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MANAGEMENT'S DISCUSSION AND ANALYSIS

**For The Year Ended
September 30, 2007**

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2007

INTRODUCTION

Management's Discussion and Analysis ("MD&A") focuses on significant factors that have affected Columbus Gold Corporation (the "Company") and its subsidiaries' performance and such factors that may affect its future performance. In order to better understand the MD&A, it should be read in conjunction with the consolidated financial statements for the year ended September 30, 2007.

The financial information in this MD&A is derived from the Company's consolidated financial statements which are prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are outlined within Note 2 to the consolidated financial statements of the Company for the year ended September 30, 2007. The Company's reporting currency is Canadian dollars. The effective date of this Management's Discussion and Analysis is November 10, 2007.

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

DESCRIPTION OF BUSINESS

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

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

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MINERAL PROPERTIES

Currently, the Company is focusing its exploration activities on the western United States with special emphasis on Nevada and Arizona. The Company has two major properties on which it has prepared technical reports under National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”), these being the Utah Clipper Property and the Golden Mile Property. (Both the Utah Clipper Technical Report and the Golden Mile Technical Report were Sedar filed on February 21, 2006)

Golden Mile Property

The Golden Mile Property is a gold property situated in the Bell Mining District in the southern Cedar Mountains, Mineral County, Nevada. The Golden Mile Property consists of 5 patented mineral claims and 19 unpatented contiguous mineral claims with a total area of about 392 acres.

During the first quarter of fiscal year 2007, the Company completed a reverse-circulation (“RC”) drill program at Golden Mile consisting of 15 holes (2,345 metres) at an approximate cost of USD\$130,000. Eleven holes in the program targeted a mineralized zone which was mined on a small scale in the 1930’s and was partially delineated through limited drilling by earlier operators. Results from seven holes which penetrated the mineralized zone are summarized as follows:

Drill Hole *	From (m)	To (m)	Width** (m)	Au (g/t)
MI-1	0 29.5	3.1 37.1	3.1 7.6	0.98 1.03
MI-2	0 91.5	15.2 96.1	15.2 4.6	2.36 1.63
MI-3	0	6.2	6.2	1.85
MI-4	No Values > 1 g/t			
MI-6	62.0	69.6	7.6	4.19
MI-8	0	3.1	3.1	2.25
MI-12 (including)	52.9 56.0	62.0 59.1	9.1 3.1	13.81 28.94

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* Four of the eleven holes targeting the mineralized zone failed to reach target depth due to difficult drilling conditions in hard, broken rock.

** The reported drill intercepts are believed to represent near true widths but interpretation is difficult due to the irregular nature of the mineralized skarn zones.

An additional four holes tested geological and geophysical targets outside the known mineralized zone and intercepted weakly anomalous gold mineralization.

The Company completed a follow-up drill program consisting of 15 core holes in November 2006. The program was designed to test for additional gold mineralization below 100 m depth and along strike to the northeast of the mineralized zone. The results of this program are as follows:

The gold mineralization in the Central Zone is structurally controlled, both in an intrusive rock and in the wall rocks (skarn) of the intrusive, with erratic grades and widths. The intercepts in the recent drilling to the north of the Central Zone are all hosted in intrusive rock, and much greater thicknesses of continuous low-grade material were encountered (best holes MI-22 with 57.9 m (190 feet) of 0.65 g/t (0.019 opt) Au, and MI-16 with 80.8 m (265 feet) of 0.39 g/t (0.0114 opt) Au. This mineralization, although low-grade, presents a very large volume target, and remains open north, west, east, and down-dip of the current drilling.

Drill holes MI-25 and MI-26 were angle holes drilled between the West Zone mineralization and the southern portion of the Central Zone. The holes are the first that indicate that the West Zone and the Central Zone likely connect, however further drilling will be required to confirm that interpretation.

Drill holes MI-27 and MI-28 were exploratory holes drilled well west of the West Zone, and seem to confirm the western limit of gold mineralization has been reached.

A full table format report of the drill results can be seen in the Company's news release dated February 23, 2007.

Subsequent to year-end the Company entered into an agreement with Portage Minerals Inc. ("Portage") wherein Portage can earn up to a 70% interest in the Golden Mile Property.

Utah Clipper Property

The Utah Clipper Property is situated in the Bullion Mining District, in the Shoshone Range, Lander County, Nevada. The property consists of 16 patented and 213 unpatented mining claims.

During 2005, the Company completed surface rock sampling, a ground magnetic survey, and a ground CSAMT survey on the property.

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During the winter of 2006, Agnico Eagle (USA) Ltd. ("Agnico"), under an earn-in agreement, completed a drilling program consisting of 1,628 metres (m) in 3 deep vertical rotary holes. The principal targets at Utah Clipper are classical Carlin or Pipeline-style bulk mineable, disseminated gold deposits or high grade, structurally controlled vein deposits in lower plate carbonates. One hole was lost at 317m before intersecting the lower plate and the other two holes were drilled to 762m and 548.6m and intersected favorable lower plate carbonate rocks at 246.9m and 289.5m, respectively. The best gold intercept was 464 ppb over 3m, within 12.2m averaging over 100 ppb, at a depth of 509m. Arsenic was highly anomalous, reaching a high of 6,944 ppm, in both the upper and lower plates, and zinc was as high as 1.5% over a width of 54.9m, from 371.9 – 426.7m of depth.

In June 2007, Agnico terminated its option on the Utah Clipper Property.

Bolo Property

The Bolo Property consists of 92 mineral claims, covering approximately 1,900 acres. Subject to net smelter return royalties, Columbus Gold controls a 100% interest in the Property.

Carlin-style gold mineralization is the target at Bolo where values from 0.010 to 0.15 opt gold can be obtained from jasperoids and iron-stained structures cutting Cambrian and Ordovician sedimentary rocks, along two parallel north-south trending faults know as the Mine Fault and the East Fault. Bolo has had very limited previous drilling by Chevron, USMX and Canerta in the 1970's and 1980's. Almost all the drill holes were less than 150 feet in depth. Several of the holes had ore grade intercepts particularly along the Mine Fault (best was 60 feet of 0.042 opt Au from surface).

Geologic mapping and sampling is ongoing at Bolo. The best gold values are along the Mine Fault Zone and the East Fault Zone. Alteration along the Mine Fault has been traced for 9,000 feet along strike, with surface gold values ranging from anomalous to 0.12 opt Au. The East Zone can be mapped for 7,200 feet of strike with values from anomalous to 0.15 opt Au. Historic drilling was concentrated along the southerly 1000 feet of the Mine Fault, and the East Fault is essentially un-drilled.

Both these fault zones are excellent drill targets and are essentially untested. Consequently, a program consisting of 20,000 feet of drilling was initiated in November 2007 and the Company will release results as they become available.

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Other Properties

Property	Location	Status
Burnt Well	Arizona	Initial exploration
Chert Cliff	Nevada	Lease to Platte River Gold (US) Inc.
Clanton Hills	Arizona	Initial exploration
Crestview	Nevada	Initial exploration
Del Oro	Nevada	Joint Venture option to Ventura Gold Corp.
Dutch Flat	Nevada	Joint venture option to Piedmont Mining Company, Inc.
Four Metals	Arizona	Sale option to Black Pearl Minerals Consolidated Inc.
Guild	Nevada	Joint venture option to Sniper Resources Ltd.
Keg	Utah	Initial exploration
Laura	Nevada	Initial exploration
Linka	Nevada	Joint venture option to Sniper Resources Ltd.
Mill Canyon	Nevada	Initial exploration
Overland Pass	Nevada	Joint venture option to Sniper Resources Ltd.
Pete's Summit	Nevada	Joint venture option to Sniper Resources Ltd.
Red Hills	Nevada	Initial exploration
Scraper Springs	Nevada	Joint venture option to Newmont Mining Corporation
Silver District	Arizona	Initial exploration
Silver Dome	Utah	Initial exploration
Spring	Nevada	Initial exploration
Stage	Nevada	Initial exploration
Summit	Nevada	Joint venture option to Agnico Eagle (USA) Ltd.
White Canyon	Nevada	Lease to Atna Resources Ltd.
White Horse Flats	Nevada	Initial exploration
Winnemucca Mountain	Nevada	Initial exploration

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Expenditure Summary

	September 30, 2006	Acquisition Cost	Deferred Exploration	Write-down/ Amortization	September 30, 2007
Utah Clipper – NV	\$ 661,582	\$ -	\$ 57,836	\$ -	\$ 719,418
Golden Mile – NV	537,115	-	300,102	-	837,217
Dutch Flat – NV	105,893	-	11,760	-	117,653
Chert Cliff – NV	17,323	-	6,073	-	23,396
Silver Dome – UT	44,689	42,987	143,679	-	231,355
Silver District – AZ	125,947	121,149	52,602	-	299,698
Crestview – NV	203,171	-	3,753	-	206,924
Laura – NV	172,266	-	2,044	-	174,310
Guild – NV	126,853	1,585	(57,455)	-	70,983
Overland Pass – NV	18,120	60,151	(49,423)	-	28,848
Linka – NV	94,919	-	(27,349)	-	67,570
Pete's Summit – NV	78,698	-	(24,461)	-	54,237
Bolo – NV	112,570	6,761	231,515	-	350,846
Burnt Well – AZ	-	81,013	51,648	-	132,661
Clara Moro ⁽¹⁾ – AZ	70,181	-	(70,181)	-	-
Scraper Springs – NV	-	63,638	95,593	-	159,231
Del Oro – NV	21,727	1,293	45,615	-	68,635
Spring – NV	21,580	4,316	47,867	-	73,763
Winnemucca Mountain – NV	29,273	-	5,691	-	34,964
Mill Canyon – NV	21,142	-	765	-	21,907
White Canyon – NV	20,849	-	(4,825)	-	16,024
Clanton Hills – AZ	29,179	2,425	7,162	-	38,766
Keg – UT	-	21,033	25,731	-	46,764
Summit – NV	204,038	-	(16,943)	-	187,095
Red Hills – NV	-	21,705	50,785	-	72,490
Stage – NV	-	3,041	6,888	-	9,929
White Horse Flats – NV	-	35,761	24,303	-	60,064
Grulla – NV	-	3,777	12,271	-	16,048
Total Properties	\$ 2,717,115	\$ 470,635	\$ 933,046	\$ -	\$ 4,120,796

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

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RESULTS OF OPERATIONS

Current Quarter

The Company incurred a loss of \$398,717 during the current quarter versus a loss of \$838,918 in the same period last year. This amounts to a \$440,201 (48%) decrease over the prior year period which can be attributed primarily to a decrease in stock-based compensation costs associated with incentive stock options granted during the prior year period.

