 2009	5,000	25,000 (paid and issued)
By the June 2, 2010	30,000	-
By the June 2, 2011	40,000	-
By the June 2, 2012 *	\$ 50,000	-

* And each subsequent anniversary

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For the Nine Month Period Ended June 30, 2009

7. Mineral Properties (continued)

Dutch Flat Property

On July 2, 2006, the Company entered into an earn-in agreement with Piedmont Mining Company, Inc. ("Piedmont") which will allow Piedmont to earn a 51% interest in the Dutch Flat property by paying US\$35,000 (paid) upon signing of the agreement and by incurring exploration expenditures of US\$2,000,000 over 5 years (approximately USD\$530,000 incurred to date). Piedmont can increase its ownership interest to 70% by funding the completion of a positive feasibility study.

At June 30, 2009, the Company is owed US\$150,344, plus accrued interest of US\$47,190 being charged at 1.5% per month, for exploration expenditures incurred on behalf of Piedmont in 2007. During the period the Company accepted 500,000 common shares at an agreed value of \$0.05 per share in partial settlement of the outstanding balance.

Chert Cliff Property

On April 11, 2006 and amended on October 5, 2007, the Company entered into a lease agreement (the "Platte River Lease") with Platte River Gold (US) Inc. ("Platte River") whereby the Company has leased the Chert Cliff Property to Platte River for a term of 20 years. The Platte River Lease is renewable for additional and successive terms of 10 years provided Platte River is engaged in active exploration and development and the lease payments are doubled. The initial term of annual lease payments progressively increase from US\$5,000 (paid) on signing of the Platte River Lease to US\$8,500 (1st and 2nd anniversaries are paid) due on the 20th anniversary of signing. Additional consideration to the Company is the issuance of US\$100,000 in common shares of Platte River Gold Inc., parent corporation of Platte River, within 36 months of the effective date of the Platte River Lease. During the period, the Company received 25,000 common shares of Platte River Gold Inc., 51,859 common shares of EMC Metals Corp. and 12,965 common shares of Golden Predator Royalty and Development Corp. in settlement of this provision.

Platte River is required to incur minimum exploration expenditures of US\$100,000 by October 11, 2008 (incurred) and an additional US\$200,000 by April 11, 2009. Further, the Company will maintain NSR royalties on the Chert Cliff Property that vary between 2% - 3% depending on the claim.

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7. Mineral Properties (continued)

Four Metals Property

On April 13, 2006 and May 16, 2006, the Company entered into two option agreements with Canada Lithium Corp. (“Canada Lithium” and formerly Black Pearl Minerals) which allowed Canada Lithium to earn the Company’s interest in the Four Metals Property. During the period, Consolidated Lithium cancelled both agreements. Subsequent to period end, the Company entered into two new agreements with White Cloud Resources LLC (“White Cloud”) wherein White Cloud can earn a 100% interest in the property.

Del Oro

On July 18, 2007, the Company entered into an agreement with Ventura Gold Corp. (“Ventura”), which allows Ventura to earn an option to acquire an initial 51% interest in the Del Oro Property by paying US\$50,000 (paid via issuance of 125,418 common shares of Ventura) to Columbus Gold and by incurring US\$2 million in exploration expenditures within a five year period.

Upon completing US\$2 million in aggregate work expenditures, Ventura will have earned a 51% interest in the Property at which time it may elect to earn an additional 19% interest (for a total interest of 70%) by completing a positive feasibility study recommending production from the Property.

Overland Pass / Linka / Pete’s Summit / Guild Properties

The Company entered into joint venture option agreements on October 3, 2006 with Sniper Resources Ltd. (“Sniper”) on the Guild, Overland Pass, Linka and Pete’s Summit properties in Nevada. The agreements were amended subsequent to year-end. Consideration for the agreements is as follows:

Guild

Sniper can earn a 51% interest by paying the Company US\$17,500 (paid) in cash, US\$32,500 (paid) in cash by April 30, 2007, issuing 83,500 common shares of Sniper (received) and by incurring US\$2,000,000 in exploration expenditures by October 3, 2012, including US\$200,000 of mandatory expenditures by October 3, 2009.

