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MANAGEMENT DISCUSSION AND ANALYSIS

**For The Nine Month Period Ended
June 30, 2011**

COLUMBUS GOLD CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2011

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 period ended June 30, 2011 and the audited annual consolidated financial statements for the year ended September 30, 2010.

The financial information in this MD&A is derived from the Company’s consolidated financial statements which are prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are outlined within Note 2 to the consolidated financial statements of the Company. The Company’s reporting currency is Canadian dollars. The effective date of this Management Discussion and Analysis is August 23, 2011.

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

RESULTS OF OPERATIONS

Current Quarter

The Company incurred a loss of \$2,100,277 during the current quarter versus a gain of \$32,231 in the same period last year. Expenses increased by \$1,409,666 over the prior period due to an option grant valued at \$1,181,541 in 2011. There was no stock based compensation in the prior year period.

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Year-to-Date

The Company incurred a loss of \$3,004,807 during the current period versus a loss of \$859,554 in the same period last year. As a result of improved capital market conditions, the Company was able to raise funds through private placements and therefore increase its exploration activities. This in turn allowed the Company to incur greater costs in this period versus that of the prior period. For example, management fees and office and general increased to \$209,537 from \$50,695 in the prior year period and administration expense increased to \$109,371 from to \$78,916. As well, investor relations expense increased to \$226,813 from \$36,441 as a result of the Company's efforts to attend and participate in investor conferences in order to communicate its strategic vision.

MINERAL PROPERTIES

PAUL ISNARD GOLD PROJECT

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

The Company has fully satisfied the share issuances required to earn into the project, issuing 30,276,266 common shares to Auplata, and completing a 13,357,176 share private placement to Pelican Venture SAS for gross proceeds to Columbus Gold of \$2,871,793. The Company has also issued 190,473 common shares as a finder's fee for this transaction. All of the foregoing shares are subject to a four month hold period expiring on October 30, 2011, and 20,184,177 of the shares issued to Auplata are also subject to an agreement that requires all of such shares to be held in escrow for two years until June 29, 2013.

Columbus Gold is now able to earn an initial 51% interest in the Paul Isnard project by incurring \$7 million in exploration expenditures. Upon the Company earning a 51% interest in the project, it will have the option to increase its interest to 100% by completing a bankable feasibility study.

The Paul Isnard project is located approximately 180 km west of the capital city of Cayenne, French Guiana and consists of eight mining permits totalling 135 km² and a pending application for two additional mining permits totalling a further 14.4 km². The Paul Isnard project area has been an important centre of alluvial and colluvial gold mining operations since the late 19th century.

NEVADA PROJECTS

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

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Drilling by Columbus Gold at Weepah and Eastside (over 4,500 m to date) encountered gold mineralization at different depths. The results warrant additional drilling at both properties to determine possible strike extensions where the mineralization remains open. Results from drilling by JV partners at Stevens Basin and Golden Mile are expected in Q3.

The company continues to be a prolific project generator focused on advancing projects either through joint-venture with industry partners or on its own where exploration risk is minimized and potential is particularly promising.

DRILLING PLAN FOR COLUMBUS GOLD'S NEVADA PROJECTS

2011 Drilling Plan

Project	Drill Holes Planned *	Meters (Feet) *	Drill Holes Completed	Meters (Feet) Completed
Weepah	15	2,406 (7,895)	15	2,406 (7,895)
Eastside	20	3,048 (10,000)	12	2,125 (7,405)
Petes Summit	12	1,500 (5,000)	-	-
Browns Canyon	15	2,300 (7,500)	-	-
Summit **	3	1,980 (6,500)	-	-
Guild **	21	3,600 (11,810)	-	-
Overland Pass **	24	6,100 (20,000)	-	-
Stevens Basin **	20	4,000 (13,100)	-	-
Golden Mile **	6	900 (3,000)	-	-
Utah Clipper/Crestview **	1	700 (2,300)	-	-
White Horse Flats **	11	2,000 (6,560)	-	-
Four Metals (Arizona)**	4	3,050 (10,000)	-	-
TOTALS	152	31,570 (103,665)	27	4,531 (15,300)

* All drilling plans are tentative

** To be drilled by a Columbus Gold JV partner

Highlights of notable projects where drilling is planned in 2011:

Stevens Basin

Stevens Basin is located on the Battle Mountain Gold trend near Barrick Gold's Archimedes open pit gold mine. Sampling by Columbus Gold revealed a gold anomaly of about 760 m in length and 30-90m in width with a grades as high as 2.5 g/t. The anomalous zone is still open in several areas. An air magnetic geophysical survey and a detailed ground gravity geophysical survey (400 stations) were completed in the fall of 2010 and this data is being used to optimize drill sites for a phase I approximate 6,600 feet (2,000m) drill program of 10-12 holes planned as early in 2011 as weather

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permits. This could be followed by a phase II program of the same size later in the year. Navaho Gold is earning an initial 51% interest in the Steven's Basin project by making \$3 million in expenditures.

Browns Canyon

The Browns Canyon Project is located approximately 20 km (12 miles) west of Barrick Gold's Archimedes open pit gold mine, in the highly prospective Battle Mountain Gold Trend known to contain over 100 million ounces of Gold with some two dozen gold mines throughout the trend. Recent sampling on the property yielded gold values up to 3 g/t along a zone of silicification, sparsely exposed through cover, with a strike length of 2,000 meters. The mineralization is Carlin-style, and geologic mapping and further sampling is underway. Seven widely-spaced historic drill holes are present. Most of the strike length of the mineralized zone is untested by drilling. Drilling is warranted by the results to date and is planned for late summer of 2011.