The Company continued to be active in its exploration projects during the period as it expended \$637,089 on its property portfolio. However, increased exploration costs were partially offset by option payments (\$2,042) received through various farm-out agreements with other exploration companies.

Year-to-Date

The Company incurred a loss of \$1,540,856 during the current year versus a loss of \$2,046,331 in prior year. This amounts to a \$505,475 (25%) decrease over the prior year which can be attributed primarily to a substantial decrease in stock-based compensations a general decrease in operating costs, despite a substantial increase in investor relations costs and foreign exchange losses.

The Company continued to be active in its exploration projects during the period as it expended \$1,619,716 on its property portfolio. However, increased exploration costs were partially offset by option payments (\$216,035) received through various farm-out agreements with other exploration companies.

SELECTED FINANCIAL DATA

	Sept. 30, 2007 (\$)	Jun. 30, 2007 (\$)	Mar. 31, 2007 (\$)	Dec. 31, 2006 (\$)	Sept. 30, 2006 (\$)	Jun. 30, 2006 (\$)	Mar. 31, 2006 (\$)	Dec. 31, 2005 (\$)
Financial results:								
Net loss for period	398,717	306,072	451,764	384,303	838,918	695,362	296,469	215,582
Basic and diluted loss per share	0.07	0.01	0.02	0.02	0.05	0.04	0.02	0.02
Mineral property acquisition and exploration costs	635,047	68,894	404,179	295,561	567,404	114,867	410,905	333,087
Balance sheet data:								
Cash and short term deposits	2,316,315	3,584,540	3,149,060	3,300,954	3,684,894	4,459,418	459,893	1,141,644
Mineral properties	4,120,796	3,485,749	3,416,855	3,012,676	2,717,115	2,149,711	2,034,844	1,623,939
Total assets	6,960,628	7,266,216	6,841,372	6,628,261	6,789,811	6,807,117	2,670,829	2,957,495
Shareholders' equity	6,880,561	7,229,963	6,815,209	6,415,620	6,578,017	6,728,372	2,619,357	2,915,826

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	September 30, 2007 (\$)	September 30, 2006 (\$)	September 30, 2005 (\$)
Financial results:			
Net loss for year	1,540,856	2,046,331	910,732
Basic and diluted loss per share	0.07	0.13	0.08
Mineral property acquisition and exploration costs	1,403,681	1,426,263	819,523
Balance sheet data:			
Cash and short term deposits	2,316,315	3,684,894	1,526,061
Mineral properties	4,120,796	2,717,115	1,290,852
Total assets	6,960,628	6,789,811	3,100,833
L/T Financial liabilities	-	-	-
Shareholders' equity	6,880,561	6,578,017	3,035,408

LIQUIDITY

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

During the period, the Company's working capital position decreased to \$2,439,900, which included a cash balance of \$241,315 and a term deposit of \$2,075,000. At September 30, 2006, the Company had a working capital balance of \$3,655,967 which included a cash balance of \$273,194 and a GIC of \$3,411,700.

The Company experienced a cash outflow from operations of \$1,517,471, invested \$1,460,733 in cash to acquire and explore its mineral properties and received \$216,035 in cash payments from farm-out agreements with third party exploration companies. As at September 30, 2007, the Company had total assets of \$6,960,628, and the principal non-cash assets of the Company were its mineral exploration properties in Utah, Nevada and Arizona, with a carrying value of \$4,120,796 representing 59% of its total assets.

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

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CAPITAL RESOURCES

During the period, the Company issued 1,083,491 common shares on the exercise of share purchase warrants at \$1.25 per share for gross proceeds of \$1,354,364. Further, the Company issued 132,500 common shares on the exercise of incentive stock options at \$0.85 per share for gross proceeds of \$112,625.

The Company received \$216,035 in cash from optioning several of its non-core mineral property interests to various other mineral exploration companies.

During the prior year, Global Securities Corporation (the "Agent") was engaged to act as Agent on the Company's IPO. On May 23, 2006, Company completed its IPO by issuing 5,882,352 units ("Units") at \$0.85 per Unit (the "Offering") for gross proceeds of \$5,000,000. Each Unit consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of \$1.25 for a period of eighteen months from the date of closing of the Offering. In connection with the Offering, the Agent was paid a cash commission of \$284,568, a \$25,000 corporate finance fee and received 334,785 Agent's Warrants exercisable at \$1.25 for a period of eighteen months from the closing of the Offering.

COMMITMENTS

The Company has the following commitments:

- a) In September 2007, the Company entered into two new operations agreement with Cordex, a company that shares an officer in common with two of the Company's subsidiaries, Columbus Gold (U.S.) Corporation ("Columbus Gold (U.S.)") and Columbus Silver (U.S.) Corporation ("Columbus Silver (U.S.)"), to design, initiate and carry out mineral exploration and development activities in Nevada, and elsewhere in the United States on behalf of the Company with the objective of identifying, acquiring and exploring new mineral properties and operating exploration programs on the Company's existing portfolio of mineral properties.

The agreement with Columbus Gold (U.S.) expires on December 31, 2009, but it contains an option to extend, under certain conditions, for up to an additional four years. Columbus Gold (U.S) provides Cordex with general operating capital, exclusive of third party contractor expenses, of up to USD\$34,500 per month which includes a monthly management fee to Cordex of USD\$12,500.

The agreement with Columbus Silver (U.S.) expires on December 31, 2009, but it contains an option to extend, under certain conditions, for up to an additional four years. Columbus Gold (U.S) provides Cordex with general operating capital, exclusive of third party contractor expenses, of up to USD\$6,000 per month which includes a monthly management fee to Cordex of USD\$2,200.

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

- b) Effective February 1, 2006, the Company entered into a services agreement with HRG Management Ltd. ("HRG") in which the Company agreed to pay a monthly corporate administration fee of approximately \$13,600 that includes office rent, administration, accounting, corporate secretarial, chief financial officer, investor relations and other related services. HRG is a management company jointly owned by the Company and certain other public companies, all of which share office space and staff on a cost recovery basis. The Company shares two directors in common with HRG.
- c) Effective June 1, 2007, the Company entered into an agreement with Lagace Capital to provide investor relations services for a period of one year. Under the terms of the agreement, the Company agreed to pay a monthly fee of \$6,000.

RELATED PARTY TRANSACTIONS

The following are related party transactions for the year ended September 30, 2007:

	Corp Admin fees	Consulting fees	Management fees	Director fees
John Prochnau <i>(Director)</i>	\$ -	\$ 28,185	\$ -	\$ 12,000
Hamilton Capital Partners Ltd. ⁽¹⁾ <i>(Company with a director in common)</i>	-	48,000	-	12,000
Perennial Capital Corp. ⁽²⁾ <i>(Company with a director in common)</i>	-	-	182,000	12,000
Gil Atzmon <i>(Director)</i>	-	-	-	12,000
Cordilleran Exploration Co. ⁽³⁾ <i>(Company with an officer in common)</i>	-	277,830	-	-
HRG Management Ltd. ⁽⁴⁾ <i>(Company with 2 directors in common)</i>	165,388	-	-	-
Balance, September 30, 2007	\$ 165,388	\$ 354,015	\$ 182,000	\$ 48,000

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

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

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OUTSTANDING SHARE DATA

- a) Authorized Share capital: unlimited common shares without par value
- b) Issued and Outstanding:

	Number of Shares	Amount	Contributed Surplus
Balance – September 30, 2006	20,094,356	\$ 8,270,628	\$ 1,880,627
Exercise of stock options	132,500	112,625	-
Exercise of share purchase warrants	1,083,491	1,354,364	-
Fair value of options and warrants exercised	-	246,381	(246,381)
Issued in exchange for mineral property	100,000	75,000	-
Stock-based compensation costs	-	-	317,011
Balance – September 30, 2007	21,410,347	10,058,998	1,951,257
Exercise of stock options	10,000	8,500	-
Exercise of share purchase warrants	99,340	124,175	-
Fair value of options and warrants exercised	-	21,909	(21,909)
Balance – November 10, 2007	21,519,687	\$ 10,213,582	\$ 1,929,348

Options

A summary of stock options outstanding at November 10, 2007 is as follows:

Expiry Date	Number of Options	Weighted Average Exercise Price
May 24, 2011	1,742,500	\$0.85
July 25, 2011	90,000	0.85
December 20, 2011	111,250	1.25
February 15, 2012	45,000	1.25
April 3, 2012	30,000	1.25
May 2, 2012	70,000	1.50
October 31, 2012	60,000	1.25
Total	2,148,750	\$0.92

* Note – 186,250 options granted December 2006, February 2007 and April 2007 were re-priced down to \$1.25 subsequent to year-end.

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Warrants

A summary of warrants outstanding at November 10, 2007 is as follows:

Expiry Date	Number of Warrants	Weighted Average Exercise Price
November 23, 2007	4,909,393	\$1.25
November 23, 2007 **	149,913	1.25
Total	5,059,306	\$1.25

** Agents warrants issued in connection with the IPO.

SUBSEQUENT EVENTS

Subsequent to the end of the year, the Company:

- a) entered into a management services agreement with a corporation controlled by the Company's CEO. Under the terms of the agreement, the Company agreed to pay a monthly fee of \$12,000. The agreement expires on December 31, 2008.
- b) entered into an option agreement with Portage Minerals Inc. ("Portage") wherein Portage can earn an initial 60% interest in the Golden Mile property by incurring \$2.5 million in exploration expenditures and issuing to Columbus 500,000 common shares of Portage by December 31, 2012. Portage can increase its interest to 70% by completing a positive feasibility study.
- c) entered into amending agreements which extend the deadline for Sniper to incur its requisite exploration expenditures on the Guild and Linka/Pete's Summit properties. It requires Sniper to incur exploration expenditures totalling US\$500,000 by October 3, 2008 on each property in exchange for 100,000 common shares of Sniper.
- d) granted 60,000 incentive stock options to consultants of the Company at an exercise price of \$1.25 and a term of 5 years.
- e) the Company re-priced a total of 186,250 incentive stock options from prices ranging from \$1.40 to \$1.68 down to \$1.25.