Overland Pass

Sniper can earn a 51% interest by paying the Company US\$12,500 (paid) in cash, US\$37,500 (paid) in cash by April 30, 2007, issuing 33,500 common shares of Sniper (issued) and by incurring US\$2,000,000 in exploration expenditures by October 3, 2012.

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For the Nine Month Period Ended June 30, 2009

7. Mineral Properties (continued)

Linka and Pete's Summit

Sniper had the option to earn a 51% interest in both the Linka and Pete's Summit properties by paying the Company US\$17,500 (paid) in cash, US\$32,500 (paid) in cash by April 30, 2007, issuing 83,500 common shares of Sniper (issued) and by incurring US\$2,000,000 in exploration expenditures by October 3, 2012, including US\$200,000 of mandatory expenditures by October 3, 2009. During the period, Sniper terminated the option agreement.

Summit Property

Effective June 1, 2007, the Company entered into an agreement with Agnico which will allow Agnico to earn a 51% interest in the Summit Property by incurring exploration expenditures of US\$3 million over 5 years, with minimum expenditures of US\$500,000 in the first two years. Agnico will make cash payments totaling US\$150,000 over 3 years (US\$100,000 paid). Agnico can increase its ownership interest to 70% by completing a feasibility study. Agnico will be the operator during the earn-in phase of the agreement and upon formalization of a joint venture.

Impairment of Mineral Properties

Valuation of exploration stage mineral properties has always been a difficult process due to the fact that normal valuation techniques cannot be applied. Management believes that this problem has been further compounded in the current business environment due to the inability of companies to raise additional capital to allow for acquisitions.

No impairment was recognized during the nine months ended June 30, 2009.

As at September 30, 2008, management reviewed the carrying values of its mineral property interests. Indication of impairment was identified on several properties due to the fact that the Company had no plan to conduct further exploration activities at these properties. Impairment charges totaling \$1,720,836 were recorded to write down each of these properties to their estimated recoverable amounts at September 30, 2008.

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8. Share Capital

(a) Common Shares

Authorized - Unlimited common shares without par value.

	Number of Shares	Amount	Contributed Surplus
Balance, as at September 30, 2007	21,410,347	\$ 10,058,998	\$ 1,951,257
Exercise of warrants at \$1.25 per share	606,540	758,175	-
Exercise of stock options at \$0.85 per share	45,000	38,250	-
Fair value of options and warrants exercised	-	115,279	(115,279)
Private placement at \$0.80 per unit ¹	800,000	491,514	148,486
Stock-based compensation costs	-	-	358,732
Property acquisitions	101,037	67,694	-
Balance, as at September 30, 2008	22,962,924	\$ 11,529,910	\$ 2,343,196
Private placement at \$0.20 per unit ²	3,305,500	516,839	140,593
Property acquisitions	25,000	4,750	-
Stock-based compensation costs	-	-	340,977
Balance, as at June 30, 2009	26,293,424	\$ 12,051,499	\$ 2,824,766

¹ On March 12, 2008, the Company completed a private placement of 800,000 units at \$0.80 per unit for gross proceeds of \$640,000. Each unit consisted of a common share and a share purchase warrant entitling the holder to acquire an additional common share at a price of \$0.90 per share until September 12, 2009. The warrant was re-priced to \$0.40 during the period.

² On January 28, 2009, the Company completed a non-brokered private placement of 3,305,500 units at \$0.20 per unit for gross proceeds of \$661,100. Each unit consisted of a common share and a share purchase warrant entitling the holder to acquire an additional common share at \$0.30 for a period of 18 months from closing. Share issuance costs of \$3,668 were incurred.

Escrow Shares

Pursuant to an escrow agreement dated as of June 21, 2005 between the Company, Computershare Investor Services (the "Escrow Agent") and certain principals of the Company, the principals agreed to deposit in escrow their common shares totaling 4,497,634 shares with the Escrow Agent. The escrow agreement provided that 10% of the escrow shares would be released upon final receipt of the Company's IPO prospectus (May 23, 2006), and 15% will be released every 6 months thereafter over a period of 36 months. As at June 30, 2009, all of the escrow shares had been released.

