



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

Management's Discussion and Analysis

**For the Year Ended
September 30, 2017**

(Stated in Canadian Dollars)

Dated December 20, 2017

Columbus Gold Corp.

Management's Discussion and Analysis (Unaudited)

For the Year Ended September 30, 2017



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The following Management's Discussion and Analysis ("MD&A") focuses on significant factors that have affected Columbus Gold Corp. (the "Company" or "Columbus Gold") and its subsidiaries' performance and such factors that may affect its future performance. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended September 30, 2017 which was prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Unless otherwise noted, all currency amounts are in Canadian dollars. "This quarter" or "current quarter" means the three month period ended September 30, 2017, and "this year" or "current year" means the year ended September 30, 2017. This MD&A is dated December 20, 2017.

Forward looking information

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

Profile and strategy

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

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

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

Spin-out of Allegiant Gold Ltd.

On December 8, 2017, the Company announced that its wholly owned subsidiary Allegiant Gold Ltd. ("ALLEGIANT"), has closed the brokered and non-brokered private placements of subscription receipts, as more particularly detailed in Company's information circular dated October 27, 2017, for combined gross proceeds of \$4,196,468.40. Under the terms of the subscription receipts, the proceeds are being held in escrow pending satisfaction of the conditions to closing of the spin-out of ALLEGIANT. The private placements were carried out in connection with the spin-out of ALLEGIANT as an independent company pursuant to an Arrangement Agreement as detailed in the information circular. Another private placement by ALLEGIANT is planned for early in 2018 following the spin-out.

On December 4, 2017, the Company announced that it had obtained the final order of the Supreme Court of British Columbia approving the Arrangement with Allegiant Gold Ltd., an important step in completing the spin-out of ALLEGIANT to the shareholders of Columbus Gold.

On November 28, 2017, the Company announced that a special resolution approving the Arrangement with ALLEGIANT and ordinary resolutions approving the accompanying private placement of subscription receipts of ALLEGIANT and the adoption of the ALLEGIANT stock option plan, all as detailed in Columbus Gold's information circular dated October 27, 2017, as filed on SEDAR, were each passed with votes in favour representing in excess of 95% of the shares represented at the Special General Meeting.

On September 28, 2017, the Company announced the signing of an arrangement agreement (the "Arrangement Agreement") providing for the spin-out of its subsidiary ALLEGIANT, with the intent of listing ALLEGIANT on the TSX Venture Exchange. ALLEGIANT indirectly holds Columbus Gold's United States mineral property portfolio.

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Overall performance and outlook

The following highlights the Company's overall performance for the three months and year ended September 30, 2017:

	Three months ended			Year ended		
	September 30, 2017 (\$)	September 30, 2016 (\$)	% Change	September 30, 2017 (\$)	September 30, 2016 (\$)	% Change
Net income (loss)	13,051,062	(1,113,125)	1,272%	9,780,506	(3,848,757)	354%
Cash used in operating activities	(1,561,836)	(699,457)	(123%)	(3,247,235)	(1,961,095)	(66%)
Cash at end of period	1,356,824	4,508,219	(70%)	1,356,824	4,508,219	(70%)
Earnings (loss) per share - basic	0.09	(0.01)	1,000%	0.07	(0.03)	333%
Earnings (loss) per share - diluted	0.08	(0.01)	900%	0.06	(0.03)	300%

On August 15, 2017, the Company granted 250,000 share purchase options to an officer of the Company. The share purchase options are exercisable at a price of \$0.75 per share for a period of five years from the grant date.

On August 4, 2017, the Company announced the appointment of Mr. Blaine Monaghan as the Company's Vice President, Corporate Development. Mr. Monaghan has over 15 years of experience working with mineral exploration and development companies, including True Gold Mining Inc., acquired by Endeavour Mining Corp., Canplats Resources Corp., acquired by Goldcorp Inc., Western Prospector Group Ltd., acquired by a subsidiary of China Nuclear National Corp., and Wheaton River Minerals Ltd., which merged with Goldcorp in 2005.

On July 4, 2017, the Company announced the departure of Ms. Jenna Virk from the positions of Corporate Secretary and VP, Legal. Mr. Andrew Yau, the current Chief Financial Officer of Columbus Gold, will serve as Interim Corporate Secretary.

On May 24, 2017, long-time director, Donald L. Gustafson, passed away and ceased to be a director of the Company.

On February 15, 2017, the Company announced that it has closed a bought deal offering of 8,000,000 common shares of Columbus Gold at a price of \$0.63 per share for gross proceeds to Columbus Gold of \$5,040,000 (the "Offering"). The Offering was completed pursuant to an underwriting agreement dated January 24, 2017 between Columbus Gold and Beacon Securities Limited (the "Underwriter"). The Shares were offered by way of a short form prospectus filed in each of the provinces of Canada, except Québec. In connection with the Offering, Columbus Gold paid a commission equal to 6% of the gross proceeds of the Offering and issued to the Underwriter 480,000 compensation options, equal to 6% of the shares sold under the Offering. The proceeds of the Offering will be used to carry out an exploration drilling program at Columbus Gold's Montagne d'Or gold project in French Guiana, and for working capital and general corporate purposes.

On February 15, 2017, the Company granted 50,000 share purchase options to an employee the Company. The share purchase options are exercisable at a price of \$0.90 per share for a period of five years from the date of grant.

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

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

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**Discussion of operations**Exploration and evaluation assets

A summary of exploration and evaluation assets by property for the year ended September 30, 2017 is set out below:

Property	Balance at October 1, 2016 (\$)	Additions (\$)	Other (\$)	Foreign exchange (\$)	Balance at September 30, 2017 (\$)
<u>French Guiana</u>					
Paul Isnard	28,589,945	5,833,493	(34,452,002) ¹	28,564	-
<u>Nevada</u>					
Big Lime	644	436	-	(55)	1,025
Bolo	3,525,043	653,102	-	(208,687)	3,969,458
Clanton Hills	31,133	3,932	-	(1,748)	33,317
Eastside	11,351,695	3,420,277	-	(695,663)	14,076,309
Four Metals	6,999	7,437	-	(729)	13,707
Hugh's Canyon	18,746	26,462	-	(2,292)	42,916
Mogollon	467,410	-	(265,820) ²	(6,707)	194,883
Monitor Hills	27,935	37,448	-	(3,313)	62,070
North Brown	6,672	8,379	-	(762)	14,289
Overland Pass	20,752	21,363	-	(2,129)	39,986
Red Hills	13,943	12,838	-	(1,353)	25,428
Silver Dome	-	19,063	-	(980)	18,083
Weepah	15,600	-	(15,869) ³	269	-
West Goldfield	-	159,474	-	(8,197)	151,277
White Canyon	1	-	-	-	1
White Horse Flats	4,456	8,586	-	(662)	12,380
White Horse Flats North	9,029	13,005	-	(1,117)	20,917
	44,090,003	10,225,295	(34,733,691)	(905,561)	18,676,046

¹ Consists of \$3,248,648 exploration and evaluation funded by Nordgold, and \$31,203,354 reclassified to *Investment in Compagnie Minière Montagne d'Or*.

² See *Mogollon*.

³ See *Bolo*.

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

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

¹ Consists of \$10,559,487 exploration and evaluation funded by Nordgold, operator's fee earned of \$383,844 and cost recoveries of \$1,345,490.

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

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

	(\$)
Balance at September 30, 2015	41,205,323
Acquisition and land	537,446
Camp costs and other	847,591
Drilling	8,809,026
Equipment	508,324
Geology and trenching	1,159,037
Management and administration	2,534,463
Technical studies	958,613
Travel	258,283
Operator fee	(383,844)
Cost recoveries	(1,345,490)
Amounts funded by Nordgold	(10,559,487)
Option payments received	(7,490)
Foreign exchange	(431,792)
Balance at September 30, 2016	44,090,003
Acquisition and land	1,829,875
Camp costs and other	654,919
Drilling	3,658,275
Geology, trenching and geophysics	1,010,120
Management and administration	2,461,903
Technical studies	457,336
Travel	152,867
Amounts funded by Nordgold	(3,248,648)
Option payments received	(265,820)
Disposition of Weepah	(15,869)
Reclassified to <i>Investment in Compagnie Minière Montagne d'Or</i>	(31,203,354)
Foreign exchange	(905,561)
Balance at September 30, 2017	18,676,046

Paul Isnard – French Guiana

The Paul Isnard Gold Project consists of eight mining concessions and two exclusive exploration permits ("PER") covering 190 km², located in the northwestern region of French Guiana, South America, 180 km west of the capital, Cayenne, and 85 km south of the town of Saint-Laurent-du-Maroni. The Montagne d'Or deposit, which contains significant gold mineralization, is located within the southern part of the Paul Isnard Gold Project.

The PER were granted to the Company on July 6, 2016, on strike of the east and west extensions of Montagne d'Or gold deposit. The two permits cover a total surface area of 53.4 km².