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- f) entered into a preliminary agency agreement with Union Securities Ltd. (the "Agent") in support of a plan to externally finance its silver focused subsidiary, Columbus Silver Corporation. The proposed Offering will consist of between \$3,000,000 and \$5,250,000 through the issuance of units. Each unit would consist of a common share and a share purchase warrant with prices to be determined. In connection with the Offering the Agent will receive a non-refundable work fee of \$25,000, reimbursement of reasonable expenses that will not exceed \$45,000, a cash commission of 7.5% of the gross proceeds of the Offering and agent's warrants totalling 10% of the units issued in the Offering.

OUTLOOK

Strong commodity prices resulted in a banner year in 2007 for resource company stocks. Management is confident that positive fundamentals in the commodity markets will result in sustainable gold prices which when combined with the Company's strong and growing property portfolio and proven management team will continue to be reflected in the Company's share value.

CRITICAL ACCOUNTING ESTIMATES

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

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

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RISKS AND UNCERTAINTIES

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

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

Metal Price Risk

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

Financial Market Risk

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

Title Risk

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

Environmental Risk

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

Value Risk

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

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2007

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

CHANGES IN ACCOUNTING POLICIES

During the year, the Company adopted the new CICA Financial Instruments standards for recognition, measurement and disclosure of financial instruments. Upon adoption the Company recognized an increase to comprehensive loss of \$15,600.

FINANCIAL AND OTHER INSTRUMENTS

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

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

DISCLOSURE AND INTERNAL CONTROLS

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

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2007

OFF-BALANCE SHEET ARRANGEMENTS

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

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Except for historical information contained in this discussion and analysis, disclosure statements contained herein are forward-looking. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those in such forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and investors are cautioned against attributing undue certainty to forward-looking statements.

CORPORATE INFORMATION

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

Directors: Robert Giustra John Prochnau
 Gil Atzmon Kenneth Judge (Chairman)

Officers: Robert Giustra, President and CEO
 Sean McGrath, CFO
 Jacqueline Collins, Corporate Secretary

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

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

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



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

CONSOLIDATED FINANCIAL STATEMENTS

**For the Year Ended
September 30, 2007**

(Canadian Funds)

Auditors' Report

To the Shareholders of Columbus Gold Corporation

We have audited the consolidated balance sheet of Columbus Gold Corporation. (the "Company") as at September 30, 2007 and 2006 and the consolidated statement of loss, comprehensive loss and deficit and cash flows for the years ended September 30, 2007 and 2006. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2007 and 2006 and the results of its operations and its cash flows for the years ended September 30, 2007 and 2006 in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Vancouver, BC
November 19, 2007

CHARTERED ACCOUNTANTS

Columbus Gold Corporation

(A Development Stage Company)

Statement 1

Consolidated Balance Sheets

As at September 30

(Canadian Funds)

	2007	2006
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 241,315	\$ 273,194
Term deposits	2,075,000	3,411,700
Marketable securities (note 3)	19,200	24,600
Prepays	139,524	88,205
Receivables	44,928	70,062
	2,519,967	3,867,761
Advances to a Related Party for Exploration (note 10)	285,814	203,399
Reclamation Bond (note 4)	30,412	-
Property, Plant and Equipment, net (note 5)	3,639	1,536
Mineral Properties (note 6)	4,120,796	2,717,115
	\$ 6,960,628	\$ 6,789,811
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 70,644	\$ 68,792
Due to related parties (note 10)	9,423	143,002
	80,067	211,794
Shareholders' Equity		
Share capital (note 7)	10,058,998	8,270,628
Contributed surplus (note 7)	1,951,257	1,880,627
Accumulated other comprehensive income	(15,600)	-
Deficit	(5,114,094)	(3,573,238)
	6,880,561	6,578,017
	\$ 6,960,628	\$ 6,789,811

Nature of operations and going concern (note 1)

Commitments (note 9)

Approved by the Board of Directors:

"Ken Judge"

Ken Judge - Director

"Robert Giustra"

Robert Giustra - Director

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

Columbus Gold Corporation

(A Development Stage Company)

Statement 2

Consolidated Statements of Loss, Comprehensive Loss and Deficit

For the Years Ended September 30

(Canadian Funds)

	<u>2007</u>	<u>2006</u>
Expenses		
Administration	\$ 118,312	\$ 76,452
Amortization	843	446
Consulting fees	77,189	69,601
Corporate administration fees	66,888	77,359
Director fees	48,000	48,000
Foreign exchange loss	128,893	15,792
General exploration	408,826	365,945
Investor relations	272,394	115,303
Management fees	182,000	193,500
Professional fees	116,350	148,169
Stock-based compensation (note 7b)	250,703	865,395
Transfer and filing fees	33,567	80,090
Travel, advertising and promotion	59,980	45,937
Loss Before Other Items	(1,763,945)	(2,101,989)
Other Items		
Interest income	129,022	64,787
Gain on sale of marketable securities	17,774	-
Bad debt recovery	4,300	-
Write-down of marketable securities	-	(10,600)
Write-down of mineral property	-	(18,139)
Other income from third party interest in mineral property	71,993	19,610
Loss for the Year	(1,540,856)	(2,046,331)
Unrealized loss on marketable securities available for sale	(15,600)	-
Comprehensive Loss for the Year	(1,556,456)	(2,046,331)
Deficit, Beginning of Year	(3,573,238)	(1,526,907)
Deficit, End of Year	\$ (5,114,094)	\$ (3,573,238)
Basic and Diluted Loss Per Common Share	\$ (0.07)	\$ (0.13)

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

Columbus Gold Corporation

(A Development Stage Company)

Statement 3

Consolidated Statements of Cash Flows

For the Years Ended September 30

(Canadian Funds)

	<u>2007</u>	<u>2006</u>
Cash Used in Operating Activities		
Loss for the year	\$ (1,540,856)	\$ (2,046,331)
Add: Amortization	843	446
Other income from third party interest in mineral property	(34,800)	(19,610)
Gain on sale of marketable securities	(17,774)	-
Write-down of marketable securities	-	10,600
Write-down of mineral properties	-	18,139
Shares for services	-	127,500
Stock based compensation	250,703	865,395
Changes in non-cash working capital items:		
Decrease (increase) in accounts receivable	25,134	(25,927)
Decrease in accounts payable	(15,823)	(25,512)
Increase in prepaid expenses	(51,319)	(44,259)
Increase (decrease) in amounts due to related parties	(133,579)	5,422
Net cash used in operating activities	(1,517,471)	(1,134,137)
Cash Provided by Financing Activities		
Proceeds from initial public offering	-	5,000,000
Share issuance costs incurred	-	(475,702)
Incentive stock options exercised	112,625	-
Share purchase warrants exercised	1,354,364	75,000
Net cash provided by financing activities	1,466,989	4,599,298
Cash Used in Investing Activities		
Acquisition of equipment	(2,946)	-
Acquisition of reclamation bond	(30,412)	-
Advance of exploration funds to Cordex	(82,415)	(88,204)
Mineral property acquisition and exploration costs	(1,460,733)	(1,296,995)
Mineral property option proceeds	216,035	78,871
Proceeds from sale of marketable securities	42,374	-
Redemption (purchase) of term deposit	1,336,700	(2,071,700)
Net cash used in investing activities	18,603	(3,378,028)
Change in Cash and Cash Equivalents During the Year	(31,879)	87,133
Cash and Cash Equivalents, Beginning of Year	273,194	186,061
Cash and Cash Equivalents, End of Year	\$ 241,315	\$ 273,194

Supplemental Cash Flow Information - Note 8

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

Columbus Gold Corporation
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Year Ended September 30, 2007

1. Nature of Operations and Going Concern

Columbus Gold Corporation (formerly Purple Vein Resources Ltd., the “Company”) was incorporated on May 14, 2003 under the laws of the Province of Saskatchewan, Canada and continued on to British Columbia, Canada on December 29, 2003. The Company changed its name to Columbus Gold Corporation effective December 20, 2004. On May 23, 2006, the Company completed its initial public offering (“IPO”) and is currently listed on the TSX Venture Exchange (the “TSX” or “Exchange”) classified as a Tier 2 mining issuer.

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

These consolidated financial statements have been prepared on a going concern basis which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. For the period ended September 30, 2007, the Company reported a loss of \$1,540,856 and an accumulated deficit of \$5,114,094 at that date. Its ability to continue as a going concern is dependent upon the continued support of the related parties, the ability of the Company to raise equity financing, the discovery of economically recoverable reserves and ultimately the attainment of profitable operations. These circumstances lend substantial doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of presentation

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

Columbus Gold Corporation
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Year Ended September 30, 2007

2. Significant Accounting Policies (continued)

(b) Cash and cash equivalents

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

(c) Use of estimates

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

(d) Foreign currency translation

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

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

(e) Future income taxes

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

2. Significant Accounting Policies (continued)

(f) Mineral properties

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

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

In the event that reserves are determined, the carrying values of a mineral property interest, on a property-by-property basis, will be reviewed by management at least annually to determine if they have become impaired. If impairment is deemed to exist, then the mineral property will be written down to its net recoverable value. The ultimate recoverability of the amounts capitalized is dependent upon the identification of economically recoverable ore reserves, the Company's ability to obtain the necessary financing to complete their development and to realize profitable production and proceeds from the disposition thereof. Management's estimates of recoverability of the Company's investment will be based on current conditions. However, it is possible that changes could occur in the near term, which could adversely affect management's estimates and may result in future write-downs of the capitalized property carrying values.

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

(g) Loss per share

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

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

2. Significant Accounting Policies (continued)

(h) Risk management

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company is at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate significant environmental remediation costs or liabilities in respect of its current operations.

The Company is not exposed to significant credit concentration risk. The Company is not exposed to significant interest rate risk.

The Company's functional currency is the Canadian dollar. The Company operates in foreign jurisdictions, giving rise to significant exposure to market risks from changes in foreign currency rates. The financial risk is the risk to the Company's operations that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk.