Summit

The Summit property is strategically positioned along strike and approximately 4,000 feet (1.2 km) from the northern end of the Long Canyon gold deposit of Fronteer Gold Inc. (where ongoing drilling continues to confirm the presence of high-grade oxide gold mineralization with a recent drill intercept result of 12.3 g/t over 50.4 metres announced on November 15th, 2010). Work by Columbus Gold's JV partner Agnico-Eagle in 2010 included seventy nine rock chip samples and three diamond drill holes, with a total footage of 6,392 feet (1948 m). Anomalous gold values were reported in the drill results from a shear zone stratigraphically above the known favourable horizon of gold mineralization, and from a footwall of a bedding parallel structure. An anomalous mercury zone was encountered present in a karst breccia interpreted to be important to host Carlin-type gold mineralization on the nearby properties in the Pequop Mountains. Agnico-Eagle previously had performed geological mapping, collected 2,500 soil samples and 70 stream sediment samples, and completed seven rotary holes totalling 6,040 ft (1,830 meters) in their initial drilling program. Agnico-Eagle has indicated that they will continue their option to earn an interest in Summit and more drilling is planned for 2011. Agnico-Eagle can earn an initial 51% interest in Summit by making \$3 million in exploration expenditures.

Weepah

The Weepah property is located within the Walker Lane Gold Trend. It extends from historical mining, where recent production came from an open pit. New rock chip sampling yielded values up to 10.29 g/t (0.30opt) gold over 3.6m (12 ft), and 17.14 g/t (0.50 opt) gold over 1.8m (6 ft). The favourable geology extends to the south for 1,200 -1,500 metres (4,000-5,000 ft). Detailed mapping, a detailed ground magnetic survey, and 10 line km of Controlled Source Audio-frequency Magnetotellurics (CSAMT) geophysical surveying has yielded targets for a drill program consisting of 10,000 ft (3,050M) of drilling in approximately 20 RC drill holes. The drill program is permitted and began in January.

Gold was encountered in four of the first five holes; significant intercepts include:

- Drill hole WP-5 intersected 17.4 m (55 ft) of 1.12 g/t (0.033 opt) gold from 7.6-25 m (25-80 ft) depth, including 3.3 m (10 ft) of 4.03 g/t (0.12 opt) gold; and

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- Drill hole WP-2 intersected 7.8 m (25 ft) of 2.34 g/t (0.068 opt) gold from 118-125.8 m (390-415 ft) depth, including two separate 1.6 m (5 ft) intervals of 4.30 g/t (0.126 opt) and 4.95 g/t (0.145 opt) gold.

Eastside

The Eastside property is also located within the Walker Lane Gold Trend. Recent sampling (530 samples) of outcrop over 900 m (3,000 ft) of strike length along a zone of silicified breccia yielded gold values up to 7.95 g/t (0.23 opt). An exploration program consisting of 10,000 ft (3,050M) of RC drilling in 20 holes is permitted and planned for the spring of 2011.

Properties Status

Property	Location	Status
Weepah	Nevada	Columbus drilling.
Browns Canyon	Nevada	Columbus drilling planned in 2011.
Eastside	Nevada	Columbus drilling planned in 2011.
Petes Summit	Nevada	Columbus permitting for drilling.
Bolo	Nevada	Columbus permitting for drilling.
Guild	Nevada	Optioned to Sniper Resources.
Overland Pass	Nevada	Optioned to Sniper Resources.
Del Oro	Nevada	Optioned to International Minerals.
Summit	Nevada	Optioned to Agnico-Eagle.
Stevens Basin	Nevada	Optioned to Navaho Gold.
Utah Clipper	Nevada	Optioned to Navaho Gold.
Crestview	Nevada	Optioned to Navaho Gold.
White Horse Flats	Nevada	Optioned to Navaho Gold.
Golden Mile	Nevada	Optioned to Portage Minerals who re-optioned to Roscan Minerals.
Four Metals	Arizona	Optioned to White Cloud Resources who re-optioned to Oz Minerals.
White Canyon	Nevada	Leased to Allied Nevada.
Chert Cliff	Nevada	Leased to Scorpio Mining.
Dutch Flat	Nevada	Seeking JV partner.
Laura	Nevada	Seeking JV partner.
Red Hills	Nevada	Seeking JV partner.
Scraper	Nevada	Seeking JV partner.
White Horse Flats North	Nevada	Seeking JV partner.
Antelope	Nevada	Seeking JV partner.
Winnemucca Mountain	Nevada	Seeking JV partner.
Clara Moro	Arizona	Royalty interest.
Hughes Canyon	Nevada	Target delineation by Columbus.

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Expenditure Summary (US Dollars)

	Sep 30, 2010	Acquisition Cost	Deferred Exploration	Impairment/ Divestiture	June 30, 2011
Utah Clipper	\$ 416,176	-\$15,225	\$2,610	0	\$403,561
Antelope	-	\$4,581	\$6,658	0	\$11,239
Dutch Flat	31,485	\$801	\$6,672	0	\$38,958
Crestview	210,385	\$0	\$0	0	\$210,385
Guild	47,446	\$0	\$0	0	\$47,446
Overland Pass	29,552	\$0	\$0	0	\$29,552
Pete's Summit	8,099	\$5,444	\$26,107	0	\$39,650
Bolo	1,608,311	\$0	\$48,777	0	\$1,657,088
Scraper	56,522	\$0	\$24,760	0	\$81,282
Eastside	120,957	\$9,649	\$221,468	0	\$352,074
Weepah	109,443	\$8,385	\$300,091	0	\$417,918
Brown's Canyon	18,530	\$10,372	\$75,438	0	\$104,340
Summit	70,202	\$0	\$5,388	0	\$75,590
Robinson Mtn./Red Hills	7,892	\$0	\$5,250	0	\$13,142
WHF & WHF North	13,435	-\$8,051	\$3,331	0	\$8,715
Stevens Basin	111,056	-\$15,225	\$0	0	\$95,831
CMA – Golden Mile	-	\$76,313	\$0	-\$76,313	\$0
Hugh's Canyon	-	\$41,307	\$58,556	0	\$99,863
Combs Peak	-	\$15,069	\$3,949	0	\$19,017
French Guiana	-	\$18,177,650	\$543,764	0	\$18,721,414
Winnemucca Mtn	923	\$0	\$584	0	\$1,507
North Brown	-	\$3,175	\$3,014	0	\$6,189
Total Properties	\$ 2,861,442	\$18,314,244	\$1,336,416	-76313	\$22,434,761