On January 24, 2017, the Company announced that in anticipation of the forthcoming completion of a Bankable Feasibility Study ("BFS") on the Montagne d'Or gold deposit, a new exploration focused drilling program will be carried-out, with the objective of assessing expansion potential. Drilling operations commenced on February 10, 2017 and the program was completed on June 14, 2017. The program amounted to 31 diamond drill holes, for a total of 5,280 metres of drilling with the following highlights:

- drill hole MO-17-295 confirms the potential to increase the size of Montagne d'Or deposit at depth. Drill Hole MO-17-295 returned 0.92 g/t Au over 41.2 metres, including 1.92 g/t Au over 17.7 metres, and was intercepted 175 metres vertically below the deepest hole previously drilled in the principal Upper Felsic Zone ("UFZ"), the secondary Lower Favourable Zone ("LFZ"), and the footwall zone ("FWZ");
- drill hole MO-17-304 confirms the potential to increase size of Montagne d'Or along strike. Drill hole MO-17-304 returned 0.56 g/t Au over 58.1 metres, including 2.32 g/t Au over 9.0 metres, 400 metres to the west of the Montagne d'Or gold deposit; and

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- drill hole MO-17-311 confirms the potential for new discoveries in and around the Montagne d'Or Gold deposit. Drill hole MO-17-311 returned 5.53 g/t Au over 8.0 metres, including 8.96 g/t Au over 4.7 metres and is located to the north of the Montagne d'Or deposit.

Additional details can be obtained from the Company's press release dated August 15, 2017, available on the Company's website.

Nordgold option

The Company entered into a binding letter option agreement with major gold producer Nordgold SE ("Nordgold") on September 17, 2013, and subsequently executed a definitive agreement on March 13, 2014 (the "Option Agreement"), under which Nordgold had been granted the right to acquire a 50.01% interest in the Paul Isnard mining concessions and the exploration permits, held by the Company's subsidiary, Compagnie Minière Montagne d'Or SAS ("COMMOR"). Under the Option Agreement, Nordgold could earn its interest in the mineral permits by completing a Bankable Feasibility Study ("BFS") and by expending not less than \$32,730,000 (US\$30 million) in 3 years, which includes a requirement for Nordgold to pay the Company \$4,558,355 (US\$4.2 million) in cash no later than May 21, 2014 (received). During the earn-in period, up to January 14, 2016, Columbus Gold was the project operator and earned a 10% operator fee on certain expenditures. Effective January 15, 2016, Nordgold is the project operator.

On January 12, 2016, the Company entered into an agreement with Nordgold to sell a 5% minority interest in the Paul Isnard Gold Project (the "5% Sale") for \$7,870,200 (US\$6,000,000) (received). The formal acquisition and transfer of the 5% interest does not occur until Nordgold has funded completion of a Feasibility Study and achieved a minimum of \$32,730,000 (US\$30,000,000) in project expenditures, in order to earn an additional 50.01% interest in the Paul Isnard Gold Project. If Nordgold does not earn its initial 50.01% interest, then the Company was required to refund the advance of \$7,870,200 (US\$6,000,000).

On September 14, 2017, the Company's interest in COMMOR was diluted to 49.99% through Nordgold's successful Option Agreement earn-in, and an additional 5% interest in COMMOR was transferred to Nordgold to complete the 5% Sale. A Shareholders' Agreement was signed between the Company and Nordgold, with the Company retaining a 44.99% interest of COMMOR, and Nordgold having the remaining 55.01% interest. As a result, and in accordance with IFRS, COMMOR is no longer accounted for on a consolidated basis, and instead, as an equity accounted investment.

On December 18, 2017, the Company announced that at a meeting of the Montagne d'Or joint-venture (Columbus Gold 44.99%/Nordgold 55.01%) held on December 15th, 2017 the joint-venture board unanimously decided to proceed with construction of the Montagne d'Or gold mine in French Guiana. Commencement of construction is subject to a number of additional requirements, including a public consultation and receipt of required permits and authorizations. The submittal of the mine permit applications is presently scheduled for the third quarter of 2018 and could take more than 12 months to process.

The Company and Nordgold are currently undergoing a reconciliation of expenditures during the option period and the Company expects to receive a refund from Nordgold in the amount estimated to be \$1,940,755 (€1,318,000).

Bankable Feasibility Study

On March 20, 2017, the Company announced the results of the independent BFS prepared in accordance with National Instrument 43-101. Highlights of the BFS are as follows:

- Net present value of US\$370 million (~C\$500 million at 1.35 USD-CAD exchange rate) after tax (at a 5% discount rate);
- Internal rate of return of 18.7% after tax, at an assumed gold price of US\$1,250 per ounce ("oz");
- Reserves calculated at a gold price of US\$1,200/oz;
- Proven & Probable Mineral Reserves of 2,745,000 oz gold ("Au") (54.1 million tonnes ("Mt") at 1.58 grams per tonne ("g/t") Au), a subset of the Measured and Indicated Resources of 3,850,000 oz Au (85.1 Mt at 1.41 g/t Au, using a cut-off grade of 0.4 g/t and a US\$1,300/oz Au price);
- Life-of-mine ("LOM") production of approximately 2,572,000 oz Au; 214,000 oz per year, over a 12-year mine life, using an average overall gold recovery of 93.8% that results in an average LOM Total Cash Cost of US\$666/oz and LOM All-In Sustaining Costs ("AISC") of US\$779/oz;
- Average annual gold production of 237,000 oz over the first ten years of mine life at an average grade of 1.73 g/t Au that results in an average AISC of US\$749/oz; and
- Total Net Initial Capital Costs (including pre-stripping and contingency, less surplus tax credit refunds) of US\$361 million (table below for Capital Costs breakdown), with an After-tax Payback Period of 4.1 years, and LOM Sustaining Capital Costs of US\$231 million. LOM contingency rate of 9.5% is included in the estimate.

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Additional information can be found in the press release dated March 20, 2017 on the Company's website.

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

USA drilling and exploration activity

Bolo

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

On December 5, 2017, Columbus Gold announced that 1,900 drill samples from its 100% owned Bolo gold project in Nevada, have been shipped to the assay lab. The drilling was completed in August 2017 and the samples were stored in sealed and wire strapped containers in Tonopah, Nevada pending completion of shareholder and Supreme Court approval of the Arrangement between Columbus Gold and Allegiant Gold Ltd, both of which have now been obtained.

On August 31, 2017, Columbus Gold announced the completion of drilling at Bolo, with highlights as follows:

- 14 reverse circulation drill holes, totaling 2,806 metres completed;
- 12 of the 14 holes encountered strong alteration, including decalcification, quartz veining and stockworks strong iron oxide staining, and intense silicification (jasperoid) replacement; and
- drilling focused on the recently acquired Uncle Sam patented claim, immediately south of where the Company previously intersected 133 metres of 1.28 g/t gold from surface (including 30.5 m of 3.24 g/t gold).

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

Eastside

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

On December 5, 2017, the Company announced the commencement of drilling at Eastside, focused on the expansion of the Original Zone, inside the pit to the west and to the south.

On March 7, 2017, the Company announced that it has initiated a 12 hole 3,700 metre RC drill program at Target 5 at Eastside. Target 5 is located about 8 km (5 miles) south of the Original Zone where Columbus Gold announced an initial NI 43-101 pit constrained inferred resource. Results were announced on July 21, 2017 with details on the Company's website.

On January 20, 2017, the Company announced that it has entered into an option agreement dated December 22, 2016 and amended January 13, 2017, with Seabridge Gold Inc. ("Seabridge") pursuant to which it can acquire 100% of Seabridge's rights and interest in the Castle gold project lease. The Castle gold project hosts a historical estimate of 272,153 ounces of gold resources adjoining the south end of the Company's Eastside gold project. The Castle gold project covers an area of 9.6 km² and is located 13 km south of the Original Zone, where substantially all Eastside drilling has occurred to date, and 6.5 km south of Target 5 at. Under the terms of the transaction, the Company had until February 10, 2017 to complete its due diligence and until February 21, 2017 to close the exercise of its option by issuing 1,750,000 common shares, as per 1,500,000 shares to Seabridge in consideration for the transfer of the lease, and 250,000 shares to the underlying lessor Platoro West Incorporated ("Platoro West"). The annual lease payment to Platoro West is \$32,443 (US\$25,000) per year and the term of the lease is 99 years. Platoro West also agreed to reduce the existing 3.5% NSR royalty to 2%, subject to the Company's right to buy back 1% for a onetime payment of \$3,244,250 (US\$2,500,000). The Company completed the acquisition of the Castle gold project on February 21, 2017.

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

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

Mogollon

On December 22, 2015, the Company entered into an option agreement with a third party, granting the third party an option to acquire a 100% interest in the Company's Mogollon silver-gold project located in Catron County, New Mexico. The agreement requires the third party to pay the Company an aggregate of \$1,297,700 (US\$1,000,000) in staged annual payments over a four year period. As at September 30, 2017, the Company received two option payments totalling \$334,337 (US\$250,000) from the third party.

Qualified Person – U.S. properties disclosure only

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

Summary of quarterly information

	Q4 2017 (\$)	Q3 2017 (\$)	Q2 2017 (\$)	Q1 2017 (\$)	Q4 2016 (\$)	Q3 2016 (\$)	Q2 2016 (\$)	Q1 2016 (\$)
Net income (loss) for the period	13,051,062	(734,329)	(1,252,791)	(1,283,436)	(1,113,125)	(301,720)	(1,780,397)	(653,515)
Basic earnings (loss) per share	0.09	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.00)
Diluted earnings (loss) per share	0.08	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.00)

	Sep 30, 2017 (\$)	Jun 30, 2017 (\$)	Mar 31, 2017 (\$)	Dec 31, 2016 (\$)	Sep 30, 2016 (\$)	Jun 30, 2016 (\$)	Mar 31, 2016 (\$)	Dec 31, 2015 (\$)
Cash	1,356,824	4,299,576	6,664,620	3,604,658	4,508,219	5,984,043	6,560,497	1,069,347
Total assets	57,752,245	54,180,722	54,523,183	49,223,166	50,531,846	48,672,581	50,641,596	44,416,733
Total non-current financial liabilities	-	-	-	-	-	-	-	(3,404)

Review of financial results – current quarter

During the three months ended September 30, 2017, the Company earned net income of \$13,051,062, compared to a net loss of \$1,113,125 during the prior year.