(i) Stock-based compensation

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. Accordingly, the fair value of the options at the date of the grant is accrued and charged to operations, with the offsetting credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

(j) Financial Instruments – Recognition and Measurement

On October 1, 2006 the Company adopted Section 3855 of the CICA Handbook which establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It requires that financial assets and financial liabilities, including derivatives, be recognized on the Balance Sheet when the Company becomes a party to contractual provisions of the financial instrument or a derivative contract. All financial instruments should be measured at fair value on initial recognition except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other liabilities.

2. Significant Accounting Policies (continued)

Financial assets and financial liabilities held-for-trading are measured at fair value with gains and losses recognized in the Company's loss for the period. Financial assets held-to-maturity, loans and receivables and financial liabilities, other than those held-for-trading, are measured at amortized cost using the effective interest method of amortization. Available-for-sale financial assets are measured at fair value with unrealized gains and losses including changes in foreign exchange rates being recognized in other comprehensive income ("OCI"). Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market are measured at cost. Derivative instruments must be recorded on the balance sheet at fair value including those derivatives that are embedded in financial instruments or other contracts but are not closely related to the host financial instrument or contract, respectively. Changes in the fair values of derivative instruments are recognized in the Company's loss for the period, except for derivatives that are designated as a cash flow hedge, the fair value change for which is recognized in OCI. Section 3855 permits an entity to designate any financial instrument as held-for-trading on initial recognition or adoption of the standard, even if that instrument would not otherwise satisfy the definition of held-for-trading set out in Section 3855.

Other significant accounting implications arising on adoption of Section 3855 include the initial recognition of certain financial guarantees at fair value on the balance sheet and the immediate expensing of any related transaction costs, fees or premiums.

Financial instruments include cash, term deposits, marketable securities, receivables, amounts due to and from related parties, and accounts payable. The fair value of arms-length financial instruments approximate their carrying value due to their short-term to maturity.

The fair value of amounts due to and from related parties is estimated to approximate carrying value. Fair value adjustments, if any, are not reasonably determinable by management as comparable interest rate and risk profiles are not available.

Net smelter return ("NSR") royalties and related purchase provisions associated with mineral property interests represent derivatives that are financial instruments. The fair value of such instruments, where reserves and economic feasibility have not been established, cannot be readily determined with reliability. Accordingly, management has not made a determination of fair value for these financial instruments.

(k) **Property, Plant and Equipment**

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

Columbus Gold Corporation
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Year Ended September 30, 2007

2. Significant Accounting Policies (continued)

(1) Asset retirement obligations

The Company recognizes the fair value of liabilities for asset retirement obligations in the period in which a reasonable estimate of such costs can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expenses using a systematic and rational method and is also adjusted to reflect period-to-period changes in the liability resulting from passage of time and revisions to either timing or the amount of the original estimate of the undiscounted cash flow. As at September 30, 2007, the Company did not have any asset retirement obligations.

3. Marketable Securities

Marketable securities consist of 120,000 common shares of Black Pearl Minerals Consolidated Inc. with a fair value of \$19,200 on September 30, 2007.

4. Reclamation Bond

The drilling permit for the Bolo property calls for a refundable reclamation bond of US\$30,300 for the exploration site (paid). The bond is held by the USDA Forest Service.

5. Property, Plant and Equipment, net

	Cost	Accumulated Amortization	September 30, 2007 Net Book Value
Computer Equipment	\$ 5,504	\$ 1,865	\$ 3,639
	Cost	Accumulated Amortization	September 30, 2006 Net Book Value
Computer Equipment	\$ 2,558	\$ 1,022	\$ 1,536

Columbus Gold Corporation
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Year Ended September 30, 2007

6. Mineral Properties

	September 30, 2006	Acquisition Cost	Deferred Exploration	Write-down/ Amortization	September 30, 2007
Utah Clipper – NV	\$ 661,582	\$ -	\$ 57,836	\$ -	\$ 719,418
Golden Mile – NV	537,115	-	300,102	-	837,217
Dutch Flat – NV	105,893	-	11,760	-	117,653
Chert Cliff – NV	17,323	-	6,073	-	23,396
Silver Dome – UT	44,689	42,987	143,679	-	231,355
Silver District – AZ	125,947	121,149	52,602	-	299,698
Crestview – NV	203,171	-	3,753	-	206,924
Laura – NV	172,266	-	2,044	-	174,310
Guild – NV	126,853	1,585	(57,455)	-	70,983
Overland Pass – NV	18,120	60,151	(49,423)	-	28,848
Linka – NV	94,919	-	(27,349)	-	67,570
Pete’s Summit – NV	78,698	-	(24,461)	-	54,237
Bolo – NV	112,570	6,761	231,515	-	350,846
Burnt Well – AZ	-	81,013	51,648	-	132,661
Clara Moro ⁽¹⁾ – AZ	70,181	-	(70,181)	-	-
Scraper Springs – NV	-	63,638	95,593	-	159,231
Del Oro – NV	21,727	1,293	45,615	-	68,635
Spring – NV	21,580	4,316	47,867	-	73,763
Winnemucca Mountain – NV	29,273	-	5,691	-	34,964
Mill Canyon – NV	21,142	-	765	-	21,907
White Canyon – NV	20,849	-	(4,825)	-	16,024
Clanton Hills – AZ	29,179	2,425	7,162	-	38,766
Keg – UT	-	21,033	25,731	-	46,764
Summit – NV	204,038	-	(16,943)	-	187,095
Red Hills – NV	-	21,705	50,785	-	72,490
Stage – NV	-	3,041	6,888	-	9,929
White Horse Flats – NV	-	35,761	24,303	-	60,064
Grulla – NV	-	3,777	12,271	-	16,048
Total Properties	\$ 2,717,115	\$ 470,635	\$ 933,046	\$ -	\$ 4,120,796

(1) Clara Moro was exchanged for Burnt Well property at the Clara Moro carrying value on September 30, 2006. There was no gain or loss realized on this transaction. The Company retains a 1% NSR on the Clara Moro property.

Property Locations:

NV – Nevada
AZ – Arizona
UT – Utah

Columbus Gold Corporation
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Year Ended September 30, 2007

6. Mineral Properties (continued)

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

	September 30, 2005	Acquisition Cost	Deferred Exploration	Write-down/ Amortization	September 30, 2006
Utah Clipper – NV	\$ 568,726	\$ -	\$ 92,856	\$ -	\$ 661,582
Golden Mile – NV	142,109	44,424	350,582	-	537,115
Dutch Flat – NV	74,828	6,000	25,065	-	105,893
Chert Cliff – NV	11,698	-	5,625	-	17,323
Silver Dome – UT	-	2,248	42,441	-	44,689
Silver District – AZ	42,601	22,418	60,928	-	125,947
Winnemucca Mountain – NV	-	20,849	8,424	-	29,273
Four Metals – AZ	41,604	-	(41,604)	-	-
Crestview – NV	167,705	-	35,466	-	203,171
Del Oro – NV	-	20,849	878	-	21,727
Spring – NV	-	20,849	731	-	21,580
Mill Canyon – NV	-	20,849	293	-	21,142
Overland Pass – NV	-	-	18,120	-	18,120
White Canyon – NV	-	20,849	-	-	20,849
Laura – NV	141,887	-	30,379	-	172,266
Linka – NV	18,243	-	76,676	-	94,919
Red Bird ⁽¹⁾ – NV	18,139	-	-	(18,139)	-
Clanton Hills – AZ	2,367	-	26,812	-	29,179
Clara Moro – AZ	39,462	-	30,719	-	70,181
Pete's Summit – NV	21,483	-	57,215	-	78,698
Bolo – NV	-	560	112,010	-	112,570
Guild – NV	-	5,612	121,241	-	126,853
Summit – NV	-	37,979	166,059	-	204,038
Total Properties	\$ 1,290,852	\$ 223,486	\$ 1,220,916	\$ (18,139)	\$ 2,717,115

(1) Property was abandoned and written-off during the year.

Columbus Gold Corporation
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Year Ended September 30, 2007

6. Mineral Properties (continued)

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

	<u>Amount</u>
Balance – September 30, 2005	<u>\$1,290,852</u>
Acquisition	223,486
Administration	151,692
Advance royalties	84,735
Assays	98,403
Claim renewals	321,417
Drilling	124,321
Geologists and staff	285,822
Geophysics	126,753
Maps and reports	6,341
Travel	115,893
Less: Option payments	(94,461)
Less: Property write-offs	(18,139)
	<u>1,426,263</u>
Balance – September 30, 2006	<u>\$2,717,115</u>
Acquisition	470,635
Administration	65,200
Advance royalties	64,199
Assays	40,968
Claim renewals	305,544
Drilling	128,604
Geologists and staff	331,180
Geophysics	43,426
Site preparation and reclamation	81,936
Travel	88,024
Less: Option payments	(216,035)
	<u>1,403,681</u>
Balance – September 30, 2007	<u>\$4,120,796</u>

6. Mineral Properties (continued)

Utah Clipper Property

On March 10, 2003, the Company entered into its original mineral property acquisition agreement (the “Hidefield Agreement”) to acquire a 100% interest in the Utah Clipper Property from Hidefield Gold (US) Inc. (“Hidefield Gold (US)”), a wholly-owned subsidiary of Hidefield Gold plc which is an AIM listed corporation that shares two directors in common with the Company.

As consideration for the Utah Clipper Property the Company issued 1,000,000 common shares to Hidefield Gold (US). The Utah Clipper Property is subject to a 1.5% NSR under the Hidefield Agreement. Additionally, the Company agreed to assume the underlying royalty agreements on the Utah Clipper Property, whereby a total of 166 claims within the Utah Clipper Property are subject to an underlying 1% NSR.

On April 18, 2005, the Company entered into a 20 year lease agreement (the “Clipper Lease”) whereby the Company leased an additional 7 patented mining claims which are contiguous to the Utah Clipper Property. The Clipper Lease is renewable for additional and successive terms of 10 years provided the Company is engaged in active exploration and development. The Clipper Lease provides the lessor with a 3% NSR subject to deduction for the payment of specified advance minimum royalties on an annual basis as follows:

Date	Amount (USD)
On Execution of Agreement	\$5,000 (paid)
By April 18, 2006	5,000 (paid)
By April 18, 2007	5,000 (paid)
By April 18, 2008	7,500
By April 18, 2009	7,500
By April 18, 2010	7,500
By the April 18, 2011 and subsequent Anniversaries*	\$10,000

*On the 7th and subsequent anniversaries, payments will be adjusted for inflation.