All disclosure of scientific or technical information on the Company's mineral properties contained in this Management's Discussion and Analysis 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, 2011 (\$)	Dec 31, 2010 (\$)	Sep 30, 2010 (\$)	Jun 30, 2010 (\$)	Mar 31, 2010 (\$)	Dec 31, 2009 (\$)	Sep 30, 2009 (\$)	Jun 30, 2009 (\$)
Financial Results:								
Net loss for period	2,100,277	12,373	589,289	32,231	723,555	168,230	1,072,200	253,171
Basic and diluted loss per share	.05	0.00	0.02	0.00	0.02	0.01	0.04	0.01
Balance Sheet Data:								
Cash and short term deposits	4,788,121	2,110,901	1,390,449	1,585,982	126,546	88,919	296,535	866,206
Mineral properties	21,678,335	2,948,526	2,861,442	2,631,380	2,619,171	3,151,341	3,021,657	5,213,644
Total assets	29,648,335	8,253,491	7,301,278	6,571,111	4,688,964	5,103,567	5,240,401	6,663,093
Shareholders' equity	28,910,697	8,157,662	7,280,156	6,482,327	4,609,870	5,016,318	5,169,505	6,409,617

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	Jun 30, 2011 (\$)	Sep 30, 2010 (\$)	Dec 31, 2009 (\$)
Financial Results:			
Net loss for period	3,004,807	270,265	168,230
Basic and diluted loss per share	0.07	0.01	0.01
Mineral property acquisition and exploration costs	19,033,705	189,242	129,684
Balance Sheet Data:			
Cash and short term deposits	4,788,121	1,390,449	88,919
Resource properties	21,678,335	2,861,442	3,151,141
Total assets	29,648,335	7,301,278	5,103,567
L/T Financial liabilities	-	-	-
Shareholder's equity (deficiency)	28,910,697	7,208,156	5,016,318

INVESTMENT IN COLUMBUS SILVER CORPORATION

At June 30, 2011 the Columbus Gold Corporation owns 4,020,000 common shares of Columbus Silver Corporation of which 1,820,000 shares are held in escrow. The Company recorded its investment in Columbus Silver on a consolidated basis until August 28, 2009 at which point the Company's ownership interest declined from 35.7% to 18.5% as a result of share issuances by Columbus Silver. Commencing August 28, 2009, the Company's investment in Columbus Silver was determined to have converted from a controlled entity to an equity investment. As the Company still exerts significant influence over Columbus Silver, the Company now accounts for its investment using the equity method.

The Company's interest in Columbus Silver was diluted as a result of an equity financing completed by Columbus Silver on August 28, 2009. The result of this loss of control was a dilution gain of \$776,580 which was recorded in 2009 fiscal year.

At June 30, 2011, the Company held an 11.1% direct interest and a fully diluted interest of 33.0% assuming the convertible notes were converted into shares of Columbus Silver.

CAPITAL RESOURCES

The Company has raised greater than three million dollars in option and warrant exercises during the nine month period. Also, the Company is currently carrying two promissory notes with a combined face value of \$1,004,854 from Columbus Silver Corporation. They carry simple interest at 5% and are due and payable on August 2012. The notes have a conversion option at \$0.10 per share at the option of the holder.

LIQUIDITY

The Company's activities have been funded through equity financing and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flow from operations. The Company has been successful in its fund raising efforts in the past, but there can be no assurance

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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 increased to \$5,345,776. At June 30, 2011, the Company's working capital balance included a cash balance of \$4,031,560 and a term deposit including accrued interest of \$756,561.

The Company experienced a cash outflow from operations of \$1,210,612 and invested \$18,817,098 in cash and common shares to acquire and explore its mineral properties. As at June 30, 2011, the Company had total assets of \$29,108,141 and the principal non-cash assets of the Company were its mineral exploration properties in Utah, Nevada, New Mexico, Arizona, and French Guiana with a carrying value of \$21,648,335 representing 74.5% of its total assets.

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

Outstanding Share Data

	Amount
Common Shares outstanding at June 30, 2011	89,888,314
Stock Options	5,523,000
Share Purchase Warrants	2,036,850
Fully Diluted Shares	97,448,164

OPTIONS

In June 2011, the Company granted incentive stock options to some of its directors, employees and service providers, to purchase up to an aggregate of 1,556,500 common shares exercisable on or before June 15, 2016 at a price of \$0.78 per share. Of the foregoing options, 225,000 will vest on December 15, 2011; 100,000 will vest on June 15, 2012; and 100,000 will vest on June 15, 2013. All options have been expensed as stock based compensation.

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

	Options Outstanding	Weighted Average Exercise Price	Weighted Average Time to Expiry
Balance, as at September 30, 2010⁽¹⁾	5,483,000	\$0.56	2.78 yrs
Granted during the period	2,765,000	\$0.66	4.69 yrs
Cancelled/Expired during the period	(2,725,000)		
Balance, as at June 30, 2011	5,523,000	\$0.33	1.84 yrs

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

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A summary of stock options outstanding at June 30, 2011 is as follows:

Number of Options	Exercise Price	Expiry Date
90,000	\$1.40	December 2011
10,000	\$1.68	February 2012
50,000	\$1.50	May 2012
60,000	\$1.25	October 2012
90,000	\$1.25	November 2012
83,000	\$0.85	March 2013
1,075,000	\$0.50	August 2013
200,000	\$0.25	May 2014
1,300,000	\$0.25	January 2015
1,008,500	\$0.50	December 2015
1,556,500	\$0.78	June 2016
Total 5,523,000		

WARRANTS

A summary of warrants outstanding at June 30, 2011, is as follows:

Number of Warrants	Exercise Price	Expiry Date
48,500 ⁽¹⁾	\$0.30	November 2011
10,750 ⁽²⁾	\$0.30	November 2011
1,760,000 ⁽¹⁾	\$0.30	January 2012
217,600 ⁽²⁾	\$0.30	January 2012
Total 2,036,850		

⁽¹⁾ Last six months exercise price increases to \$0.35

⁽²⁾ Agents' warrants

OFF-BALANCE SHEET ARRANGEMENTS

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

COMMITMENTS

On December 22nd, the Company extended its agreement with Cordex until December 31, 2011. The Company has had a relationship with Cordex since September 2007. Cordex designs, initiates and carries out mineral exploration and development activities on behalf of the Company with the objective of identifying, acquiring and exploring new mineral properties and operating exploration programs on

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the Company's existing portfolio of mineral properties. Cordex and Columbus Gold Corporation share an officer in common. The agreement is exclusive to Columbus Gold and provides that the term may be extended until December 31, 2013. Columbus Gold (U.S.) provides Cordex with general operating capital, exclusive of third party contractor expenses, of up to US\$44,000 per month which includes a monthly management fee to Cordex of US\$12,500.