The Company recorded a gain of \$14,115,898 from the deconsolidation of COMMOR this quarter, compared to \$nil during the comparative prior year quarter. The gain from the deconsolidation is in connection with Nordgold's successful earn in of a 55.01% interest of COMMOR on September 14, 2017.

During the current quarter, administration and office expenses increased by 27%, to \$344,384, from \$271,856 during the comparative period. The increase is mainly attributable to the addition of a VP Corporate Development position and corresponding recruiting fees.

Professional fees increased to \$529,888 during the three months ended September 30, 2017, compared to \$242,066 during the same period in the prior year, mainly attributable to corporate financial advisory services and increased legal fees to complete Nordgold's successful earn-in of COMMOR under the Option Agreement.

The vesting of share options resulted in a non-cash share-based payments charge of \$27,289 this quarter, compared to \$373,528 during the prior year comparative period. 250,000 share options have been granted this quarter, compared to nil during the same prior year quarter.

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The Company recorded a foreign exchange loss of \$13,519 during the current quarter, compared to \$73,934 during the same period in the prior year. The higher foreign exchange loss during the prior year quarter was primarily attributable to the effect of the weakening Canadian Dollar and its impact on the *Deferred sale of minority interest in Paul Isnard Gold Project*, which was denominated in US Dollars.

Review of financial results – year to date

	Year ended		
	September 30, 2017 (\$)	September 30, 2016 (\$)	September 30, 2015 (\$)
Net income (loss) for the year	9,780,506	(3,848,757)	(5,053,409)
Basic earnings (loss) per share	0.07	(0.03)	(0.04)
Diluted earnings (loss) per share	0.06	(0.03)	(0.04)

	September 30, 2017 (\$)	September 30, 2016 (\$)	September 30, 2015 (\$)
	Cash and cash equivalents	1,356,824	4,508,219
Total assets	57,752,245	50,531,846	44,647,326
Total non-current financial liabilities	-	-	8,509

During the year ended September 30, 2017, the Company earned net income of \$9,780,506, compared to a net loss of \$3,848,757 during the prior year. The change to profitability is further discussed below.

The Company recorded a gain of \$14,115,898 from the deconsolidation of COMMOR this year, compared to \$nil during the comparative prior year. The gain from the deconsolidation is in connection with Nordgold's successful earn in of a 55.01% interest of COMMOR on September 14, 2017.

General exploration increased to \$186,965 this year, compared to \$34,872 during the prior year. The increase is a result of the Company's increased activity in a prospecting program in Nevada for the current year.

Investor relations increased to \$414,044 this year, compared to \$182,311 during the prior year. The increase is attributable to increased investor relations activities.

Professional fees increased to \$1,281,482 this year, compared to \$677,523 during the prior year. The increase is mainly attributable to corporate financial and technical advisory services and increased legal fees to complete Nordgold's successful earn-in of COMMOR under the Option Agreement.

During the year ended September 30, 2017, the Company granted 1,975,000 share options to directors, officers, employees and consultants of the Company, compared to 3,390,000 during the prior year. The vesting of share options resulted in a non-cash share-based payments charge of \$628,288 this year, compared to \$1,115,833 during the prior year.

During the year ended September 30, 2016, the Company recorded a gain on sale of available-for-sale investments of \$257,566, whereas, there was no corresponding gain during the current year. The gain was in connection with the sale of shares of Eastmain Resources Inc.

The Company recorded a foreign exchange loss of \$4,312 during the current year, compared to a gain of \$318,357 during the prior year. The significant foreign exchange gain during the prior year was mainly attributable to the effect of the strengthening Canadian Dollar relative to the US Dollar and its impact on the *Deferred sale of minority interest in Paul Isnard Gold Project*, which was denominated in US Dollars.

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During the current year the company recorded an impairment of available-for-sale investments totaling \$25,463, whereas during the prior year, \$591,663 was impaired. The current year impairment is in connection with shares of Energulf Resources Inc., and the impairment during the prior year was mainly in connection with Sniper Resources Inc.

Liquidity and capital resources

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

At September 30, 2017, the Company had cash of \$1,356,824 and working capital of \$1,390,553, compared to cash of \$4,299,576 and a working capital deficiency of \$5,422,238 at June 30, 2017, and cash of \$4,508,219 and a working capital deficiency of \$3,628,810 at September 30, 2016.

During the three months and year ended September 30, 2017, the Company used cash of \$1,561,836 and \$3,247,235, respectively, in operating activities, compared to \$699,457 and \$1,961,095, respectively, during the comparative prior year periods. Cash used in operations consists of cash used to fund the loss for the period, adjusted for the impact of non-cash items and changes in non-cash working capital.

During the three months and year ended September 30, 2017, the Company used \$1,406,747 and \$4,471,598, respectively, in investing activities. Cash used in investing activities this quarter consists of \$959,292 in exploration and evaluation assets in the USA and French Guiana, \$465,523 of funds advanced from Nordgold invested in the Paul Isnard Gold Project, partially offset by sale of available-for-sale investments of \$16,986 and interest earned of \$4,998. Cash used in investing activities this year primarily consists of \$4,948,508 in exploration and evaluation assets in the USA and French Guiana, partially offset by option payments received in connection with Mogollon of \$265,820, and advances from Nordgold of \$173,100 for the Paul Isnard Gold Project.

During the three months ended September 30, 2016, the Company invested \$1,675,856 in exploration and evaluation assets, primarily in the USA, and invested \$501,144 of funds advanced from Nordgold, in the Paul Isnard Gold Project. During the year ended September 30, 2016, the Company received \$8,375,959 as an advance for the 5% Sale, earned \$383,844 in operator's fees on the Paul Isnard Gold Project, and earned \$257,566 from the purchase and sale of shares of Eastmain Resources Inc., partially offset by \$5,084,740 invested in exploration and evaluation, primarily in the USA.

During the three months and year ended September 30, 2017, the Company received \$90,000 and \$128,500, respectively, from share options exercised. During the current year, the Company also received \$4,461,141 from a bought deal offering of the Company's common shares. During the three months and year ended September 30, 2016, the Company received \$1,338,000 from the sale of its treasury shares, and also received \$7,000 and \$405,250, respectively, from share options exercised.

At September 30, 2017, the Company had cash of \$1,356,824 and current liabilities of \$521,015. The Company has sufficient cash and access to capital to meet working capital requirements, and obligations as they become due.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

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**Related party transactions**

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

On March 2, 2015, the Company entered into an agreement with Organto, pursuant to which Organto will transfer to Columbus Gold its Mogollon Project in consideration for the cancellation of debts owed by Organto to Columbus Gold of \$443,429 (note 9). The Mogollon Project has been formally transferred to the Company during the 2016 fiscal year, and the corresponding debt cancelled.

The following is a summary of related party transactions:

	Three months ended		Year ended	
	Sep 30, 2017 (\$)	Sep 30, 2016 (\$)	Sep 30, 2017 (\$)	Sep 30, 2016 (\$)
Management fees paid to Columbus Capital Corporation, a company controlled by Robert Giustra, CEO and Chairman of the Company	75,000	75,000	350,000	350,000
Accounting fees paid to Andrew Yau, CFO of the Company	30,000	30,000	125,000	57,750
Accounting fees paid to Akbar Hassanally, former CFO of the Company	-	-	-	105,067
Consulting fees paid or accrued to Cordex Exploration LLC, a Company which Andy Wallace, an officer of a subsidiary of the Company, is a principal	62,681	63,700	262,291	263,500
Directors fees paid or accrued	27,000	36,000	132,000	144,000
Management and administration fees received or accrued from Organto and EnerGulf	(76,800)	(30,000)	(259,800)	(128,750)
	117,881	174,700	609,491	791,567

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

	September 30, 2017 (\$)	September 30, 2016 (\$)
Advances to a Company controlled by the CEO and Chairman of the Company	25,000	25,000
Advances to the CEO of the Company	7,000	15,000
Trade receivables from Organto	263,520	105,000
Directors fees payable	(103,000)	(67,000)
	192,520	78,000

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Commitments and contingent liability

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

In addition, the Company has commitments as follows:

	1 year (\$)	2-3 years (\$)	4-5 years (\$)	Total (\$)
Office lease payments	111,778	158,353	-	270,131

On June 8, 2016, the Company received a court notice from the Cayenne District Court (Tribunal d'Instance de Cayenne) dated June 2, 2016. The court notice indicated a former employee of COMMOR, a subsidiary of the Company, has made a claim against COMMOR for \$184,249 (€124,383), primarily for unpaid overtime wages. A first hearing in the court of Cayenne was held on September 21, 2016, and due to a lack of evidence from the plaintiff, the hearing was deferred to May 31, 2017. The Cayenne District Court ruled in favor of the Company and the lawsuit was dismissed.

Proposed transactions

The Company intends to spin-out ALLEGIANT as outlined in the section "*Spin-out of Allegiant Gold Ltd.*".