Pursuant to the Clipper Lease, in the event that the Company disposes of the mining claims to the US Bureau of Land Management, it will pay two-thirds of the proceeds realized to the lessors.

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6. Mineral Properties (continued)

Utah Clipper Property (continued)

On September 5, 2005, the Company entered into an assignment agreement (the “Golden West Agreement”) with Golden West Resources Ltd. (“Golden West”), whereby Golden West assigned to the Company all of its right, title and interest in the Orbit claims and certain other mining claims in Nevada known as the Crestview, Blue Spider and the Laura claims (collectively the “Golden West Claims”). The Orbit claims are contiguous with and form part of the Company’s existing Utah Clipper Property. The Crestview claims and the Blue Spider claims are contiguous with each other and form the Crestview property (the “Crestview Property”), and the Laura claims form the Laura property (the “Laura Property”).

As aggregate consideration for the assignment of the Golden West Claims, the Company paid Golden West USD\$25,000, reimbursed Golden West for a total of USD\$61,400 in past costs, assumed USD\$8,875 in obligations to underlying lessors and issued 1,000,000 common shares of the Company.

The shares are subject to a pooling agreement, as amended on January 13, 2006, to be released as follows:

Date	Number of Shares
Upon closing of the Golden West Agreement	100,000 (released)
January 13, 2006	100,000 (released)
November 24, 2006	320,000 (released)
May 24, 2007	80,000 (released)
August 31, 2007	100,000 (released)
November 24, 2007	100,000
May 24, 2008	200,000

The Golden West Claims are subject to underlying lease agreements. The Orbit claims are governed by the terms of the underlying Orbit lease (the “Orbit Lease”) which has a 10 year term expiring November 24, 2014 and can be renewed for 3 additional terms of 10 years so long as the conditions of the Orbit Lease are met and a fee of USD\$50,000 is paid to the underlying lessor upon the beginning of each successive term. The Orbit claims are also subject to an underlying 3% NSR and quarterly lease payments of USD\$3,000, subject to annual consumer price index (“CPI”) adjustments.

Effective February 1, 2006, the Company entered into a 20 year lease agreement (the “Boss Lease”) whereby the Company leased an additional 9 patented lode mining claims (the “Boss Claims”) which are contiguous with the Utah Clipper Property. The Boss Lease is renewable for additional and successive terms of 10 years provided the Company is engaged in active exploration and development. The Boss Claims are also subject to a 3.5% NSR and provide for the payment of specified advance minimum royalties on an annual basis as follows:

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6. Mineral Properties (continued)

Utah Clipper Property (continued)

Date	Amount (USD)
On Execution of the Agreement	\$20,000 (paid)
By February 1, 2007	20,000 (paid)
By February 1, 2008	20,000
By February 1, 2009	25,000
By February 1, 2010	25,000
By February 1, 2011	25,000
By February 1, 2012 and subsequent Anniversaries*	\$30,000

*On the 7th and subsequent anniversaries, payments will be adjusted for inflation.

On June 9, 2006, the Company entered into an option agreement (the “Agnico Agreement”) with Agnico Eagle (USA) Ltd. (“Agnico”) which allowed Agnico to earn a 51% interest in a package of 3 Nevada properties which included the Company’s Utah Clipper Property, Crestview Property and Laura Property (collectively the “Cortez Properties”) by incurring exploration expenditures of USD\$6.5 million over 7 years, with minimum expenditures of USD\$600,000 in the first year. In June 2007, Agnico terminated its option on the Cortez Properties.

Golden Mile Property

On December 9, 2003, the Company entered into a mineral lease agreement (the “Golden Mile Agreement”) with Nevada Mine Properties II Inc. (“Nevada Mine”), a corporation associated with a director of the Company, whereby the Company acquired the right to earn a 100% interest in the Golden Mile Property located in Nevada, U.S.A. which includes the CMA, MA, Martin and Walsh claims. As consideration, the Company must issue and pay the following:

Shares

- 150,000 common shares (issued);
- 75,000 common shares on the first anniversary of the Golden Mile Agreement (issued);
- 75,000 common shares on the second anniversary of the Golden Mile Agreement; (issued)

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6. Mineral Properties (continued)

Cash (USD)

- \$2,500 by the first anniversary of the Golden Mile Agreement (paid);
- \$5,000 by the second anniversary of the Golden Mile Agreement (paid);
- \$7,500 by the third anniversary of the Golden Mile Agreement; (amended on July 7, 2006)
- \$25,000 by the fourth anniversary of the Golden Mile Agreement and thereafter until production commences. (amended on July 7, 2006)

The above payments are deductible from subsequent production royalties.

In addition, the Company agreed to:

- Pay a 3.5% NSR from the sale of gold on the CMA and MA claims;
- Pay a 0.5% NSR from the sale of gold on the Martin and Walsh claims.

Pursuant to the Golden Mile Agreement, the Company was assigned the Martin and Walsh Agreements and is thereby responsible for all underlying advance royalty obligations and lease payments owed on the Martin and Walsh claims, respectively.

The Company must pay the following advance royalties (in USD) under the Martin Agreement:

- \$15,000 by March 1, 2005 (paid);
- \$20,000 by March 1, 2006 (paid);
- \$50,000 by March 1, 2007 (paid);
- \$50,000 (adjusted by changes in the CPI) by March 1, 2008 and every anniversary thereafter until production commences.

The Martin claims are subject to a 4.75% NSR from the sale of gold on the Martin claims, and the above payments are deductible from these production royalties.

The Company must pay the following lease payments (in USD) under the Walsh Agreement:

- \$7,500 by October 17, 2005 (paid);
- \$10,000 (adjusted by changes in the CPI) by October 17, 2006 and every anniversary thereafter. (2006 and 2007 are paid)

The Walsh claims are subject to an underlying 3% NSR from the sale of gold on the Walsh claims.

6. Mineral Properties (continued)

Golden Mile Property (continued)

Effective July 7, 2006, the Company entered into an agreement with John Prochnau, a principal of Nevada Mine and a director of the Company, and Barbara Prochnau (the “Vendors”) to purchase all of their right, title and interest in the Golden Mile Property for consideration of a cash payment of USD\$26,250 (paid). Pursuant to the agreement, the existing royalties and cash payments to Nevada Mine, which are outlined above, are terminated and replaced by a 2% NSR on the CMA and MA claims. The underlying Martin and Walsh Agreements remain intact. Furthermore, should the Company hold any part of the Golden Mile Property as at December 26, 2009, then the Company will pay the Vendors a one time bonus of USD\$100,000. The Company can elect, however, to settle this payment through the issuance of common shares of the Company with a fair market value of USD\$100,000

Dutch Flat Property

On March 10, 2003, the Company acquired an 83% interest in the Dutch Flat Property pursuant to the Hidefield Agreement with Hidefield Gold (US). As consideration for the Dutch Flat Property the Company issued 62,500 common shares to Hidefield Gold (US). The Dutch Flat Property is subject to a 1.5% NSR under the Hidefield Agreement.

On May 31, 2005, the Company acquired the remaining 17% interest in the Dutch Flat Property for consideration of USD\$5,000 and the issuance of 20,000 common shares.

On June 30, 2005, the Company entered into an agreement (the “Nevada Sunrise Agreement”) with Nevada Sunrise LLC (“Nevada Sunrise”) pursuant to which the Company acquired 11 unpatented mining claims comprising 220 acres for USD\$10,000 and for reimbursement of past costs. The Nevada Sunrise Agreement obligates the Company to maintain the claims, and grants to Nevada Sunrise a 1% NSR over all of the Dutch Flat Property.

On July 2, 2006, the Company entered into an earn-in agreement with Piedmont Mining Company, Inc. (“Piedmont”) which will allow Piedmont to earn a 51% interest in the Dutch Flat property by paying USD\$35,000 (paid) upon signing of the agreement and by incurring exploration expenditures of USD\$2,000,000 over 5 years, with minimum expenditures of USD\$200,000 in the first year. Piedmont can increase its ownership interest to 70% by funding the completion of a positive feasibility study. The Company agreed to be the operator during the first year of the agreement.

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6. Mineral Properties (continued)

Chert Cliff Property

On March 10, 2003, the Company acquired a 100% interest in the Chert Cliff Property pursuant to the Hidefield Agreement with Hidefield Gold (US). As consideration for the Chert Cliff Property the Company issued 62,500 common shares to Hidefield Gold (US). The Chert Cliff Property is subject to a 1.5% NSR under the Hidefield Agreement. Additionally, the Company has assumed the underlying royalty agreement whereby a total of 7 claims within the Chert Cliff Property are subject to an underlying 3% NSR which will be reduced to 1% upon reaching USD\$500,000 in NSR payments.

On April 11, 2006, the Company entered into a lease agreement (the "Platte River Lease") with Platte River Gold (US) Inc. ("Platte River") whereby the Company has leased the Chert Cliff Property to Platte River for a term of 20 years. The Platte River Lease is renewable for additional and successive terms of 10 years provided Platte River is engaged in active exploration and development and the lease payments are doubled. The initial term of annual lease payments progressively increase from USD\$5,000 (paid) on signing of the Platte River Lease to USD\$8,500 (1st anniversary is paid) due on the 20th anniversary of signing. Additional consideration to the Company is the issuance of USD\$100,000 in common shares of Platte River Gold Inc., parent corporation of Platte River, within 24 months of the effective date of the Platte River Lease.

Platte River is required to incur minimum exploration expenditures of USD\$75,000 by October 11, 2007 and an additional USD\$200,000 by April 11, 2009. Further, the Company will maintain NSR royalties on the Chert Cliff Property that vary between 2% - 3% depending on the claim.

Silver Dome

Effective September 15, 2006, the Company entered into a 10 year lease agreement (the "Steele Lease") whereby the Company leased 33 unpatented mining claims (the "Steele Claims"). The Steele Claims are subject to a 3.5% NSR and advance royalty payments as follows:

Date	Amount (USD)
On Execution of the Agreement	\$ 5,000 (Paid)
By the September 1, 2007	7,500 (Paid)
By the September 1, 2008	10,000
By the September 1, 2009	12,500
By the September 1, 2010	15,000
By the September 1, 2011 *	\$25,000

* And each subsequent anniversary

The Company has the right to purchase the Steele Claims, which includes the NSR, for consideration of USD\$2,000,000 of which prior royalty payments will receive credit.