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Notes to the Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2009

8. Share Capital (continued)

(b) Stock Options

The Company has established a share purchase option plan whereby the Board of Directors, may from time to time, grant options to directors, officers, employees or consultants to a maximum of 20% of the issued and outstanding share capital amount. Options granted must vest over 18 months and be exercised no later than five years from date of grant or such lesser period as determined by the Company's Board of Directors. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant date.

A summary of stock options outstanding as at June 30, 2009 is set out below:

Number of Options	Exercise Price	Expiry Date
1,727,500	\$0.85	May 24, 2011
65,000	\$0.85	July 25, 2011
90,000	\$1.40	December 20, 2011
10,000	\$1.25	December 20, 2011
35,000	\$1.68	February 15, 2012
10,000	\$1.25	February 15, 2012
30,000	\$1.25	April 3, 2012
70,000	\$1.50	May 2, 2012
60,000	\$1.25	October 31, 2012
90,000	\$1.25	November 29, 2012
83,000	\$0.85	March 12, 2013
2,170,000	\$0.50	August 15, 2013
200,000	\$0.25	May 28, 2014

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

	Options Outstanding	Weighted Average Exercise Price	Weighted Average Time To Expiry
Balance – September 30, 2008	4,538,000	\$0.72	3.88 yrs
Granted during the period	200,000	0.25	5.00
Exercised during the period	-	-	-
Cancelled during the period	(87,500)	-	-
Balance – June 30, 2009	4,640,500	\$0.70	3.19 yrs

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For the Nine Month Period Ended June 30, 2009

8. Share Capital (continued)

(b) Stock Options (continued)

On May 28, 2009, the Company issued a total of 200,000 incentive stock options to a Director at an exercise price of \$0.25 per share and a term of 5 years. The options were assigned a fair value of \$21,653 on the date of grant. The options vest over a period of eighteen months and as at June 30, 2009, a total of \$8,723 had been recorded as stock-based compensation.

On August 15, 2008, the Company issued a total of 2,257,500 incentive stock options to employees and non-employees at an exercise price of \$0.50 per share and a term of 5 years. These options were assigned a fair value of \$306,171 on the date of grant. The options vest over a period of eighteen months and as at June 30, 2009, a total of \$270,026 had been recorded as stock-based compensation.

On March 12, 2008, the Company issued a total of 83,000 incentive stock options to consultants at an exercise price of \$0.85 per share and a term of 5 years. These options were assigned a fair value of \$39,364 on the date of grant. The options were fully vested as of the date of grant and so \$39,364 was charged to mineral property.

On November 29, 2007 and October 31, 2007, the Company issued a total of 90,000 and 60,000 incentive stock options to consultants at an exercise price of \$1.25 per share and a term of 5 years. These options were assigned a fair value of \$68,541 and \$43,218 on their respective grant dates. The options were fully vested as of the date of grant and so \$111,759 was charged to mineral property.

During the year ended September 30, 2008, a total of 131,250 stock options previously granted in December 2006, February 2007, April 2007 and May 2007 were re-priced to \$1.25 per share. The re-pricing of these options resulted in additional stock-based compensation costs of \$11,266 which will be recorded over the remaining vesting periods of the options.

The estimated fair value of the stock options was determined using a Black-Scholes option pricing model with the following assumptions:

Expected dividend yield	Nil
Expected price volatility	75%
Risk free interest rate	2.70% - 4.50%
Expected life of options	5 years

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

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8. Share Capital (continued)

(c) Warrants

A summary of share purchase warrants outstanding as at June 30, 2009 is set out below:

Number of Warrants	Exercise Price	Expiry Date
800,000	\$0.40 *	September 12, 2009
3,305,500	\$0.30	July 28, 2010

*800,000 warrants were re-priced from \$0.90 to \$0.40 per share

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

	Warrants Outstanding	Weighted Average Exercise Price	Weighted Average Time To Expiry
Balance – September 30, 2008	800,000	\$0.40	0.95 yrs
Issued during the period	3,305,500	\$0.30	1.50
Exercised during the period	-	-	-
Expired during the period	-	-	-
Balance – June 30, 2009	4,105,500	\$0.32	0.91 yrs

9. Supplemental Cash Flow Information

	2009	2008
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

The only significant non-cash investing or financing activities during the period were the Company capitalizing \$49,840 (2008 - \$189,140) of stock-based compensation costs into mineral properties for stock options granted to consultants of Cordex, the issuance of nil (2008 - 101,037) common shares to acquire mineral properties and the receipt of marketable securities valued at \$71,369 (2008 - \$84,076) as option payments that were credited against the mineral property balances of the specific properties.