Critical accounting estimates

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

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

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

Changes in accounting policies and standards

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended September 30, 2017, and have not been applied in preparing the consolidated financial statements. Those that may have a significant effect on the consolidated financial statements of the Company are as follows:

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

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

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impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

(b) IFRS 16 – *Leases* (“IFRS 16”)

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The Company does not expect IFRS 16 to have a significant impact on the Company's financial statements. IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019.

(c) Other

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

Financial instruments

Fair value

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

Financial instrument	Financial statement classification	Associated risks	Fair value at September 30, 2017 (\$)
Cash	Carrying value	Credit, currency, and interest rate	1,356,824
Available-for-sale investments	Fair value	Currency, and exchange	7,001
Receivables	Carrying value	Credit, currency, and concentration	355,199
Reclamation bonds	Carrying value	Credit, currency and concentration	446,906
Accounts payable	Carrying value	Currency	(148,534)
			2,017,396

The fair value of the Company's financial instruments including cash, receivables, and accounts payable approximates their carrying value due to the immediate or short term maturity of these financial instruments. The fair value of the reclamation bonds approximates their fair value based on current interest rates and high liquidity.

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

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

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

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. Available-for-sale investments are classified as Level 1. At September 30, 2017, there were no financial assets or liabilities measured and recognized in the statement of position that would be categorized as Level 2 or Level 3 in the fair value hierarchy above.

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Financial risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at September 30, 2017 are summarized below. The Board of Directors periodically reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

(a) Credit risk

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

(b) Liquidity risk

Liquidity risk arises from the Company's general and capital financing needs. The Company manages liquidity risk by attempting to maintain sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at September 30, 2017, the Company has working capital of \$1,390,553 (September 30, 2016 – working capital deficiency of \$3,628,810).

(c) Market risks

(i) Foreign currency risk

The Company's functional currency is the Canadian dollar. The Company is exposed to the currency risk related to the fluctuation of foreign exchange rates in its US subsidiary, Allegiant Gold (U.S.) Ltd. and French subsidiary, COMMOR. The Company also has assets and liabilities denoted in US dollars and the European Euro. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar or European Euro could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

(ii) Commodity price risk

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

(iii) Interest rate risk

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

Sensitivity analysis

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

The Company maintains significant cash balances, receivables, accounts payable and other liabilities in US dollars and European Euros, currencies other than the functional currency of Company. The Company estimates that a +/-10% change in the value of the Canadian dollar relative to the US dollar and European Euro would have a corresponding effect of approximately \$160,000 to profit or loss.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its 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.

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

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

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

Other information

Outstanding share data

The Company has authorized capital of an unlimited number of common shares without par value. The table below represents Columbus Gold's capital structure as at the date of this MD&A and September 30, 2017:

	As at date of this MD&A	September 30, 2017
Common shares issued and outstanding	158,769,132	153,096,086
Share purchase options outstanding (exercisable at \$0.30-\$0.90)	2,707,500	12,234,000
Warrants outstanding (exercisable at \$0.63)	-	480,000

Risks and uncertainties

Risk factors

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

Exploration, development and production risks

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

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

The Company's resource projects are in the exploration stage. Resource exploration, development, and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge will not eliminate. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration

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programs. The Company must rely upon consultants and contractors for exploration, development, construction and operating expertise. Substantial expenditures may be required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

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

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; the proximity and capacity of milling facilities; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Additional funding requirements

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

Prices, markets and marketing of natural resources

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

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

Enforcement of civil liabilities

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

Environmental risks

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

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

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

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

Dilution

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

Regulatory requirements

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

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

Reliance on operators and key employees

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

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Permits and licenses

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

Availability of equipment and access restrictions

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

Conflict of interest of management

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

Competition

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

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

Insurance

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

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

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

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

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

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

Global financial conditions

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

Credit risk

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

Management's responsibility for financial statements

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

Controls and procedures

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There have been no changes in the Company's internal control over financial reporting during the three months and year ended September 30, 2017 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Caution regarding forward looking statements

This document contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to as "forward-looking statements"). Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "expects" or "does not expect," "is expected," "planned," "budget," "scheduled," "estimates," "continues," "forecasts," "projects," "predicts," "intends," "anticipates" or "does not anticipate," or "believes," or variations of such words and phrases, or statements that certain actions, events or results "may," "could," "would," "should," "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any of our future results, performance or achievements expressed or implied by the forward-looking statements; consequently, undue reliance should not be placed on forward-looking statements.

These risks, uncertainties and other factors include, but are not limited to: changes in Canadian/US dollar exchange rates; management's strategies, objectives and expectations; the Company's tax position and the tax and royalty rates applicable; the Company's ability to acquire necessary permits and other authorizations in connection with its projects; risks associated with environmental compliance, including without limitation changes in legislation and regulation, and estimates of reclamation and other costs; the Company's cost reduction and other financial and operating objectives; the Company's environmental, health and safety initiatives; the availability of qualified employees and labour for operations; risks that may affect operating or capital plans; risks

Columbus Gold Corp.

Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2017



created through competition for mining properties; risks associated with exploration projects, and mineral reserve and resource estimates, including the risk of errors in assumptions and methodologies; risks associated with dependence on third parties for the provision of critical services; risks associated with non-performance by contractual counterparties; risks associated with title; and general business and economic conditions.

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

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

Additional information

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

Corporation information

Head Office: 1090 Hamilton Street
Vancouver, BC V6B 2R9
Canada

Directors: Robert Giustra
Gil Atzmon
Peter Gianulis
Oleg Pelevin

Officers: Robert Giustra, Chief Executive Officer
Andrew Yau, Chief Financial Officer & Interim Corporate Secretary
Rock Lefrançois, Chief Operating Officer
Blaine Monaghan, Vice President, Corporate Development
Jorge Martinez, Vice President, Communications & Technology

Auditor: DMCL LLP
1500 – 1140 West Pender Street
Vancouver, BC V6E 4G1

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

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



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

Consolidated Financial Statements

**For the Year Ended
September 30, 2017**

(Stated in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Columbus Gold Corp.

We have audited the accompanying consolidated financial statements of Columbus Gold Corp., which comprise the consolidated statements of financial position as at September 30, 2017 and 2016, and the consolidated statements of comprehensive income (loss), shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Columbus Gold Corp. as at September 30, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes certain conditions that indicate the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
December 20, 2017

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



	September 30, 2017 (\$)	September 30, 2016 (\$)
Assets		
Current assets		
Cash	1,356,824	4,508,219
Available-for-sale investments (note 5)	7,001	80,342
Receivables (note 6)	355,199	755,254
Prepaid expenses	192,544	581,338
	1,911,568	5,925,153
Non-current assets		
Reclamation bonds (note 7)	446,906	469,426
Investment in Compagnie Minière Montagne d'Or ("COMMOR") (note 8)	36,701,437	-
Exploration and evaluation assets (note 9)	18,676,046	44,090,003
Equipment (note 10)	16,288	47,264
	57,752,245	50,531,846
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable (note 13)	148,534	388,906
Accrued liabilities (note 13)	372,481	1,294,857
Deferred sale of minority interest in Paul Isnard Gold Project (notes 8 and 9)	-	7,870,200
	521,015	9,553,963
Shareholders' equity		
Share capital (note 12)	62,305,029	56,116,478
Reserves	11,449,862	11,165,572
Deficit	(16,523,661)	(26,304,167)
	57,231,230	40,977,883
	57,752,245	50,531,846

Nature of operations and going concern (note 1)
Commitments and contingent liability (note 15)
Subsequent event (note 18)

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

Approved by the Board of Directors

"Robert Giustra"
Robert Giustra – Director

"Gil Atzmon"
Gil Atzmon - Director

Columbus Gold Corp.

(An Exploration Stage Company)

Consolidated Statements of Comprehensive Income (Loss)

(Expressed in Canadian Dollars)



	Year ended	
	September 30, 2017 (\$)	September 30, 2016 (\$)
Operating expenses		
Administration and office	1,281,226	1,309,450
Directors fees (note 13)	132,000	144,000
General exploration	186,965	34,872
Investor relations	414,044	182,311
Management fees (note 13)	350,000	350,000
Professional fees (note 13)	1,281,482	677,523
Share-based payments (note 12b)	628,288	1,115,833
Transfer and filing fees	153,541	172,564
Travel	130,268	69,361
Amortization (note 10)	37,080	61,613
Income from third party interest in exploration and evaluation assets (note 9)	-	(61,027)
Loss before other items	(4,594,894)	(4,056,500)
Other items		
Interest income	27,957	16,907
Gain from deconsolidation of Compagnie Minière Montagne (note 8)	14,115,898	-
Gain on sale of available for sale investments (note 5)	-	257,566
Other income	261,320	206,576
Foreign exchange gain (loss)	(4,312)	318,357
Impairment of available-for-sale investments (note 5)	(25,463)	(591,663)
Net income (loss) for the year	9,780,506	(3,848,757)
Reclassified to net income or loss:		
Unrealized loss on available-for-sale investments (note 5)	25,463	591,663
Items that may subsequently be reclassified to net income or loss:		
Unrealized loss on available-for-sale investments	(56,075)	(91,922)
Foreign currency translation	(429,476)	(640,053)
Comprehensive income (loss) for the year	9,320,418	(3,989,069)
Earnings (loss) per share (note 12d)		
Basic	0.07	(0.03)
Diluted	0.06	(0.03)

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

Columbus Gold Corp.
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)