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

SUBSEQUENT EVENTS

There have been no material events warranting disclosure as of the date of this report.

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.

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

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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.

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.

Environmental Risk

COLUMBUS GOLD CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2011

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.

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.

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.

COLUMBUS GOLD CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2011

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.

COLUMBUS GOLD CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2011

OTHER INFORMATION

CORPORATE INFORMATION

Head Office: Suite 307 – 475 Howe Street
Vancouver, BC V6C 2B3

Directors: Robert Giustra
Gil Atzmon
Don Gustafson
Peter Gianulis

Officers: Robert Giustra, Chairman and CEO
Andy Wallace, President
Joel Schuster, Vice President Legal
Akbar Hassanally, CFO
Jorge Martinez, VP Corporate Development

Auditor: Dale Matheson Carr-Hilton LaBonte LLP
1500 – 1140 West Pender Street
Vancouver, BC V6E 4G1

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

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



**Suite 307 – 475 Howe Street
Vancouver, B.C.
V6C 2B3**

CONSOLIDATED FINANCIAL STATEMENTS

**For the Nine Month Period Ended
June 30, 2011
(Unaudited)**

(Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

August 23, 2011

Columbus Gold Corporation

(An Exploration Stage Company)

Consolidated Balance Sheet

Statement 1

	June 30, 2011	September 30, 2010
	Unaudited	Audited
ASSETS		
Current assets		
Cash	\$ 4,031,560	\$ 639,826
Term deposits (note 5)	756,561	750,623
Available-for-sale investments (note 4)	338,695	350,617
Prepays and receivables	348,004	219,676
	<u>5,474,820</u>	<u>1,960,742</u>
Advances to a related party for exploration (note 10)	157,307	176,836
Investment in Columbus Silver Corporation (note 3)	-	20,392
Due from Columbus Silver Corporation (note 3)	1,004,854	857,356
Conversion option (note 3)	726,085	1,389,076
Reclamation bond (note 6)	33,187	35,434
Mineral properties (note 7)	21,648,335	2,861,442
	<u>\$ 29,044,588</u>	<u>\$ 7,301,278</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 117,044	\$ 73,622
Due to related parties (note 10)	12,000	19,500
	<u>129,044</u>	<u>93,122</u>
Shareholders' equity		
Share capital (note 8)	36,890,767	13,171,639
Contributed surplus (note 8)	4,741,071	3,696,639
Accumulated other comprehensive income	81,833	138,045
Deficit	(12,802,974)	(9,798,167)
	<u>28,910,697</u>	<u>7,208,156</u>
	<u>\$ 29,039,741</u>	<u>\$ 7,301,278</u>

Nature of operations and going concern (note 1)

Approved by the Board of Directors:

"Robert Giustra"

Robert Giustra - Director

"Gil Atzmon"

Gil Atzmon - Director

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

Columbus Gold Corporation

(An Exploration Stage Company)

Statement 2

Interim Consolidated Statement of Loss and Deficit

	Three Month Period Ended June 30, 2011	Nine Month Period Ended June 30, 2011	Three Month Period Ended June 30, 2010	Nine Month Period Ended June 30, 2010
EXPENSES				
Administration	\$ 20,669	\$ 109,391	\$ 19,286	\$ 78,916
Consulting fees	1,619	21,503	(265)	24,843
Director fees (note 10)	19,000	43,000	12,000	36,000
Foreign exchange loss / (gain)	(101,527)	(16,306)	(60,385)	(25,790)
General exploration	49,223	216,607	45,823	212,161
Investor relations	98,421	226,813	13,928	36,441
Loan accretion (note 3)	(56,361)	(149,802)	(85,487)	(241,687)
Management fees, office & general (note 10)	94,470	209,537	23,670	50,695
Professional fees	66,539	154,712	27,166	107,592
Stock-based compensation costs (note 9)	1,198,493	1,495,149	-	216,857
Transfer and filing fees	25,807	44,464	3,619	11,952
Travel, advertising and promotion	16,035	60,535	1,805	24,898
Loss before other items	(1,432,388)	(2,415,603)	(1,160)	(532,878)
OTHER ITEMS				
Interest income	19,071	58,795	17,460	52,789
Fair value change of conversion option (note 3)	(696,584)	(645,399)	-	-
Dilution gain from Columbus Silver	-	-	-	51,493
Loss from equity accounted investment	-	(20,392)	(71,937)	(166,099)
Gain (loss) on sale of investments	9,624	94,106	9,474	(4,569)
Income from third party interest in mineral	-	-	78,394	78,394
Impairment of mineral property	(0)	(76,314)	-	(338,684)
Loss for the period	(2,100,277)	(3,004,807)	32,231	(859,554)
Deficit, beginning of period	(10,702,698)	(9,798,167)	(10,419,688)	(9,527,903)
Deficit, end of period	\$ (12,802,975)	\$ (12,802,974)	\$ (10,387,457)	\$ (10,387,457)
Basic and diluted loss per common share	\$ (0.05)	\$ (0.07)	\$ 0.00	\$ (0.03)
Weighted average common shares outstanding	42,288,762	40,616,294	28,490,938	27,061,093

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

Columbus Gold Corporation
 (An Exploration Stage Company)
 Notes to the Consolidated Financial Statements
 For the Nine Month Period Ended June 30, 2011
 Unaudited

Columbus Gold Corporation

(An Exploration Stage Company)

Statement 3

Interim Consolidated Statements of Comprehensive Loss and Accumulated Other Comprehensive Loss