6. Mineral Properties (continued)

Silver Dome (continued)

The Company has staked an additional 175 unpatented mining claims and holds two Utah State leases. The first lease is dated October 1, 2006 with an annual lease payment of \$640 and the second lease is dated August 1, 2007 with an annual lease payment of \$694. Both leases have a 10 year term, but a ten year renewal period is available. Furthermore, a 4% and 8% gross production royalty is payable on fissionable metalliferous minerals and non-fissionable metalliferous minerals, respectively

Silver District Property

On March 10, 2003, the Company acquired a 100% interest in the Silver District Property pursuant to the Hidefield Agreement with Hidefield Gold (US). As consideration for the Silver District Property the Company issued 62,500 common shares to Hidefield Gold (US). The Silver District Property is subject to a 1.5% NSR under the Hidefield Agreement.

On August 26, 2005, the Company acquired a mineral exploration permit for an additional 636 acres of land from the Arizona State Land Department. The permit is renewable annually for a fee of \$1,272 and is valid for a period of 5 years.

On August 28, 2006, the Company entered into a purchase agreement (the “Red Cloud Agreement”) to acquire 15 unpatented mining claims contiguous with the Silver District Property. The purchase price was USD\$20,000 (paid) and the property is free of any royalties.

On August 28, 2006, the Company entered into a lease agreement (the “Red Cloud Lease”) whereby the Company has leased one patented and two unpatented mining claims for a term of 20 years. The Red Cloud Lease is renewable for an additional term of 20 years. The initial term of the lease requires the payment of annual advance royalties as follows:

- USD\$5000 in each of the first 4 years (Years 1 and 2 paid)
- USD\$7,500 in years 5 through 9
- USD\$10,000 in each year thereafter over the term of the lease

The Red Cloud Lease provides for a 2% NSR to the lessor.

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6. Mineral Properties (continued)

Silver District Property (continued)

On February 1, 2007 the Company entered into an option to purchase agreement (the “Blaine Agreement”) to acquire a patented mining claim contiguous with the Silver District Property. The purchase price is USD\$300,000 payable over 7 years as follows:

Date	Amount (USD)
On Execution of the Agreement	\$40,000 (paid)
By February 1, 2008	30,000
By February 1, 2009	30,000
By February 1, 2010	30,000
By February 1, 2011	30,000
By February 1, 2012	30,000
By February 1, 2013	30,000
By February 1, 2014	\$80,000

The Blaine Agreement provides for a 5% net profits interest (“NPI”) to the vendors.

On September 1, 2007 the Company entered into a purchase agreement (the “Black Rock Agreement”) to acquire two patented mining claims contiguous with the Silver District Property. The purchase price was USD\$61,000 (paid).

Four Metals Property

On March 10, 2003, the Company acquired a 100% interest in 24 mining claims and a 50% interest in 16 mining claims, collectively known as the Four Metals Property, pursuant to the Hidefield Agreement with Hidefield Gold (US). As consideration for the Four Metals Property the Company issued 62,500 common shares to Hidefield Gold (US). The Four Metals Property is subject to a 1.5% NSR under the Hidefield Agreement.

On April 13, 2006 and May 16, 2006, the Company entered into two option agreements with Black Pearl Minerals Consolidated Inc. (“Black Pearl”) which allows Black Pearl to earn the Company’s interest in the Four Metals Property. Subject to pre-existing underlying royalties and a 1.5% NSR to the Company on certain claims that comprise the Four Metals Property, the Company has agreed to sell all of its interest in exchange for aggregate consideration of USD\$300,000 cash and 600,000 common shares of Black Pearl, payable over four years. As at September 30, 2007 the Company has received 240,000 common shares of Black Pearl and USD\$75,000 in cash.

6. Mineral Properties (continued)

Crestview Property

On September 5, 2005, the Company entered into the Golden West Agreement whereby Golden West assigned to the Company all of its right, title and interest in the Golden West Claims which include the claims that form the Crestview Property.

As aggregate consideration for the assignment of the Golden West Claims, the Company paid Golden West USD\$25,000, reimbursed Golden West for a total of USD\$61,400 in past costs, assumed USD\$8,875 in obligations to the underlying lessors and issued 1,000,000 common shares of the Company, subject to a pooling agreement.

The Golden West Claims are subject to underlying lease agreements. The Crestview Property is governed by the terms of the underlying Crestview lease (the "Crestview Lease") and Blue Spider lease (the "Blue Spider Lease") both of which have a 10 year term and can be renewed for 3 additional terms of 10 years so long as the conditions of the Crestview Lease and the Blue Spider Lease are met and a fee of USD\$50,000 for each lease is paid to the underlying lessors upon the beginning of each successive term. The Crestview Property is subject to an underlying 3% NSR and quarterly lease payments of USD\$3,300, subject to annual CPI adjustments.

On June 9, 2006, the Company entered into the Agnico Agreement which allowed Agnico to earn a 51% interest in the Cortez Properties, which included the Crestview Property, by incurring exploration expenditures of USD\$6.5 million over 7 years, with minimum expenditures of USD\$600,000 in the first year. In June 2007, Agnico terminated its option on the Cortez Properties.

Laura Property

On September 5, 2005, the Company entered into the Golden West Agreement whereby Golden West assigned to the Company all of its right, title and interest in the Golden West Claims which include the claims that form the Laura Property. As aggregate consideration for the assignment of the Golden West Claims, the Company paid Golden West USD\$25,000, reimbursed Golden West for a total of USD\$61,400 in past costs, assumed USD\$8,875 in obligations to the underlying lessors and issued 1,000,000 common shares of the Company, subject to a pooling agreement.

The Golden West Claims are subject to underlying lease agreements. The Laura Property is governed by the terms of the underlying Laura lease (the "Laura Lease") which has a 10 year term and can be renewed for 3 additional terms of 10 years so long as the conditions of the Laura Lease are met and a fee of USD\$50,000 is paid to the underlying lessor upon the beginning of each successive term. The Laura Property is subject to an underlying 3% NSR and quarterly lease payments of USD\$1,800, subject to annual CPI adjustments.

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6. Mineral Properties (continued)

Laura Property (continued)

On June 9, 2006, the Company entered into the Agnico Agreement which allowed Agnico to earn a 51% interest in the Cortez Properties, which included the Laura Property, by incurring exploration expenditures of USD\$6.5 million over 7 years, with minimum expenditures of USD\$600,000 in the first year. In June 2007, Agnico terminated its option on the Cortez Properties.

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

The Overland Pass, Linka and Pete's Summit properties were all acquired from staking activities conducted by Cordilleran Exploration Corp. ("Cordex").

Effective March 31, 2006, the Company entered into a 10 year lease agreement (the "Campbell Lease") whereby the Company leased 44 mining claims that form the Guild Property (the "Guild Property"). The Campbell Lease is renewable for additional and successive terms of 5 years provided there is production on at least one of the claims. The Campbell Lease is subject to a 5% NSR until a total of \$2,000,000 has been paid and then 2.5% thereafter. The Campbell Lease also provides for the payment of specified advance minimum royalties on an annual basis as follows:

Date	Amount (USD)
On Execution of the Agreement	\$ 5,500 (paid)
By January 15, 2007	8,250 (paid)
By January 15, 2008	11,000
By January 15, 2009	13,750
By January 15, 2010	16,500
By January 15, 2011	\$27,500

*On every subsequent anniversary, payments will be the greater of USD\$55,000 or the dollar equivalent of 94.5 ounces of gold.

The Company staked an additional 74 mining claims contiguous with the Guild Property.

6. Mineral Properties (continued)

Guild / Overland Pass / Linka / Pete's Summit Properties (continued)

The Company entered into joint venture option agreements on October 3, 2006 with Sniper Resources Ltd. ("Sniper") on the Overland Pass, Guild, Linka and Pete's Summit properties in Nevada. Consideration for the agreements is as follows:

Guild

Sniper can earn a 51% interest by paying the Company USD\$17,500 (paid) in cash on signing of the agreement, USD\$32,500 (paid) in cash by April 30, 2007 and by incurring USD\$2,000,000 in exploration expenditures within 48 months, including USD\$200,000 in the first 12 months.

Overland Pass

Sniper can earn a 51% interest by paying the Company USD\$12,500 (paid) in cash on signing of the agreement, USD\$37,500 (paid) in cash by April 30, 2007 and by incurring USD\$2,000,000 in exploration expenditures within 48 months, including USD\$200,000 (incurred) in the first 12 months.

Linka and Pete's Summit

Sniper can earn a 51% interest in both the Linka and Pete's Summit properties by paying the Company USD\$17,500 (paid) in cash on signing of the agreement, USD\$32,500 (paid) in cash by April 30, 2007 and by incurring USD\$2,000,000 in exploration expenditures within 48 months, including USD\$200,000 in the first 12 months.

Bolo Property

The Company staked 90 mining claims during 2006, and effective on November 1, 2006 purchased two additional contiguous mining claims. Consideration for the two purchased claims was USD\$25,000, a 3% NSR and a 0.5% NSR on certain other claims pursuant to an area of interest. The Company has subsequently staked additional claims during the year.

Burnt Well Property

Effective August 21, 2006, the Company completed a property exchange agreement whereby it acquired the Burnt Well Property in exchange for the Clara Moro Property. The Company granted a 2% NSR to the vendor on the Burnt Well property and the Company still maintains a 1% NSR on the Clara Moro Property.

6. Mineral Properties (continued)

Scraper Springs Property

The Company was assigned a lease agreement (the “Master Lease”), with an effective date of December 4, 2003, whereby the Company leased 47 mining claims for a term of 15 years. The lease requires the payment of the remaining annual advance royalties as follows:

- USD\$10,000 by December 4, 2006 (paid)
- USD\$10,000 by June 4, 2007 (paid)
- USD\$25,000 by December 4, 2007
- USD\$30,000 by December 4, 2008
- USD\$35,000 by December 4, 2009
- USD\$40,000 in each year thereafter over the term of the lease

The Master Lease provides for a 2.5% NSR to the lessor. The property and royalty can be purchased outright for USD\$800,000 with credit received for any prior royalty payments.