	Year ended	
	September 30, 2017 (\$)	September 30, 2016 (\$)
Operating activities		
Net income (loss) for the year	9,780,506	(3,848,757)
Items not involving cash		
Amortization	37,080	61,613
Share-based payments	628,288	1,115,833
Unrealized foreign exchange loss (gain)	133,976	(68,277)
Gain from deconsolidation of Compagnie Minière Montagne d'Or	(14,115,898)	-
Gain from sale of available-for-sale investments	-	(257,566)
Income from third party interest in exploration and evaluation assets	-	(61,027)
Impairment of available-for-sale investments	25,463	591,663
	(3,510,585)	(2,466,518)
Changes in non-cash working capital		
Receivables and prepaid expenses	587,792	(246,900)
Accounts payable and accrued liabilities	(324,442)	752,323
Cash used in operating activities	(3,247,235)	(1,961,095)
Investing activities		
Exploration and evaluation assets	(4,948,508)	(5,084,740)
Option payments received	265,820	68,517
Exploration advances (expenditures) from Nord Gold N.V.	173,100	66,487
Interest received	27,957	16,907
Net proceeds from available-for-sale investment	16,986	257,566
Deferred sale of minority interest in Paul Isnard Gold Project	-	8,375,959
Operator's fee	-	383,844
Equipment	(6,104)	(1,714)
Reclamation bonds	(849)	-
Restoration costs	-	(17,670)
Cash from (used in) investing activities	(4,471,598)	4,065,156
Financing activities		
Net proceeds from share offering	4,461,141	-
Proceeds from share options exercised	128,500	405,250
Cash proceeds from sale of treasury shares	-	1,338,000
Repayment of leasehold improvements costs	-	(8,507)
Cash from financing activities	4,589,641	1,734,743
Effect of foreign exchange on cash	(22,203)	(634,147)
Increase (decrease) in cash	(3,151,395)	3,204,657
Cash, beginning of year	4,508,219	1,303,562
Cash, end of year	1,356,824	4,508,219

Other non-cash transactions – refer to note 9.

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

Columbus Gold Corp.

(An Exploration Stage Company)

Consolidated Statements of Shareholders' Equity

(Expressed in Canadian Dollars)



	Share capital		Reserves				
	Number of shares	Share capital (\$)	Share options and warrants (\$)	Accumulated other comprehensive income (loss) (\$)	Total (\$)	Deficit (\$)	Total (\$)
Balance, October 1, 2015	141,665,086	55,417,561	7,814,696	2,586,512	10,401,208	(22,455,410)	43,363,359
Treasury shares (note 12 (a))	-	82,510	-	-	-	-	82,510
Share options exercised (note 12(a))	1,275,000	616,407	(211,157)	-	(211,157)	-	405,250
Share-based payments (note 12(b))	-	-	1,115,833	-	1,115,833	-	1,115,833
Comprehensive loss	-	-	-	(140,312)	(140,312)	(3,848,757)	(3,989,069)
Balance, September 30, 2016	142,940,086	56,116,478	8,719,372	2,446,200	11,165,572	(26,304,167)	40,977,883
Share offering net of share issuance costs (note 12)	8,000,000	4,273,869	187,272	-	187,272	-	4,461,141
Shares issued for acquisition of Castle gold project (note 9)	1,750,000	1,715,000	-	-	-	-	1,715,000
Share options exercised (note 12)	406,000	199,682	(71,182)	-	(71,182)	-	128,500
Share-based payments (note 12(b))	-	-	628,288	-	628,288	-	628,288
Comprehensive income (loss)	-	-	-	(460,088)	(460,088)	9,780,506	9,320,418
Balance, September 30, 2017	153,096,086	62,305,029	9,463,750	1,986,112	11,449,862	(16,523,661)	57,231,230

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

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Years Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)



1. Nature of operations and going concern

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

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

These consolidated financial statements have been prepared on a going concern basis which implies that the Company will continue realizing assets and discharging liabilities in the normal course of business for the foreseeable future. Should the going concern assumption not continue to be appropriate, further adjustments to carrying values of assets and liabilities may be required. At September 30, 2017, the Company has working capital of \$1,390,553 (September 30, 2016 – working capital deficiency of \$3,628,810) and an accumulated deficit of \$16,523,661 (September 30, 2016 - \$26,304,167). Accordingly, the ability of the Company to realize the carrying value of its assets and continue operations as a going concern is dependent upon its ability to raise additional debt or equity to fund ongoing costs of operations and/or secure new or additional partners in order to advance its projects. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern.

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

2. Basis of presentation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements were approved by the Board of Directors and authorized for issue on December 20, 2017.

(b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Years Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)



2. Basis of presentation – continued

(c) Basis of consolidation

These consolidated financial statements include the accounts of Columbus Gold and its wholly-owned subsidiaries as follows:

Entity

Columbus Gold Corp.

Allegiant Gold Ltd.

Allegiant Gold Holding Ltd. (formerly Columbus Gold (US Property Holding) Corporation)

Allegiant Gold (U.S.) Ltd. (formerly Columbus Gold (U.S.) Corporation)

Columbus Gold (Nevada) Corp.

Columbus Gold (Luxembourg) S.à.r.l.

Columbus International (Luxembourg) S.à.r.l.

All inter-company transactions and balances have been eliminated upon consolidation.

Control exists where the parent entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

(d) Use of estimates and judgments

Significant estimates and assumptions

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

Estimates and assumptions used by management where there is risk of material adjustments to assets and liabilities in future accounting periods include the estimated useful lives of depreciated and amortized assets, the fair value of its investment in its joint venture, the recoverability of the carrying value of available-for-sale assets and exploration and evaluation assets, assumptions used in determination of the fair value of share-based payments, the recoverability and measurement of deferred tax assets, decommissioning, restoration and similar liabilities and contingent liabilities.

Significant judgments

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

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Years Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)



3. Significant accounting policies

(a) Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

(b) Foreign currency translation

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currencies are as follows:

Entity	Functional currency
Columbus Gold Corp.	Canadian dollar
Allegiant Gold Ltd.	Canadian dollar
Allegiant Gold Holding Ltd. (formerly Columbus Gold (US Property Holding) Corporation)	Canadian dollar
Allegiant Gold (U.S.) Ltd. (formerly Columbus Gold (U.S.) Corporation)	United States dollar
Columbus Gold (Nevada) Corp.	United States dollar
Columbus Gold (Luxembourg) S.à.r.l.	European euro
Columbus International (Luxembourg) S.à.r.l	European euro

At the end of each reporting period, assets and liabilities of the entities whose functional currency is not the Canadian dollar are translated at the rate of exchange at the statement of financial position date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in other comprehensive income or loss for the year.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the year.

(c) Exploration and evaluation assets

Upon acquiring the legal right to explore a property, costs related to the acquisition, exploration and evaluation are capitalized by property. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets is written down to its net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. The recoverability of the exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

General exploration costs consist of exploration expenditures incurred in the process of evaluating potential property acquisitions. Such expenditures will continue to be expensed until the property is acquired.

The proceeds from royalties granted and operator fees earned are deducted from the costs of the related property and any excess is recorded as income.

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Years Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)



3. Significant accounting policies - *continued*

(d) Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is calculated based on the estimated residual value and estimated economic life of the specific assets using the straight-line method over the period indicated below:

Furniture	5 years
Leasehold improvements	Term of lease
Equipment	3 to 10 years

(e) Impairment of long-lived assets

At each reporting date, the Company reviews the carrying amounts of its long-lived assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets (the “cash-generating unit” or “CGU”). This generally results in the Company evaluating its non-financial assets on an exploration asset by exploration asset basis.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized as an expense in the statement of comprehensive loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reduced if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

(f) Investment in joint venture

The Company conducts a portion of its business through equity interests a joint venture, Compagnie Minière Montagne d’Or. A joint venture is a joint arrangement whereby the joint venture participants are bound by contractual agreements establishing joint control. Joint control exists when decisions about the activities that significantly affect the returns of the investee require unanimous consent. A joint arrangement may be a joint operation or a joint venture. A joint arrangement is classified as a joint venture when the investor has rights to the net assets of the joint arrangement. A joint operation is a joint arrangement whereby the investor has rights and obligations to the separate assets and liabilities of the investee, respectively. The Company does not hold interests in joint operations.

The Company accounts for its investments in its joint venture using the equity method. Under the equity method, the Company’s investment in the joint venture is initially recognized at fair value and subsequently increased or decreased to recognize the Company’s share of net earnings and losses of joint venture, after any adjustments necessary to give effect to uniform accounting policies, any other movement in the associate or joint venture’s reserves, and for impairment losses after the initial recognition date. The total carrying amount of the Company’s investments in its joint venture also include any long-term debt interests which in substance form part of the Company’s net investment. The Company’s share of the joint venture’s losses that are in excess of its investment are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture. The Company’s share of earnings and losses of the joint venture are recognized in net earnings during the period. Dividends and repayment of capital received from a joint venture are accounted for as a reduction in the carrying amount of the Company’s investment.

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Years Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)



3. Significant accounting policies - *continued*

(g) Restoration provision

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the year.

(h) Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets, gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss). Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance expense comprises interest expense on borrowings and unwinding of the discount on provisions. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

(i) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred income taxes are accounted for using the liability method of tax allocation. Under this method deferred income tax assets and liabilities are recognized for the tax consequences of temporary differences by applying substantively enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities.

The effect on deferred taxes for a change in tax rates is generally recognized in income in the period that includes the substantive enactment.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. Current and deferred taxes relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive loss.