	Three Month Period Ended June 30, 2011	Six Month Period Ended June 30, 2011	Three Month Period Ended June 30, 2010	Six Month Period Ended June 30, 2010
Loss for the period	\$ (2,078,715)	\$ (2,983,245)	\$ (723,555)	\$ (891,785)
Unrealized gain on securities available for sale	56,212	56,212	14,608	14,608
Comprehensive loss for the period	\$ (2,022,504)	\$ (2,927,034)	\$ (708,947)	\$ (877,177)
Accumulated other comprehensive income - Beginning	\$ (81,833)	\$ (138,045)	\$ (14,608)	\$ (14,608)
Other comprehensive income	-	56,212	14,608	14,608
Accumulated other comprehensive income - End	\$ (81,833)	\$ (81,833)	\$ -	\$ -

Columbus Gold Corporation
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Nine Month Period Ended June 30, 2011
Unaudited

Columbus Gold Corporation

(An Exploration Stage Company)

Statement 4

Interim Consolidated Statement of Cash Flows

	Three Month Period Ended June 30, 2011	Nine Month Period Ended June 30, 2011	Three Month Period Ended June 30, 2010	Nine Month Period Ended June 30, 2010
CASH PROVIDED BY (USED IN)				
OPERATING ACTIVITIES				
Loss for the year	\$ (2,100,277)	\$ (3,004,807)	\$ 32,231	\$ (859,554)
Items not affecting cash:				
Stock-based compensation costs	1,198,493	1,495,149	-	216,857
Shares for services	-	-	-	31,448
Loss (gain) on sale of investments	(12,395)	(94,106)	(9,474)	4,569
Dilution gain	-	-	-	(51,493)
Impairment of mineral property	0	76,314	-	338,684
Loss / (gain) on conversion option	696,584	662,991	-	-
Loss from equity accounted investment	-	20,392	71,937	166,099
Income from third party interest in mineral property			(78,394)	(78,394)
Accrued interest income	(19,071)	(58,795)		
Loan accretion	(56,361)	(149,802)	(85,487)	(241,687)
Foreign exchange (gain) loss	(101,527)	(16,306)	(2,461)	5,189
	(394,554)	(1,068,970)	(71,648)	(468,282)
Changes in non-cash working capital items:				
Increase (decrease) in prepaids and receivables	(64,645)	(128,328)	(127,036)	(99,118)
Increase (decrease) in accounts payable	10,255	6,185	9,690	40,105
Increase (decrease) in amounts due to related parties	(12,000)	(19,500)	-	(22,217)
	(66,390)	(141,643)	(117,346)	(81,230)
	(460,943)	(1,210,612)	(188,994)	(549,512)
FINANCING ACTIVITIES				
Proceeds from private placements	20,045,048	20,045,048	926,500	926,500
Share issuance costs	(68,469)	(393,884)	(67,924)	(67,924)
Share subscriptions	-	-	981,650	981,650
Proceeds from warrants	405,212	2,529,881	-	-
Option exercises	576,630	1,395,792	-	-
	20,958,421	23,576,837	1,840,226	1,840,226
INVESTING ACTIVITIES				
Recovery (advance) to a related party for exploration	21,773	157,307	(222,115)	(311,581)
Redemption of term deposit	-	-	-	100,000
Proceeds from sale of investments	15,230	154,165	69,174	95,864
Mineral property expenditures	(18,114,416)	(18,786,893)	(38,855)	114,450
	(18,077,413)	(18,475,421)	(191,796)	(1,267)
Change in cash and cash equivalents during the period	2,420,064	3,890,803	1,459,436	1,289,447
Cash and cash equivalents - beginning	2,110,565	639,826	126,546	296,535
Cash and cash equivalents - end	\$ 4,530,629	\$ 4,530,629	\$ 1,585,982	\$ 1,585,982

Supplemental Cash Flow Information - Note 9

Columbus Gold Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2011

Unaudited

1. Nature of Operations

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

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

The ability of the Company to continue as a going concern is dependent on its ability to raise additional debt or equity to fund ongoing costs of operations and/or secure new or additional partners in order to advance its projects. At June 30, 2011, the Company had working capital of \$5,345,776 (September 30, 2010 - \$1,867,620) and an accumulated deficit of \$12,802,974 (September 30, 2010 - \$9,798,167).

2. Significant Accounting Policies

These unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and note disclosures required by generally accepted accounting principles for annual financial statements. In the opinion of management, all adjustments (consisting of normal and recurring accruals) considered necessary for fair presentation have been included.

These interim financial statements have been prepared by management in accordance with the accounting policies described in the Company’s annual financial statements for the year ended September 30, 2010. For further information, refer to the Company’s financial statements and footnotes thereto for the year ended September 30, 2010.

3. Investment in Columbus Silver

Columbus Silver Corporation was spun out of Columbus Gold in September 2008. At June 30, 2011, the Company owns 4,020,000 common shares (Sept. 2010 – 4,020,000 common shares) of Columbus Silver of which 1,820,000 are in escrow. The Company recorded its investment in Columbus Silver on a consolidated basis until August 28, 2009 at which point the Company’s ownership interest declined from 35.7% to 18.5% as a result of share issuances by Columbus Silver. Commencing August 28, 2009, the Company’s investment in Columbus Silver was determined to have converted from a controlled entity to an

Columbus Gold Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2011

Unaudited

equity investment. The Company's interest in Columbus Silver was diluted as a result of an equity financing completed by Columbus Silver on August 28, 2009.

As the Company still exerts significant influence over Columbus Silver, Columbus Gold accounts for its investment using the equity method. The carrying value of the investment in Columbus Silver account was written down to zero at December 31, 2010. In addition, two convertible notes held by Columbus Gold matured on August 31, 2010 and two new notes were issued the details of which are described below.

On September 1, 2010, a promissory note with a face value of \$845,209 was issued carrying simple interest of 5% per annum and maturing on August 31, 2012. The note is convertible at the option of the Company into common shares of Columbus Silver at \$0.10 per share. Any accrued interest can only be converted into common shares at the market price on the date of conversion, per TSXV policy. The Company recorded the fair value of the note at \$506,019 and the fair value of the conversion option at \$339,190. At June 30, 2011, the Company recorded \$38,629 (2010 prior note -\$86,866) in accrued interest and recorded the accreted value of the new promissory note to be \$602,858 (2010 prior note - \$757,100), inclusive of accretion income totaling \$85,906 relating to the debt discount calculated using the effective interest method. The effective interest rate was calculated to be 30%.