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Notes to the Consolidated Financial Statements

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10. Commitments

The Company has the following commitments:

- a) Effective January 1, 2009, the Company entered into a management services agreement with Perennial Capital Corporation, a corporation controlled by the Company's CEO. Under the terms of the agreement, the Company agreed to pay a monthly fee of \$5,000. The agreement expires on December 31, 2009.
- b) In September 2007, as amended in October 2008, the Company, through its subsidiaries, entered into two new operations agreements with Cordex, a company that shares an officer in common with the subsidiaries, Columbus Gold (U.S.) and Columbus Silver (U.S.), to design, initiate and carry out mineral exploration and development activities on behalf of the Company with the objective of identifying, acquiring and exploring new mineral properties and operating exploration programs on the Company's existing portfolio of mineral properties.

The agreement with Columbus Gold (U.S.) expires on December 31, 2009, but it contains an option to extend, under certain conditions, for up to an additional four years. Columbus Gold (U.S.) provides Cordex with general operating capital, exclusive of third party contractor expenses, of up to US\$20,500 per month which includes a monthly management fee to Cordex of US\$7,500.

The agreement with Columbus Silver (U.S.) expires on December 31, 2009, but it contains an option to extend, under certain conditions, for up to an additional four years. Columbus Silver (U.S.) provides Cordex with general operating capital, exclusive of third party contractor expenses, of up to US\$20,500 per month which includes a monthly management fee to Cordex of US\$7,500.

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

- c) Effective February 1, 2009, the Company entered into a consulting agreement with HRG Management Ltd. Under the terms of the agreement, the Company agreed to pay a corporate administration fee of approximately \$12,268 that includes office rent, administration, accounting, corporate secretarial, chief financial officer and other related services. HRG is a management company jointly owned by the Company and certain other public companies, all of which share office space and staff on a cost recovery basis. The agreement expires on January 31, 2010. Subsequent to the end of the period, both parties mutually agreed to terminate the agreement.

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For the Nine Month Period Ended June 30, 2009

11. Segmented Information

	June 30, 2009	September 30, 2008
Current Assets		
Canada	\$1,293,526	\$2,387,320
USA	161	-
Total	<u>\$1,293,687</u>	<u>\$2,387,320</u>
Capital Assets		
Canada	\$ -	\$ 699
USA	5,213,644	4,323,431
Total	<u>\$5,213,644</u>	<u>\$4,324,130</u>
Total Assets		
Canada	\$ 911,923	\$ 2,388,019
USA	5,751,170	4,715,324
Total	<u>\$6,663,093</u>	<u>\$7,103,343</u>
Net Loss		
Canada	\$ 373,210	\$ 363,331
USA	415,176	2,189,438
Total	<u>\$ 788,386</u>	<u>\$2,552,769</u>

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12. Related Party Transactions

The following related party transactions occurred during the period ended June 30, 2009:

	Corp Admin Fees	Consulting fees	Management fees	Director fees
Don Gustafson (Director)	-	-	-	18,000
Hamilton Capital Partners Ltd. ⁽¹⁾ (Company with former director in common)	-	29,000	-	18,000
Perennial Capital Corp. ⁽²⁾ (Company with an officer in common)	-	-	90,000	18,000
Gil Atzmon (Director)	-	-	-	18,000
Cordilleran Exploration Co. (“Cordex”) ⁽³⁾ (Company with an officer in common)	-	163,094	-	-
HRG Management Ltd. ⁽⁴⁾ (Company with 2 directors in common)	229,993	-	-	-
Balance, June 30, 2009	\$ 229,993	\$ 192,094	\$ 90,000	\$ 72,000

1. Ken Judge is a director of Hamilton Capital Partners Ltd.
2. Robert Giustra is the president of Perennial Capital Corp.
3. Consulting fees paid to Cordilleran Exploration Co. are capitalized into mineral properties.
4. Robert Giustra and Ken Judge are both directors of HRG Management Ltd.