(j) Earnings per share

Loss per share is calculated using the weighted average number of common shares outstanding during the year. The calculation of diluted loss per share assumes that outstanding options and warrants are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the shares for the period. The effect is to increase the number of shares used to calculate diluted earnings per share and is only recognized when the effect is dilutive.

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Years Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)



3. Significant accounting policies - *continued*

(k) Share-based payments

The Company grants share-based awards, including options, as an element of compensation to directors, officers, employees and service providers. Details of the Company's share option plan are disclosed in note 12(b).

The Company uses the Black-Scholes Option Pricing Model to measure the fair value for all share options granted, modified or settled during the period. Compensation expense is recorded based on the fair value of the award at the grant date, amortized over the vesting period. Each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognised in the statement of comprehensive income or as capitalized mineral resource property cost with a corresponding entry within equity, against share-based payments reserve. No expense is recognised for awards that do not ultimately vest. When options are exercised, the proceeds received, together with any related amount in share-based payments reserve, are credited to share capital.

(l) Financial instruments

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company's cash and cash equivalents are classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company's receivables are classified as loans and receivables. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in profit or loss.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. The Company has not classified any financial liabilities as FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's trade payables and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in profit or loss unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

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4. Changes in accounting standards

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended September 30, 2017, and have not been applied in preparing these consolidated financial statements. Those that may have a significant effect on the consolidated financial statements of the Company are as follows:

(a) IFRS 9 – *Financial Instruments* (“IFRS 9”)

This new standard is a partial replacement of IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The Company does not expect IFRS 9 to have a significant impact on the Company’s financial statements. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

(b) IFRS 16 – *Leases* (“IFRS 16”)

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The Company does not expect IFRS 16 to have a significant impact on the Company’s financial statements. IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019.

(c) Other

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

5. Available-for-sale investments

	September 30, 2017 (\$)	September 30, 2016 (\$)
Roscan Minerals Corporation	7,001	3,000
EnerGulf Resources Inc.	-	25,464
Navaho Gold Limited	-	51,878
	7,001	80,342

During the year ended September 30, 2017, the Company reclassified \$25,463 (2016 - \$591,663) from accumulated other comprehensive income (loss) to profit or loss as a result of impairments of the Company’s available-for-sale investments. Further changes to the fair value of available-for-sale investments that are not considered an impairment are recorded in other comprehensive income (loss).

During the year ended September 30, 2017, the Company recorded a gain on sale of available-for-sale investments of \$nil, compared to \$257,566 during the prior year. The gain recorded in the prior year is in connection with the purchase and sale of shares of Eastmain Resources Inc.

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6. Receivables

	September 30, 2017 (\$)	September 30, 2016 (\$)
Due from Organto Foods Inc. (“Organto”) (note 13)	263,520	105,000
Due from COMMOR (note 8)	81,554	-
Due from Nord Gold N.V. (“Nordgold”)	-	173,100
Other receivables	10,125	477,154
	355,199	755,254

7. Reclamation bonds

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

	September 30, 2017 (\$)	September 30, 2016 (\$)
Antelope	-	6,358
Big Lime	9,723	10,231
Bolo	193,837	203,969
Brown’s Canyon	-	9,090
Eastside	243,346	233,351
Pete’s Summit	-	6,427
	446,906	469,426

8. Investment in Compagnie Minière Montagne d’Or

The Company entered into a binding letter option agreement with major gold producer Nordgold on September 17, 2013, and subsequently executed a definitive agreement on March 13, 2014 (the “Option Agreement”), under which Nordgold was granted the right to acquire a 50.01% interest in the Paul Isnard mining concessions and the exploration permits (the “Paul Isnard Gold Project”), held by the Company’s subsidiary, COMMOR. Under the Option Agreement, Nordgold could earn its interest in the mineral permits by completing a Bankable Feasibility Study (“BFS”) and by expending not less than \$32,730,000 (US\$30 million) in 3 years, which included a requirement for Nordgold to pay the Company \$4,558,355 (US\$4.2 million) in cash no later than May 21, 2014 (received). During the earn-in period, up to January 14, 2016, Columbus Gold was the project operator and earned a 10% operator fee on certain expenditures. Effective January 15, 2016, Nordgold is the project operator.

On January 12, 2016, the Company entered into an agreement with Nordgold to sell a 5% minority interest in the Paul Isnard Gold Project (the “5% Sale”) for \$7,870,200 (US\$6,000,000) (received). The formal acquisition and transfer of the 5% interest would not occur until Nordgold funded completion of a Feasibility Study and achieved a minimum of \$32,730,000 (US\$30,000,000) in project expenditures, in order to earn the initial 50.01% interest in the Paul Isnard Gold Project. If Nordgold does not earn its initial 50.01% interest, then the Company was required to refund the advance of \$7,870,200 (US\$6,000,000).

On September 14, 2017, the Company’s interest in COMMOR was diluted to 49.99% through Nordgold’s successful Option Agreement earn-in, and an additional 5% interest in COMMOR was transferred to Nordgold to complete the 5% Sale. A Shareholders’ Agreement was signed between the Company and Nordgold, with the Company retaining a 44.99% interest in COMMOR, and Nordgold owning the remaining 55.01% interest. As a result, and in accordance with IFRS, COMMOR is no longer accounted for on a consolidated basis, and instead, as an equity accounted investment. Refer also to note 9.

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8. Investment in Compagnie Minière Montagne d'Or - continued

Upon recognition of the above transaction, the Company recorded the carrying value of its investment in COMMOR at its fair value of \$36,701,437, resulting in a gain on deconsolidation of \$14,115,898. The fair value of the Company's investment in COMMOR is determined using the consideration it received for an aggregate interest of 55.01%, which was \$44,875,440 (US\$36,000,000).

	(\$)
Aggregate investment in COMMOR	22,585,539
Fair value gain from deconsolidation of COMMOR	14,115,898
Balance, September 30, 2017	36,701,437

9. Exploration and evaluation assets

A summary of exploration and evaluation assets by property for the year ended September 30, 2017 is set out below:

Property	Balance at October 1, 2016 (\$)	Additions (\$)	Other (\$)	Foreign exchange (\$)	Balance at September 30, 2017 (\$)
<u>French Guiana</u>					
Paul Isnard	28,589,945	5,833,493	(34,452,002) ¹	28,564	-
<u>Nevada</u>					
Big Lime	644	436	-	(55)	1,025
Bolo	3,525,043	653,102	-	(208,687)	3,969,458
Clanton Hills	31,133	3,932	-	(1,748)	33,317
Eastside	11,351,695	3,420,277	-	(695,663)	14,076,309
Four Metals	6,999	7,437	-	(729)	13,707
Hugh's Canyon	18,746	26,462	-	(2,292)	42,916
Mogollon	467,410	-	(265,820) ²	(6,707)	194,883
Monitor Hills	27,935	37,448	-	(3,313)	62,070
North Brown	6,672	8,379	-	(762)	14,289
Overland Pass	20,752	21,363	-	(2,129)	39,986
Red Hills	13,943	12,838	-	(1,353)	25,428
Silver Dome	-	19,063	-	(980)	18,083
Weepah	15,600	-	(15,869) ³	269	-
West Goldfield	-	159,474	-	(8,197)	151,277
White Canyon	1	-	-	-	1
White Horse Flats	4,456	8,586	-	(662)	12,380
White Horse Flats North	9,029	13,005	-	(1,117)	20,917
	44,090,003	10,225,295	(34,733,691)	(905,561)	18,676,046

¹ Consists of \$3,248,648 exploration and evaluation funded by Nordgold, and \$31,203,354 reclassified to *Investment in Compagnie Minière Montagne d'Or* upon transition to equity accounting.

² See note 9 - *Mogollon*.

³ See note 9 - *Bolo*.

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

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

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

¹ Consists of \$10,559,487 exploration and evaluation funded by Nordgold, operator's fee earned of \$383,844 and cost recoveries of \$1,345,490.² \$68,517 (US\$50,000) option payment received from third party. Amounts in excess of carrying value of property at the time are recognized in consolidated statements of comprehensive loss.

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9. Exploration and evaluation assets - *continued*

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

	(\$)
Balance at September 30, 2015	41,205,323
Acquisition and land	537,446
Camp costs and other	847,591
Drilling	8,809,026
Equipment	508,324
Geology and trenching	1,159,037
Management and administration	2,534,463
Technical studies	958,613
Travel	258,283
Operator fee	(383,844)
Cost recoveries	(1,345,490)
Amounts funded by Nordgold	(10,559,487)
Option payments received	(7,490)
Foreign exchange	(431,792)
Balance at September 30, 2016	44,090,003
Acquisition and land	1,829,875
Camp costs and other	654,919
Drilling	3,658,275
Geology, trenching and geophysics	1,010,120
Management and administration	2,461,903
Technical studies	457,336
Travel	152,867
Amounts funded by Nordgold	(3,248,648)
Option payments received	(265,820)
Disposition of Weepah	(15,869)
Reclassified to <i>Investment in Compagnie Minière Montagne d'Or</i>	(31,203,354)
Foreign exchange	(905,561)
Balance at September 30, 2017	18,676,046

Paul Isnard

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

On September 14, 2017, the Company's interest in COMMOR (the entity with the rights to the Paul Isnard Gold Project) was diluted from 100% to 49.99% through Nordgold's successful Option Agreement earn-in, and an additional 5% interest in COMMOR was transferred to Nordgold to complete the 5% Sale. A Shareholders' Agreement was signed between the Company and Nordgold, with the Company retaining a 44.99% interest of COMMOR, and Nordgold having the remaining 55.01% interest. As a result, and in accordance with IFRS, COMMOR is no longer accounted for on a consolidated basis, and instead, as an equity accounted investment (note 8).