On September 1, 2010, a second promissory note with a face value of US\$540,465 was issued carrying simple interest of 5% per annum and maturing on August 31, 2012. The note is convertible at the option of the Company into common shares of Columbus Silver at C\$0.10 per share. Any accrued interest can only be converted into common shares at the market price on the date of conversion, per TSXV policy. The Company recorded the fair value of the note at \$331,686 and the fair value of the conversion option at \$225,042. At June 30, 2011, the Company has recorded \$20,305 (2010 prior note - \$69,742) in accrued interest and recorded the accreted value of the promissory note at \$395,309 (2010 prior note - \$491,560), inclusive of accretion income totaling \$64,754 relating to the debt discount calculated using the effective interest method. The effective interest rate was determined to be 30%.

At June 30, 2011 the fair value of the conversion option of the new convertible notes issued in September 2010 decreased by \$662,991. The estimated fair value of the conversion option was determined using a Black-Scholes option pricing model with the following assumptions:

Expected dividend yield	Nil
Expected price volatility	130%
Risk free interest rate	1.47%
Expected life of options	1.17 years

Both of these notes receivable are recorded separately from the equity investment in Columbus Silver. At June 30, 2011, the Company held an 11.1% direct interest and a fully diluted interest of 33.0% assuming the convertible notes were converted into shares of Columbus Silver.

Columbus Gold Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2011

Unaudited

4. Available-for-sale Investments

	Number of Shares	June 30, 2011	Number of Shares	September 30, 2010
Portage Minerals Inc. (TSX-V)	Nil	\$0	110,000	\$1
Piedmont Mining Corp. (OTCBB)	6,285,715	188,571	6,285,715	142,407
Sniper Resources Ltd. (TSX-V)	761,337	\$182,721	832,837	\$208,209
		\$ 371,292		\$ 350,617

All of the shares are classified as available for sale and are carried at fair value based on their closing trading price at June 30, 2011, with the exception of those which are private companies, which are carried at cost. There is an ending unrealized gain balance of \$81,833 in Other Comprehensive Income which is down from the unrealized gain of \$138,045 at Sept. 30, 2010.

5. Term Deposits

	June 30, 2011	September 30, 2010
Short-term Investment Certificate	\$756,561	\$750,623
Maturity date	August, 2011	August, 2011
Interest rate per annum	Prime – 1.95%	Prime – 1.95%

6. Reclamation Bond

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

	June 30, 2010	September 30, 2010
Bolo	\$ 33,180	\$ 31,203
Awakening	-	4,231
Total	\$ 33,180	\$ 35,434

Columbus Gold Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2011

Unaudited

7. Mineral Properties

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

Amounts in US Dollars

	Sep 30, 2010	Acquisition Cost	Deferred Exploration	Impairment / Divestiture	June 30, 2011
Utah Clipper	\$ 416,176	-\$15,225	\$2,610	0	\$403,561
Antelope	-	\$4,581	\$6,658	0	\$11,239
Dutch Flat	31,485	\$801	\$6,672	0	\$38,958
Crestview	210,385	\$0	\$0	0	\$210,385
Guild	47,446	\$0	\$0	0	\$47,446
Overland Pass	29,552	\$0	\$0	0	\$29,552
Pete Summit	8,099	\$5,444	\$26,107	0	\$39,650
Bolo	1,608,311	\$0	\$48,777	0	\$1,657,088
Scraper	56,522	\$0	\$24,760	0	\$81,282
Eastside	120,957	\$9,649	\$221,468	0	\$352,074
Weepah	109,443	\$8,385	\$300,091	0	\$417,918
Brown's Canyon	18,530	\$10,372	\$75,438	0	\$104,340
Summit	70,202	\$0	\$5,388	0	\$75,590
Robinson Mtn./Red Hills	7,892	\$0	\$5,250	0	\$13,142
WHF & WHF North	13,435	-\$8,051	\$3,331	0	\$8,715
Stevens Basin	111,056	-\$15,225	\$0	0	\$95,831
CMA – Golden Mile	-	\$76,313	\$0	-\$76,313	\$0
Hugh's Canyon	-	\$41,307	\$58,556	0	\$99,863
Combs Peak	-	\$15,069	\$3,949	0	\$19,017
French Guiana	-	\$18,177,650	\$543,764	0	\$18,721,414
Winnemucca Mtn	923	\$0	\$584	0	\$1,507
North Brown	-	\$3,175	\$3,014	0	\$6,189
Total Properties	\$ 2,861,442	\$18,314,244	\$1,336,416	-76313	\$22,434,761

Columbus Gold Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2011

Unaudited

7. Mineral Properties (continued)

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

Amounts in US Dollars

	Amount
Balance – September 30, 2009	\$ 3,021,657
Acquisition	34,642
Administration	50,528
Assays	25,408
Claim renewals	143,457
Drilling and trenching	8,481
Geologists and staff	233,357
Geophysics	33,109
Site preparation and reclamation	2,106
Travel	44,391
Less: Property impairment	(349,457)
Less: Option payments received	(73,001)
Less: Payments received in lieu of property expenditures	(313,236)
	(160,215)
Balance – September 30, 2010	2,861,442
Acquisition	153,704
Administration	48,485
Assays	36,305
Claim renewals	15,000
Geologists and staff	78,648
Travel	33,494
Drilling	154,754
Site Prep & Reclamation	35,205
Balance – March 31, 2011 (unaudited)	\$3,504,011
Acquisition	18,134,244
Administration	146,277
Assays	32,032
Claim renewals	37,283
Geologists/Geophysics	54,663
Travel	228,004
Drilling/Trenching	360,902
Site Prep & Reclamation	13,657
Less: Property impairment	-76,313
Balance – June 30, 2011 (unaudited)	\$22,434,761

Columbus Gold Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2011

Unaudited

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\$6,000,000 (US\$1,000,000 incurred) over a six year period. During the year, Barrick terminated the Barrick Agreement.