The Company was assigned a lease agreement (the “Ellison Lease”), with an effective date of August 24, 2004, whereby the Company leased 1000 acres of patented land for a term of 15 years. The lease requires the payment of the remaining annual advance royalties as follows:

- USD\$15,000 by August 24, 2007 (paid)
- USD\$25,000 by August 24, 2008
- USD\$50,000 in each year thereafter over the term of the lease

The Ellison Lease provides for a 2.5% NSR to the lessor.

On August 1, 2007, the Company entered into an agreement with Newmont USA Limited (“Newmont”), a subsidiary of Newmont Mining Corporation, which will allow Newmont to earn an initial 51% interest in the property by incurring US\$5,000,000 in staged exploration expenditures on or before January 31, 2012.

Upon completing US\$5 million in aggregate work expenditures, Newmont will have earned a 51% interest in the Property at which time it may elect to earn an additional 19% interest (for a total interest of 70%) by completing a positive feasibility study recommending production from the Property. Finally, if certain other requirements are met then Newmont can increase its ownership interest to 75%.

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6. Mineral Properties (continued)

Del Oro / Spring / Winnemucca Mountain / Mill Canyon / White Canyon Properties

Effective September 12, 2006, the Company entered into the Prochnau Agreement to purchase a 100% interest in 5 Nevada properties known as the Del Oro Property, Spring Property, Winnemucca Mountain Property, Mill Canyon Property and White Canyon Property. The aggregate consideration consisted of a cash payment of USD\$27,000 (paid), the issuance of 100,000 common shares (issued) of the Company with a fair value of USD\$0.66 per share (USD\$66,000) and a 1.5% NSR.

The White Canyon Property was purchased with a preexisting lease agreement currently held by Allied Nevada Gold Corp. (“Allied”) whereby Allied is required to pay annual advance royalties from the effective date May 1, 2003 of USD\$4,000 (adjusted for CPI changes) for the remaining 17 years of the lease. Further, Allied may purchase the property for USD\$2,500,000 less any prior advance royalty payments.

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

Upon completing US\$2 million in aggregate work expenditures, Ventura will have earned a 51% interest in the Property at which time it may elect to earn an additional 19% interest (for a total interest of 70%) by completing a positive feasibility study recommending production from the Property. The final agreement is subject to Ventura's due-diligence review and regulatory approval.

Summit Property

Effective June 1, 2007, the Company entered into an agreement with Agnico which will allow Agnico to earn a 51% interest in the Summit Property by incurring exploration expenditures of USD\$3 million over 5 years, with minimum expenditures of USD\$500,000 in the first two years. Agnico will make cash payments totaling USD\$150,000 over 3 years, including USD\$25,000 upon signing (paid). Agnico can increase its ownership interest to 70% by completing a feasibility study. Agnico will be the operator during the earn-in phase of the agreement and upon formalization of a joint venture.

Grulla Property

The Company has staked 86 claims. In addition, the Company entered into a lease agreement (the “Grulla Lease”), with an effective date of August 28, 2007, whereby the Company leased 6 unpatented mining claims for a term of 30 years. The lease requires the following payments:

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6. Mineral Properties (continued)

Grulla Property (continued)

Date	Amount (USD)
On Execution of the Agreement	\$ 5,000 (paid)
By August 28, 2008	5,000
By August 28, 2009	10,000
By August 28, 2010	20,000
By August 28, 2011	30,000
By August 28, 2012	40,000
By August 28, 2013 *	50,000

* And each subsequent anniversary

Keg Property

The Company has staked 35 claims. In addition, the Company entered into a ten year lease agreement (the “Keg Lease”) with an effective date of April 28, 2007, whereby the Company leased 16 unpatented mining claims (the “Keg Claims”) in Utah. The Keg Claims are subject to a 3% NSR and advance royalty payments as follows:

Date	Amount (USD)
On Execution of the Agreement	\$ 5,000 (Paid)
By the April 28, 2008	7,500
By the April 28, 2009	10,000
By the April 28, 2010	12,500
By the April 28, 2011	15,000
By the April 28, 2012 *	\$25,000

* And each subsequent anniversary

The Company has the right to purchase 2% of the NSR for consideration of USD\$1,000,000.

Other Properties

The Company has staked additional properties in the following jurisdictions:

Property	Location	Status
Clanton Hills	Arizona	Initial exploration
Stage	Nevada	Initial exploration
Red Hills	Nevada	Initial exploration
White Horse Flats	Nevada	Initial exploration

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7. Share Capital

(a) Common Shares

Authorized - Unlimited common shares without par value

	Number of Shares	Amount	Contributed Surplus
Balance, as at September 30, 2005	13,817,004	\$ 4,562,315	\$ -
Exercise of warrants at \$0.50 per share	150,000	75,000	-
Shares for mineral properties – non-cash	95,000	21,000	-
Initial public offering ¹	5,882,352	3,984,375	1,015,625
Share issue costs	-	(499,562)	(54,803)
In exchange for services rendered – non-cash	150,000	127,500	-
Stock-based compensation costs	-	-	919,805
Balance, as at September 30, 2006	20,094,356	\$ 8,270,628	\$ 1,880,627
Exercise of warrants at \$1.25 per share	1,083,491	1,354,364	-
Exercise of stock options at \$0.85 per share	132,500	112,625	-
Fair value of options and warrants exercised	-	246,381	(246,381)
Shares for mineral properties – non-cash	100,000	75,000	-
Stock-based compensation costs	-	-	317,011
Balance, as at September 30, 2007	21,410,347	\$ 10,058,998	\$ 1,951,257

- On May 23, 2006, the Company completed its initial public offering on the TSX Venture Exchange by issuing 5,882,352 units at a price of \$0.85 per unit for total gross proceeds of \$5,000,000 (the "Offering"). Each Unit consisted of one common share of the Company and one share purchase warrant. Each share purchase warrant entitles the holder to acquire one additional common share at an exercise price of \$1.25 per share for a period of 18 months from the closing of the Offering. The warrants attached have been valued at \$888,285 net of share issuance costs based upon the Black Scholes method which utilizes the following assumptions: Expected dividend yield of nil, Expected stock price volatility of 75%, Risk-free interest rate of 4.25%, Expected life of warrants is 18 months. Global Securities Corporation (the "Agent") was paid a cash commission of \$284,568, a \$25,000 corporate finance fee and received 334,785 Agent's warrants (valued at \$72,537) exercisable at \$1.25 for a period of 18 months from the closing of the Offering. Additionally, a cash commission of \$45,607 was paid in third party finder's fees.

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7. Share Capital (continued)

(a) Common Shares (continued)

Escrow Shares

Pursuant to an escrow agreement dated as of June 21, 2005 between the Company, Computershare Investor Services (the “Escrow Agent”) and certain principals of the Company, the principals agreed to deposit in escrow their common shares totaling 4,497,634 shares with the Escrow Agent. The escrow agreement provided that 10% of the escrow shares will be released upon final receipt of the Company’s IPO prospectus (May 23, 2006), and 15% will be released every 6 months thereafter over a period of 36 months. As at September 30, 2007, the number of escrow shares outstanding was 2,698,581.

(b) Stock Options

The Company has established a share purchase option plan whereby the Board of Directors, may from time to time, grant options to directors, officers, employees or consultants to a maximum of 10% of the issued and outstanding share capital amount. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the Company’s Board of Directors. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant date.

A summary of stock options outstanding as at September 30, 2007 is set out below:

Number of Options	Exercise Price	Expiry Date
1,752,500	\$0.85	May 24, 2011
100,000	\$0.85	July 25, 2011
111,250	\$1.40	December 20, 2011
45,000	\$1.68	February 15, 2012
30,000	\$1.45	April 3, 2012
70,000	\$1.50	May 2, 2012

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7. Share Capital (continued)

(b) Stock Options (continued)

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

	Options Outstanding	Weighted Average Exercise Price	Weighted Average Time To Expiry
Balance – September 30, 2006	1,990,000	\$0.85	4.66 yrs
Granted during the year	260,000	1.49	5.00
Exercised during the year	(132,500)	0.85	-
Cancelled during the year	(8,750)	0.87	-
Balance – September 30, 2007	2,108,750	\$0.93	3.75 yrs

During the prior year, the Company granted a total of 1,990,000 incentive stock options to officers and consultants at an exercise price of \$0.85 per share and a term of 5 years from the date of grant. These options were assigned a fair value of \$1,072,720 of which a total of \$919,805 had vested as at September 30, 2006. The balance vested during current year and was expensed as stock-based compensation costs or capitalized into mineral properties.

On December 20, 2006, the Company issued a total of 115,000 incentive stock options to officers and consultants at an exercise price of \$1.40 per share and a term of 5 years. These options were assigned a fair value of \$103,063 on the date of grant. A total of \$97,462 had vested as at September 30, 2007 and has been expensed as stock-based compensation costs. The balance will vest during the next fiscal year.

On February 15, 2007, the Company issued a total of 45,000 incentive stock options to officers and consultants at an exercise price of \$1.68 per share and a term of 5 years. These options were assigned a fair value of \$48,393 on the date of grant. A total of \$43,016 had vested as at September 30, 2007 and has been expensed as stock-based compensation costs. The balance will vest over the next fiscal year.

On April 3, 2007, the Company issued a total of 30,000 incentive stock options to a consultant at an exercise price of \$1.45 per share and a term of 5 years. These options were assigned a fair value of \$27,845 on the date of grant. A total of \$6,961 had vested as at September 30, 2007 and has been expensed as stock-based compensation costs. The balance will vest over the next fiscal year.

On May 2, 2007, the Company issued a total of 70,000 incentive stock options to a consultant at an exercise price of \$1.50 per share and a term of 5 years. These options were assigned a fair value of \$66,626 on the date of grant. A total of \$16,657 had vested as at September 30, 2007 and has been expensed as stock-based compensation costs. The balance will vest over the next fiscal year.