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9. Exploration and evaluation assets - *continued*

Paul Isnard – Feasibility Study

On March 20, 2017, the Company announced the results of the independent BFS prepared in accordance with National Instrument 43-101. Certain estimates and assumption used for the BFS are as follows:

- Net present value of US\$370 million (~CDN\$500 million at 1.35 USD-CAD exchange rate) after tax (at a 5% discount rate);
- Internal rate of return of 18.7% after tax, at an assumed gold price of US\$1,250 per ounce ("oz");
- Reserves calculated at a gold price of US\$1,200/oz;
- Proven & Probable Mineral Reserves of 2,745,000 oz gold ("Au") (54.1 million tonnes ("Mt") at 1.58 grams per tonne ("g/t") Au), a subset of the Measured and Indicated Resources of 3,850,000 oz Au (85.1 Mt at 1.41 g/t Au, using a cut-off grade of 0.4 g/t and a US\$1,300/oz Au price);
- Life-of-mine ("LOM") production of approximately 2,572,000 oz Au; 214,000 oz per year, over a 12-year mine life, using an average overall gold recovery of 93.8% that results in an average LOM Total Cash Cost of US\$666/oz and LOM All-In Sustaining Costs ("AISC") of US\$779/oz;
- Average annual gold production of 237,000 oz over the first ten years of mine life at an average grade of 1.73 g/t Au that results in an average AISC of US\$749/oz; and
- Total Net Initial Capital Costs (including pre-stripping and contingency, less surplus tax credit refunds) of US\$361 million (table below for Capital Costs breakdown), with an After-tax Payback Period of 4.1 years, and LOM Sustaining Capital Costs of US\$231 million. LOM contingency rate of 9.5% is included in the estimate.

Bolo

The Bolo property is located near Tonopah, Nevada. The Company holds a 100% interest in Bolo, subject to underlying royalties.

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

Eastside

The Eastside property is located near Tonopah, Nevada. The Company holds a 100% interest in Eastside, subject to underlying royalties.

On February 21, 2017, the Company acquired the Castle gold project. The Castle gold project adjoins the south end of the Company's Eastside gold project and covers an area of 9.6 km². As consideration for the acquisition, the Company issued 1,500,000 common shares to Seabridge Gold Inc. and 250,000 common shares to Platoro West Incorporated ("Platoro") (such shares collectively, the "Consideration Shares"). The annual lease payment to Platoro is \$32,443 (US\$25,000) per year and the term of the lease is 99 years. Platoro has also agreed to reduce the existing 3.5% NSR royalty to 2%, subject to the Company's right to buy back 1% for a onetime payment of \$3,244,250 (US\$2,500,000).

Mogollon

On December 22, 2015, the Company entered into an option agreement with a third party, granting the third party an option to acquire a 100% interest in the Company's Mogollon silver-gold project located in Catron County, New Mexico. The agreement requires the third party to pay Columbus Gold an aggregate of \$1,297,700 (US\$1,000,000) in staged annual payments over a four year period. As at September 30, 2017, the Company received two option payments totaling \$334,337 (US\$250,000) from the third party.

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**9. Exploration and evaluation assets - continued***Other*

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

10. Equipment

	Furniture (\$)	Leasehold improvements (\$)	Equipment (\$)	Total (\$)
Cost				
Balance, October 1, 2015	58,744	190,142	40,125	289,011
Additions	-	-	1,714	1,714
Disposals	-	-	(1,981)	(1,981)
Balance, September 30, 2016	58,744	190,142	39,858	288,744
Additions	-	-	6,104	6,104
Balance, September 30, 2017	58,744	190,142	45,962	294,848
Accumulated amortization				
Balance, October 1, 2015	(29,897)	(133,028)	(17,933)	(180,858)
Amortization	(11,749)	(40,060)	(9,804)	(61,613)
Disposals	-	-	991	991
Balance, September 30, 2016	(41,646)	(173,088)	(26,746)	(241,480)
Amortization	(10,226)	(17,054)	(9,800)	(37,080)
Balance, September 30, 2017	(51,872)	(190,142)	(36,546)	(278,560)
Net book value, September 30, 2016	17,098	17,054	13,112	47,264
Net book value, September 30, 2017	6,872	-	9,416	16,288

11. Restoration provision

The Company has fulfilled its restoration obligations in connection with the Paul Isnard Gold Project as at September 30, 2017 and 2016.

The Company has restoration obligations in connection with certain properties in Nevada. The Company has in place reclamation bonds with the USA Forest Service and the US Bureau of Land Management (note 7) to cover these obligations.

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12. Share capital

(a) Common shares

Authorized - Unlimited common shares without par value.

At September 30, 2017, the Company had 153,096,086 (September 30, 2016 – 142,940,086) common shares issued and outstanding.

During the year ended September 30, 2017, a total of 406,000 (2016 – 1,275,000) share options were exercised between \$0.30 and \$0.50 (2016 - \$0.25 to \$0.40) per share for gross proceeds of \$128,500 (2016 - \$405,250).

On February 21, 2017, the Company issued 1,500,000 common shares to Seabridge Gold Inc. and 250,000 common shares to Platoro as consideration for the acquisition of the Castle gold project.

On February 15, 2017, the Company closed a share offering of 8,000,000 common shares of the Company at a price of \$0.63 per share for gross proceeds of \$5,040,000 (the "Offering"). In connection with the Offering, the Company paid a commission equal to 6% of the gross proceeds of the Offering and issued to the Underwriter 480,000 compensation warrants, equal to 6% of the shares sold under the Offering for total share issuance costs of \$766,131.

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

(b) Share options

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

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

	Number of options	Weighted average exercise price (\$)
Balance, October 1, 2015	12,515,000	0.46
Granted	3,390,000	0.41
Expired	(2,090,000)	0.66
Exercised	(1,275,000)	0.32
Forfeited	(250,000)	0.45
Cancelled	(615,000)	0.58
Balance, September 30, 2016	11,675,000	0.42
Granted	1,975,000	0.67
Expired	(985,000)	0.78
Exercised	(406,000)	0.32
Cancelled	(25,000)	0.30
Balance, September 30, 2017	12,234,000	0.43

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12. Share capital - continued

(b) Share options - continued

A summary of the Company's options at September 30, 2017 is as follows:

Exercise price (\$)	Options outstanding		Options exercisable		
	Number of options outstanding	Weighted average remaining contractual life (years)	Number of Options exercisable	Weighted average remaining contractual life (years)	
0.30	1,075,000	5.53	1,075,000	5.53	
0.30	1,350,000	5.93	1,350,000	5.93	
0.30	300,000	0.65	300,000	0.65	
0.35	200,000	0.65	200,000	0.65	
0.35	1,450,000	1.22	1,450,000	1.22	
0.40	2,635,000	3.37	2,635,000	3.37	
0.40	500,000	3.43	375,000	3.43	
0.40	100,000	0.65	100,000	0.65	
0.45	800,000	1.98	800,000	1.98	
0.45	400,000	5.32	400,000	5.32	
0.50	1,324,000	2.35	1,324,000	2.35	
0.50	50,000	0.65	50,000	0.65	
0.65	1,575,000	4.28	1,575,000	4.28	
0.65	100,000	0.65	100,000	0.65	
0.70	75,000	0.17	75,000	0.17	
0.75	250,000	4.88	-	4.88	
0.90	50,000	4.38	12,500	4.38	
0.30-0.90	12,234,000	3.42	11,821,500	3.38	

The fair value of share options recognized as an expense during the year ended September 30, 2017 was \$628,288 (2016 - \$1,115,833).

The fair value of each share option is estimated on the date of grant using the Black-Scholes Option Pricing Model that uses the assumptions noted in the table above. Expected volatilities are based on historical volatility of the Company's shares, and other factors. The expected term of share options granted represents the period of time that share options granted are expected to be outstanding. The risk-free rate of periods within the contractual life of the share option is based on the Canadian government bond rate. Assumptions used for share options granted during 2017 and 2016 are as follows:

Grant date	Number of share options	Expected price volatility	Risk free interest rate	Expected life (years)	Expected dividend yield	Fair value per option (\$)	Total fair value (\$)
February 11, 2016	2,815,000	82%	0.37%	3.50	-	0.22	620,321
March 4, 2016	500,000	80%	0.60%	3.50	-	0.21	104,441
July 20, 2016	75,000	62%	0.59%	1.00	-	0.16	12,055
January 9, 2017	1,675,000	72%	1.01%	3.28	-	0.31	514,818
February 15, 2017	50,000	74%	1.07%	3.28	-	0.46	22,780
August 15, 2017	250,000	69%	1.42%	3.28	-	0.32	80,348

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**12. Share capital - continued**

(c) Warrants

On February 15, 2017, the Company granted 480,000 warrants exercisable at \$0.63 per warrant, to a third party as commission in connection with an offering of the Company's common shares.

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

	Number of warrants	Weighted average exercise price (\$)
Balance, September 30, 2015 and 2016	-	-
Granted	480,000	0.63
Balance, September 30, 2017	480,000	0.63

The warrants expire on August 15, 2018.