On September 20, 2010, the Company entered into an agreement Navaho Gold Pty Ltd. ("Navaho") wherein Navaho can earn an initial 51% interest in the Utah Clipper and Crestview Properties by incurring US\$3,000,000, of which US\$200,000 is mandatory in year one, in exploration expenditures by September 20, 2015, paying US\$20,000 (received) by December 24, 2010 and by issuing US\$160,000 in common shares of Navaho by September 20, 2015. Navaho can earn an additional 19% interest by completing a bankable feasibility study or by making an additional US\$10,000,000 in expenditures within 4 years of attaining a 51% interest. Navaho has applied to the US Bureau of Land Management for drilling permits and plans to drill in late summer or early fall of 2011.

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 US\$530,000 incurred to date). Piedmont can increase its ownership interest to 70% by funding the completion of a positive feasibility study.

The Company completed an agreement wherein it accepted 6,285,715 (2009 – 500,000) common shares of Piedmont in settlement of the debt owing of US\$145,508 for exploration expenditures incurred on behalf of Piedmont in 2007. The combined share issuances have been accepted as full settlement of the debt and all accrued interest.

Piedmont was served Notice of Default by the Company on August 11, 2010. The conditions of default have not been cured, nor has Piedmont formally responded, and the Company is currently seeking another industry partner to continue the exploration of the Dutch Flat Project.

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 US\$2,500,000 in exploration expenditures and issuing to the Company 100,000 common shares (60,000 shares received) of Portage by December 31, 2012. Portage can increase its interest to 70% by completing a positive feasibility study. During the year ended September 30, 2010, the Company amended its agreement with Portage by granting a one year extension on the expenditure requirement in exchange for 50,000 common shares of Portage. Also, the Company issued 110,344 common shares of the Company in settlement of US\$25,000 under a purchase agreement dated July 7, 2006. During the

Columbus Gold Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2011

Unaudited

7. Mineral Properties (continued)

current quarter, under the same agreement, an additional US\$75,000 was paid in the form of 91,943 shares to complete the acquisition of the property. Concurrently, there was an impairment charge of US\$75,000 taken to write it down to zero.

Portage assigned its interest in Golden Mile on August 7, 2010 to Roscan (TSXV-ROS). Roxcan drilled four diamond drill holes at Golden Mile in the spring of 2011 and announced results in August 2011 which are currently under review by the Company.

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, 2nd and 3rd anniversaries paid) due on the 20th anniversary of signing. Additional consideration to the Company was 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 year ended September 30, 2009, Platte River optioned its interest in Chert Cliff to Golden Predator and 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.

Further, the Company will maintain NSR royalties on the Chert Cliff Property that vary between 2% - 3% depending on the claim. The Company has a \$nil carrying value for this property as the option payments it has received to date exceed the previously capitalized expenditures on the property.

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

Del Oro Property

On July 18, 2007, as amended November 13, 2008, 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\$70,000 (US\$50,000 paid via issuance of 125,418 common shares of Ventura and the balance in cash) to Columbus Gold and by incurring US\$2,000,000 in exploration expenditures within a five year period, including US\$200,000 by December 31, 2009. The Company entered into an extension agreement with International Minerals Ltd., the successor company of Ventura Gold Corp., wherein the Company agreed to extend the period for completion of the mandatory \$200,000 to June 30, 2011 in exchange for a US\$20,000 bonus payment (received) and the immediate payment of US\$40,000 (received) to the Company in lieu of exploration expenditures on the property.

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For the Nine Month Period Ended June 30, 2011

Unaudited

7. Mineral Properties (continued)

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

Four Metals Property

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

Date	Amount (US)	
On Execution of the Agreement	\$20,000	(received)
By the July 28, 2010	30,000	(received)
By the July 28, 2011 *	50,000	(received)
By the July 28, 2012	70,000	
By the July 28, 2013	80,000	
By the July 28, 2014	\$85,000	

* White Cloud has satisfied its obligation to issue common shares equivalent to 1.5% of its issued and outstanding shares at July 28, 2011.

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

Overland Pass / Linka / Pete 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 Summit properties in Nevada. The agreements were subsequently amended 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 383,500 common shares of Sniper (233,500 shares received) and by incurring US\$2,000,000 in exploration expenditures by December 31, 2012, including US\$200,000 of mandatory expenditures by December 31, 2011.

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 333,500 common shares of Sniper (183,500 shares received) and by incurring US\$2,000,000 in exploration expenditures by December 31, 2012, including US\$350,000 of mandatory expenditures by December 31, 2011 (incurred).

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7. Mineral Properties (continued)

Linka and Petes Summit

Sniper had the option to earn a 51% interest in both the Linka and Pete 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 (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. Of this, only US\$123,502 was spent and during the year, the Company received 332,337 common shares of Sniper in settlement of US\$75,000 in unspent mandatory property expenditures. Sniper terminated the option agreement after this payment.

In addition, the Company abandoned the Linka property during fiscal 2009.

Summit Property

Effective June 1, 2007, the Company entered into an agreement with Agnico-Eagle (USA) Limited ("Agnico") which will allow Agnico to earn a 51% interest in the Summit Property by incurring exploration expenditures of US\$3 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 (received). Agnico can increase its ownership interest to 70% by completing a feasibility study. Agnico will be the operator during the earn-in phase of the agreement and upon formalization of a joint venture.

White Horse Flats

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

Stevens Basin

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

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7. Mineral Properties (continued)

Other Properties

The Company has additional exploration properties in Nevada. Refer to the table at the beginning of the note for other projects.

Impairment of Mineral Properties

At December 31, 2010, management reviewed the carrying values of its mineral property interests. Indications of impairment were identified on certain properties due to the fact that the Company had no immediate plans to conduct further exploration activities or the property was abandoned. At June 30, 2011, no additional impairment was deemed necessary.

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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, 2010	36,139,518	13,171,639	3,696,639
Option grants			1,514,396
Reclass of fair value of option exercises		469,964	(469,964)
Auplata Private Placement ⁽¹⁾	30,276,266	17,030,399	
Pelican Private Placement at \$0.215 per unit ⁽²⁾	13,357,176	2,871,793	
Exercise of Options	1,395,792	1,071,950	
Warrants exercised	8,432,938	2,529,881	
Finder's Fees	194,681	144,117	
Shares for mineral property	91,943	76,313	
Balance, as at June 30, 2011	89,888,314	37,366,056	4,741,071

¹ On June 30, 2011, the Company closed its previously announced transaction with Auplata SA to secure the exclusive right to obtain up to 100% interest in the Paul Isnard gold project in French Guiana, fully satisfying the share issuances required for that purpose. The Company issued 30,276,266 common shares to Auplata, with an inferred value of \$17,030,399. All these shares are subject to a four month hold period expiring on October 30, 2011, and 20,184,177 of such shares are also subject to an agreement that requires all of such shares to be held in escrow for two years until June 29, 2013.