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7. Share Capital (continued)

(b) Stock Options (continued)

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

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

Expected dividend yield	Nil
Expected price volatility	75%
Risk free interest rate	4.25%
Expected life of options	5 years

(c) Warrants

A summary of share purchase warrants outstanding as at September 30, 2007 is set out below:

Number of Warrants	Exercise Price	Expiry Date
4,961,393	\$1.25	November 23, 2007
172,253 *	\$1.25	November 23, 2007

* Agent's warrants issued in connection with the Company's IPO.

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

	Warrants Outstanding	Weighted Average Exercise Price	Weighted Average Time To Expiry
Balance – September 30, 2006	6,217,137	\$1.25	1.15 yrs
Issued during the year	-	-	-
Exercised during the year	(1,083,491)	1.25	-
Expired during the year	-	-	-
Balance – September 30, 2007	5,133,646	\$1.25	0.15 yrs

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7. Share Capital (continued)

(c) **Warrants** (continued)

On May 23, 2006, the Company completed its IPO and issued 5,882,352 warrants at an exercise price of \$1.25 per share and a term of 18 months. Further, the Company issued 334,785 Agent's warrants at an exercise price of \$1.25 per share and a term of 18 months. These Agent's warrants were assigned a fair value of \$72,537 on the date of issue and have been recorded as share issue costs.

The estimated fair value of the Agent's warrants was determined using a Black-Scholes option pricing model with the following assumptions:

Expected dividend yield	Nil
Expected price volatility	75%
Risk free interest rate	4.25%
Expected life of warrants	1.5 years

8. Supplemental Cash Flow Information

	September 30, 2007	September 30, 2006
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

The only significant non-cash investing or financing activities during the year were the Company capitalizing \$66,308 (2006 - \$54,410) of stock-based compensation costs into mineral properties for stock options granted to the principals of Cordex, and the issuance of 100,000 common shares (\$75,000) for the acquisition of mineral properties.

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9. Commitments

The Company has the following commitments:

- a) In September 2007, the Company entered into two new operations agreement with Cordex, a company that shares an officer in common with two of the Company's subsidiaries, Columbus Gold (U.S.) Corporation ("Columbus Gold (U.S.)") and Columbus Silver (U.S.) Corporation ("Columbus Silver (U.S.)"), to design, initiate and carry out mineral exploration and development activities in Nevada, and elsewhere in the United States on behalf of the Company with the objective of identifying, acquiring and exploring new mineral properties and operating exploration programs on the Company's existing portfolio of mineral properties.

The agreement with Columbus Gold (U.S.) expires on December 31, 2009, but it contains an option to extend, under certain conditions, for up to an additional four years. Columbus Gold (U.S) provides Cordex with general operating capital, exclusive of third party contractor expenses, of up to USD\$34,500 per month which includes a monthly management fee to Cordex of USD\$12,500.

The agreement with Columbus Silver (U.S.) expires on December 31, 2009, but it contains an option to extend, under certain conditions, for up to an additional four years. Columbus Gold (U.S) provides Cordex with general operating capital, exclusive of third party contractor expenses, of up to USD\$6,000 per month which includes a monthly management fee to Cordex of USD\$2,200.

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

- b) Effective February 1, 2006, the Company entered into a services agreement with HRG Management Ltd. ("HRG") in which the Company agreed to pay a monthly corporate administration fee of approximately \$13,600 that includes office rent, administration, accounting, corporate secretarial, chief financial officer, investor relations and other related services. HRG is a management company jointly owned by the Company and certain other public companies, all of which share office space and staff on a cost recovery basis. The Company shares two directors in common with HRG.
- c) Effective June 1, 2007, the Company entered into an agreement with Lagace Capital to provide investor relations services for a period of one year. Under the terms of the agreement, the Company agreed to pay a monthly fee of \$6,000.

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10. Related Party Transactions

The following are related party transactions for the year ended September 30, 2007:

	Corp Admin fees	Consulting fees	Management fees	Director fees
John Prochnau (<i>Director</i>)	\$ -	\$ 28,185	\$ -	\$ 12,000
Hamilton Capital Partners Ltd. ⁽¹⁾ (<i>Company with a director in common</i>)	-	48,000	-	12,000
Perennial Capital Corp. ⁽²⁾ (<i>Company with a director in common</i>)	-	-	182,000	12,000
Gil Atzmon (<i>Director</i>)	-	-	-	12,000
Cordilleran Exploration Co. ⁽³⁾ (<i>Company with an officer in common</i>)	-	277,830	-	-
HRG Management Ltd. ⁽⁴⁾ (<i>Company with 2 directors in common</i>)	165,388	-	-	-
Balance, September 30, 2007	\$ 165,388	\$ 354,015	\$ 182,000	\$ 48,000

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

The following are related party transactions for the year ended September 30, 2006:

	Corp Admin fees	Consulting fees	Management fees	Director fees
John Prochnau (<i>Director</i>)	\$ -	\$ 20,908	\$ -	\$ 12,000
Hamilton Capital Partners Ltd. (<i>Company with a director in common</i>)	-	48,000	-	12,000
Robert Giustra (<i>President, CEO and director</i>)	-	-	193,500	12,000
Gil Atzmon (<i>Director</i>)	-	-	-	12,000
Cordilleran Exploration Co. (<i>Company with an officer in common</i>)	-	171,750	-	-
HRG Management Ltd. (<i>Company with 2 directors in common</i>)	99,204	-	-	-
RWA Management Ltd. (<i>Company with a former officer in common</i>)	37,600	-	-	-
Balance, September 30, 2006	\$ 136,804	\$ 240,658	\$ 193,500	\$ 48,000

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10. Related Party Transactions (continued)

The Company issued 100,000 common shares at an agreed price of US\$0.66 per share and \$31,463 (US\$27,000) to a director for the purchase of 5 mineral properties.

The Company issued nil common shares (2006 – 75,000) to a director of the Company at an agreed price of \$0.20 per share (\$15,000) as part of the Golden Mile Agreement. Additionally, the Company paid \$30,589 (US\$26,250) to purchase the director’s interest in the Golden Mile property.

At September 30, 2007, a total of \$285,814 (September 30, 2006 - \$203,399) was advanced to Cordex, a company with an officer in common with Columbus Gold (U.S.) Corp. and Columbus Silver (U.S.) Corp., for planned future exploration expenditures on the Company’s mineral properties.

At September 30, 2007, a total of \$9,423 (September 30, 2006 - \$143,002) was owing to a director of the Company for reimbursement of expenses, consulting fees and mineral property acquisition costs.

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

11. Income Taxes

A reconciliation of income taxes at statutory rates is as follows:

	2007	2006
Loss before taxes for the year	\$(1,540,856)	\$(2,046,331)
Tax rate	34.12%	34.12%
Expected income tax (recovery)	\$ (525,740)	\$ (698,208)
Non-taxable items	85,641	300,491
Deductible taxable items	(487,003)	(514,496)
Unrecognized benefit of non-capital loss	927,102	912,213
Total income tax expense	\$ -	\$ -

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11. Income Taxes (continued)

Details of the Company's future income tax assets are as follows:

	2007	2006
Non-capital loss carryforwards	\$ 2,814,909	\$ 1,875,055
Share issuance costs	118,292	158,523
Equipment	1,491	894
Valuation allowance	(2,934,691)	(2,034,472)
Net future income tax assets	\$ -	\$ -

As at September 30, 2007, the Company has available non-capital losses for income tax purposes of approximately \$3,120,000, which may be carried forward and applied against future taxable income when earned. United States net operating losses totaling \$5,130,000 may be limited if more than a 50% ownership change has occurred with respect to any Company included in the consolidated group. If an ownership change has occurred, such losses are limited on an annual basis to the value of the respective Company on the date of change multiplied by the U.S. federal long-term, tax-exempt rate in effect for the period. In addition, some U.S. net operating losses may be subject to other limitations based on taxable income from wholly owned subsidiaries on a stand-alone basis.

These losses expire as follows:

	Canada	United States	Total
2010	\$ 160,868	\$ -	\$ 160,868
2014	536,323	-	536,323
2015	672,416	-	672,416
2016	763,282	-	763,282
2017	982,202	-	982,202
2025	-	1,592,459	1,592,459
2026	-	1,770,123	1,770,123
2027	-	1,734,978	1,734,978
	\$ 3,115,091	\$ 5,097,560	\$ 8,212,651

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12. Segmented Information

	Year Ended September 30, 2007	Year Ended September 30, 2006
Total Assets		
Canada	\$2,511,934	\$3,869,297
USA	4,448,694	2,920,514
Total	\$6,960,628	\$6,789,811
Net Loss		
Canada	\$1,146,279	\$1,666,200
USA	394,577	380,131
Total	\$1,540,856	\$2,046,331

13. Subsequent Events

Subsequent to the end of the year, the Company:

- a) entered into a management services agreement with a corporation controlled by the Company's CEO. Under the terms of the agreement, the Company agreed to pay a monthly fee of \$12,000. The agreement expires on December 31, 2008.
- b) entered into an option agreement with Portage Minerals Inc. ("Portage") wherein Portage can earn an initial 60% interest in the Golden Mile property by incurring \$2.5 million in exploration expenditures and issuing to Columbus 500,000 common shares of Portage by December 31, 2012. Portage can increase its interest to 70% by completing a positive feasibility study.
- c) entered into amending agreements which extend the deadline for Sniper to incur its requisite exploration expenditures on the Guild, Linka and Pete's Summit properties. It requires Sniper to incur exploration expenditures totalling US\$500,000 by October 3, 2008 on each property in exchange for 100,000 common shares of Sniper.
- d) granted 60,000 incentive stock options to consultants of the Company at an exercise price of \$1.25 and a term of 5 years.

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13. Subsequent Events (continued)

- e) entered into a preliminary agency agreement with Union Securities Ltd. (the “Agent”) in support of a plan to externally finance its silver focused subsidiary, Columbus Silver Corporation. The proposed Offering will consist of between \$3,000,000 and \$5,250,000 through the issuance of units. Each unit would consist of a common share and a share purchase warrant with prices to be determined. In connection with the Offering the Agent will receive a non-refundable work fee of \$25,000, reimbursement of reasonable expenses that will not exceed \$45,000, a cash commission of 7.5% of the gross proceeds of the Offering and agent’s warrants totaling 10% of the units issued in the Offering.
- f) the Company re-priced a total of 186,250 incentive stock options from prices ranging from \$1.40 to \$1.68 down to \$1.25.