The fair value of each warrant is estimated on the date of grant using the Black-Scholes Option Pricing Model that uses the assumptions noted in the table below. Expected volatilities are based on historical volatility of the Company's shares, and other factors. The expected term of warrants issued represents the period of time which those warrants are expected to be outstanding. The risk-free rate of periods within the contractual life of the warrants is based on the Canadian government bond rate. Assumptions used for warrants issued during 2017 are as follows:

Issue date	Number of warrants	Expected price volatility	Risk free interest rate	Expected life (years)	Expected dividend per warrant yield	Fair value (\$)	Total fair value (\$)
February 15, 2017	480,000	77%	0.78%	1.00	-	0.39	187,272

(d) Loss per share

	Year ended	
	September 30, 2017 (\$)	September 30, 2016 (\$)
Basic earnings (loss) per share	0.07	(0.03)
Diluted earnings (loss) per share	0.06	(0.03)
Net income (loss) for the year	9,780,506	(3,848,757)

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12. Share capital – continued

(d) Loss per share - continued

	Year ended	
	September 30, 2017	September 30, 2016
Shares outstanding, beginning of year	142,940,086	141,665,086
Effect of share offering	4,997,260	-
Effect of acquisition of Castle gold project	1,064,384	-
Effect of share options exercised	94,930	368,743
Basic weighted average number of shares outstanding	149,096,660	142,033,829
Effect of dilutive share options	5,129,304	-
Effect of dilutive warrants	73,111	-
Diluted weighted average number of shares outstanding	154,299,075	142,033,829

As at September 30, 2017, there were 300,000 (September 30, 2016 – 11,675,000) share options that were potentially dilutive but not included in the diluted earnings per share calculation as the effect would be anti-dilutive.

13. Related party transactions

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

On March 2, 2015, the Company entered into an agreement with Organto, pursuant to which Organto transferred to Columbus Gold its Mogollon Project in consideration for the cancellation of debts owed by Organto to Columbus Gold of \$443,429 (note 9). The Mogollon Project was formally transferred to the Company during the 2016 fiscal year, and the corresponding debt cancelled.

The following is a summary of related party transactions:

	Year ended	
	September 30, 2017	September 30, 2016
	(\$)	(\$)
Management fees paid to a company controlled by the CEO and Chairman of the Company	350,000	350,000
Accounting fees paid to the CFO of the Company	125,000	57,750
Accounting fees paid to the former CFO of the Company	-	105,067
Consulting fees paid or accrued to Cordex Exploration LLC (note 15)	262,291	263,500
Directors fees paid or accrued	132,000	144,000
Administration fees received or accrued from Organto and EnerGulf	(259,800)	(128,750)
	609,491	791,567

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**13. Related party transactions - continued**

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

	September 30, 2017 (\$)	September 30, 2016 (\$)
Advances to a company controlled by the CEO and Chairman of the Company	25,000	25,000
Advances to the CEO of the Company	7,000	15,000
Trade receivables from Organto (note 6)	263,520	105,000
Directors fees payable	(103,000)	(67,000)
	192,520	78,000

14. Segmented information

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

	September 30, 2017 (\$)	September 30, 2016 (\$)
Current assets		
Canada	1,764,577	3,998,205
USA	84,614	442,977
Luxembourg	62,377	-
France (French Guiana)	-	1,483,971
	1,911,568	5,925,153
Non-current assets		
Canada	16,288	47,264
USA	19,122,952	15,969,483
France (French Guiana)	36,701,437	28,589,946
	55,840,676	44,606,693
Total assets		
Canada	1,780,865	4,045,469
USA	19,207,566	16,412,460
Luxembourg	62,377	-
France (French Guiana)	36,701,437	30,073,917
	57,752,245	50,531,846

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15. Commitments and contingent liability

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

In addition, the Company has commitments as follows:

	1 year (\$)	2-3 years (\$)	4-5 years (\$)	Total (\$)
Office lease payments	111,778	158,353	-	270,131

On June 8, 2016, the Company received a court notice from the Cayenne District Court (Tribunal d’Instance de Cayenne) dated June 2, 2016. The court notice indicated a former employee of COMMOR, a subsidiary of the Company, has made a claim against COMMOR for \$184,249 (€124,383), primarily for unpaid overtime wages. A first hearing in the court of Cayenne was held on September 21, 2016, and due to a lack of evidence from the plaintiff, the hearing was deferred to May 31, 2017. The Cayenne District Court ruled in favor of the Company and the lawsuit was dismissed.

16. Financial risk and capital management

Financial risk

The Company’s financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company’s financial instruments at September 30, 2017 are summarized below. The Board of Directors periodically reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

(a) Credit risk

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

(b) Liquidity risk

Liquidity risk arises from the Company’s general and capital financing needs. The Company manages liquidity risk by attempting to maintain sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at September 30, 2017, the Company has working capital of \$1,390,553 (September 30, 2016 – working capital deficiency of \$3,628,810).

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16. Financial risk and capital management - *continued*

(c) Market risks

(i) Foreign currency risk

The Company's functional currency is the Canadian dollar. The Company is exposed to the currency risk related to the fluctuation of foreign exchange rates in its US subsidiary, Allegiant Gold (US) Ltd. (formerly Columbus Gold (U.S.) Corporation) and French investment, COMMOR. The Company also has assets and liabilities denoted in US dollars and the European Euro. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar or European Euro could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

(ii) Commodity price risk

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

(iii) Interest rate risk

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

Sensitivity analysis

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

The Company maintains significant cash balances, receivables, accounts payable and other liabilities in US dollars and European Euros, currencies other than the functional currency of Company. The Company estimates that a +/-10% change in the value of the Canadian dollar relative to the US dollar and European Euro would have a corresponding effect of approximately \$160,000 to profit or loss.

Capital management

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

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

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

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

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16. Financial risk and capital management - *continued*

Fair value

The fair value of the Company's financial instruments including cash, receivables, and accounts payable approximates their carrying value due to the immediate or short term maturity of these financial instruments. The fair value of the reclamation bonds approximates their fair value based on current interest rates and high liquidity.

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

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

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

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. Available-for-sale investments are classified as Level 1. At September 30, 2017, there were no financial assets or liabilities measured and recognized in the statement of position that would be categorized as Level 2 or Level 3 in the fair value hierarchy above.

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**17. Income taxes**

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to loss before income taxes. These differences result from the following items:

	Year ended	
	September 30, 2017 (\$)	September 30, 2016 (\$)
Loss before taxes	9,780,506	(3,848,757)
Canadian federal and provincial income tax rates	26.00%	26.00%
Expected income tax expense (recovery)	2,542,900	(1,000,700)
Foreign tax differences, rate changes and foreign exchange	121,900	(346,700)
Expiry of non-capital losses carried forward	-	-
Non-taxable items	(3,750,000)	476,900
Share issue costs	(150,500)	-
True up prior year timing differences	(127,100)	238,200
Unrealized changes in available-for-sale investments	(14,600)	(23,900)
Change in valuation of deferred tax assets	1,377,400	656,200
Income tax (recovery) expense	-	-

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	September 30, 2017 (\$)	September 30, 2016 (\$)
Net operating losses carried forward	13,897,100	11,321,700
Share issuance costs	155,300	52,200
Equipment and other	62,300	50,300
Investments	353,200	325,600
Capital losses carried forward	342,000	329,300
Resource properties costs	(5,670,600)	(4,317,300)
Valuation allowance	(9,139,300)	(7,761,800)
	-	-

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17. Income taxes - continued

As of September 30, 2017, the Company has Canadian tax loss carry-forwards of approximately \$8,582,100 (2016 - \$6,568,600) available to reduce future years' taxable income. The Company recognizes the benefit of tax losses only to the extent of anticipated future taxable income in the relevant jurisdictions. The Company's tax loss carry-forwards will expire, if not utilized as follows:

	Canada (CDN\$)	USA (US\$)	French Guiana (Euro)	Luxembourg (Euro)
September 30, 2026	764,600	-	-	-
September 30, 2027	982,200	-	-	-
September 30, 2028	813,800	-	-	-
September 30, 2029	542,800	-	-	-
September 30, 2030	450,200	-	-	-
September 30, 2031	93,600	-	-	-
September 30, 2032	860,500	903,700	-	18,400
September 30, 2033	451,600	1,971,600	-	19,200
September 30, 2034	949,200	1,794,900	5,033,500	9,800
September 30, 2035	168,400	3,400,400	2,081,600	79,700
September 30, 2036	491,700	3,952,400	1,269,100	119,400
September 30, 2037	2,013,500	2,102,100	2,383,300	74,800
	8,582,100	14,125,100	10,767,500	321,300

A valuation allowance has been recorded against the deferred income tax assets associated with the tax losses and temporary differences because of the uncertainty of their recovery.

18. Subsequent event

On December 8, 2017, the Company announced that its wholly owned subsidiary Allegiant Gold Ltd. ("ALLEGIANT") closed the brokered and non-brokered private placements of subscription receipts for combined gross proceeds of \$4,196,468. Under the terms of the subscription receipts, the proceeds are being held in escrow pending satisfaction of the conditions to closing of the spin-out of ALLEGIANT. The private placements were carried out in connection with the spin-out of ALLEGIANT as an independent company pursuant to an Arrangement Agreement.

Subsequent to September 30, 2017, 5,673,046 shares were issued upon exercise of share purchase options or warrants resulting in cash proceeds of \$653,150 to the Company.