² As part of the transaction to acquire the Paul Isnard Project, the Company completed a 13,357,176 share private placement to Pelican Venture SAS for gross proceeds of \$2,871,793. These shares are subject to a four month period expiring on October 30, 2011.

(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 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.

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For the Nine Month Period Ended June 30, 2011

Unaudited

8. Share Capital (continued)

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	WA Grant Date Fair Value
Balance, as at September 30, 2010⁽¹⁾	5,483,000	\$0.56	2.78 yrs	\$0.30
Granted during the period	2,765,000	\$0.66	4.69	
Cancelled/Exercised during period ⁽²⁾	(2,725,000)			
Balance, as at June 30, 2011	5,523,000	\$0.49	3.17	

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

(2) A total of 275,000 options granted were cancelled as these individuals left the Company.

On June 15, 2011, the Company granted 1,556,500 incentive stock options to directors, officers and consultants of the Company at \$0.78 per share exercisable on or before June 15, 2016.

Of the foregoing options, 225,000 will vest on December 15, 2011; 100,000 will vest on June 15, 2012; and 100,000 will vest on June 15, 2013.

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

Number of Options	Exercise Price	Expiry Date
90,000	\$1.40	December 2011
10,000	\$1.68	February 2012
50,000	\$1.50	May 2012
60,000	\$1.25	October 2012
90,000	\$1.25	November 2012
83,000	\$0.85	March 2013
1,075,000	\$0.50	August 2013
200,000	\$0.25	May 2014
1,300,000	\$0.25	January 2015
1,008,500	\$0.50	December 2015
1,556,500	\$0.67	June 2016
Total 5,523,000		

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Unaudited

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

Number of Options	Exercise Price	Expiry Date
1,725,000	\$0.25	January 28, 2015
200,000	\$0.25	May 28, 2014
1,795,000 ⁽¹⁾	\$0.50	August 15, 2013
83,000	\$0.85	March 12, 2013
90,000	\$1.25	November 29, 2012
60,000	\$1.25	October 31, 2012
70,000	\$1.50	May 2, 2012
30,000	\$1.25	April 3, 2012
35,000	\$1.68	February 15, 2012
90,000	\$1.40	December 20, 2011
1,305,000 ⁽²⁾	\$0.85	May 24, 2011
Total 5,483,000		

(1) Includes 200,000 options previously thought to have expired.

(2) Includes 100,000 options previously thought to have expired.

(c) Warrants

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

Number of Warrants	Exercise Price	Expiry Date
1,760,000	\$0.30 ⁽¹⁾	Jan-12
217,600 ⁽²⁾	\$0.30 ⁽¹⁾	Jan-12
48,500	\$0.30 ⁽¹⁾	Nov-11
10,750 ⁽²⁾	\$0.30 ⁽¹⁾	Nov-11
2,036,850		

(1) Last six months price increases to \$0.35

(2) Agents Warrants

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

Number of Warrants	Exercise Price	Expiry Date
5,103,250	\$0.30	January 9, 2012
430,801	0.30	January 9, 2012
4,632,500	\$0.30	November 21, 2011
303,237	\$0.30	November 21, 2011
10,166,551		

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For the Nine Month Period Ended June 30, 2011

Unaudited

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

	Warrants Outstanding	Weighted Average Exercise Price	Weighted Average Time To Expiry	Weighted Average Grant Date Fair Value
Balance – September 30, 2010	10,469,788	\$0.30	1.21 yrs	\$0.09
Exercised	8,432,938	\$0.30	0.9 yrs	
Issued during the period	-	\$0.30		
Balance – June 30, 2011	2,036,850	\$0.30		

9. Supplemental Cash Flow Information

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

The Company amortized \$143,334 in stock based compensation during the three month period, representing the final two months of December grant of 1,138,500 options plus expensed \$1,038,207 as stock based compensation for options granted during the period.

10. Related Party Transactions

The following related party transactions occurred during the period ended June 30, 2011:

	Consulting Fees	Management Fees	Director Fees
Don Gustafson (Director)	-	-	\$9,000
Perennial Capital Corp. ⁽¹⁾ (Company with an officer in common)	-	\$55,000 ⁽²⁾	\$9,000
Gil Atzmon (Director)	-	-	\$9,000
Peter Gianulis (Director)	-	-	\$9,000
Cordilleran Exploration Co. ("Cordex") ⁽²⁾ (Company with an officer in common)	\$106,950	-	-
Balance at June 30, 2011	\$106,950	\$55,000	\$36,000

(1) Robert Giustra is the President of Perennial Capital Corp.

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Notes to the Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2011

Unaudited

10. Related Party Transactions (continued)

At June 30, 2011, a total of \$106,950 (September 30, 2010 - \$176,836 receivable) has been paid to Cordex, a company with an officer in common with Columbus Gold (U.S.) Corp., for exploration expenditures on the Company's mineral properties.

At June 30, 2011, a total of \$12,116 (September 30, 2010 - \$19,500) was owing to directors of the Company for director fees.

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

Refer to note 3.

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

	Corporate Admin Fees	Consulting Fees	Management Fees	Director Fees
Don Gustafson (Director)	\$ -	\$ -	\$ -	\$9,000
Perennial Capital Corp. ⁽²⁾ (Company with an officer in common)	-	-	\$45,000	\$9,000
Gil Atzmon (Director)	-	-	-	\$9,000
Peter Gianulis (Director)	-	-	-	\$9,000
Cordilleran Exploration Co. ("Cordex") ⁽³⁾ (Company with an officer in common)	-	\$106,950	-	-
HRG Management Ltd. ⁽⁴⁾ (Company with 2 former directors in common)	8,927	-	-	-
Balance at June 30, 2010	\$8,927	\$62,551	\$45,000	\$36,000