The following related party transactions occurred during the period ended June 30, 2008:

	Corp Admin fees	Consulting fees	Management fees	Director fees
John Prochnau (Director)	\$ -	\$ 16,858	\$ -	\$ 9,000
Hamilton Capital Partners Ltd. (Company with a director in common)	-	36,000	-	9,000
Perennial Capital Corp. (Company with an officer in common)	-	-	117,000	9,000
Gil Atzmon (Director)	-	-	-	9,000
Cordilleran Exploration Co. (“Cordex”) ⁽³⁾ (Company with an officer in common)	-	135,000	-	-
HRG Management Ltd. (Company with 2 directors in common)	125,473	19,271	-	-
Balance, June 30, 2008	\$ 125,473	\$ 207,129	\$ 117,000	\$ 36,000

At June 30, 2009, a total of \$41,697 (September 30, 2008 - \$287,896) remained on deposit with Cordex, a company with an officer in common with Columbus Gold (U.S.) Corp. and Columbus Silver (U.S.) Corp., for planned future exploration expenditures on the Company’s mineral properties. This figure includes the receivable of \$ from Piedmont for exploration expenditures paid on their behalf.

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Notes to the Consolidated Financial Statements

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12. Related Party Transactions (continued)

At June 30, 2009, a total of \$3,242 (September 30, 2008 - \$1,969) was owing to directors of the Company for reimbursement of expenses.

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

13. Capital Management

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

In the management of capital, the Company includes the components of shareholders' equity.

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

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

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

The Company expects its current capital resources will be sufficient to carry its exploration and development plans and operations through its current operating period.

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Notes to the Consolidated Financial Statements

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14. Management of 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 are summarized below.

Foreign Currency Risk

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

Interest rate and credit risk

The Company has significant cash balances but no interest-bearing debt. The Company has no significant concentrations of credit risk arising from operations. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

The Company has accounts and other receivable consisting of goods and services tax due from the Federal Government of Canada, interest receivable, and amounts due to/from related parties. Management believes that the credit risk concentration with respect to receivables is remote.

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at June 30, 2009, the Company had a cash balance of \$666,206 (September 30, 2008 - \$586,001) to settle current liabilities of \$123,754 (September 30, 2008 - \$116,957).

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 and silver. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

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For the Nine Month Period Ended June 30, 2009

14. Management of Financial Risk (continued)

Sensitivity analysis

As of June 30, 2009, the carrying amount of accounts receivable and payable equals fair market value.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a three month period:

- Cash and cash equivalents include deposits which are at variable interest rates. Sensitivity to a plus or minus 1% change in rates would affect net loss by \$6,662.
- The Company holds balances in foreign currencies which give rise to exposure to foreign exchange risk. However, the balances are minimal and therefore the exposure to foreign exchange risk is very low.
- Price risk is remote since the Company is currently not a producing entity.

15. Subsequent Events

Subsequent to the end of the period, the Company:

- a) announced its participation in a non-brokered private placement of Columbus Silver wherein Columbus Silver will issue up to 13,000,000 units at \$0.10 per unit for gross proceeds of \$1,300,000. Each unit is comprised of a common share and one share purchase warrant which entitles the holder to acquire one additional common share at \$0.20 for two years. The Company organized the sale of 1,000,000 common shares of Columbus Silver in order to participate in the financing.
- b) terminated its consulting agreement with HRG Management and entered into a new office lease agreement with a monthly charge of \$2,834 and which expires on December 31, 2009.
- c) entered into an option agreement with White Cloud, LLC ("White Cloud") regarding the Four Metals property. The agreement allows White Cloud to earn a 100% interest, subject to a 1.5% royalty, by paying US\$335,000 in staged payments over 5 years.