Annual Report
Columbus Gold Corporation
2009

Columbus Gold
CORPORATION

CGT:TSX-V
CBGDF: OTCBB

Nevada's Distinguished Mine Finders

www.columbusgoldcorp.com

Columbus Gold controls 22 gold projects strategically located along or near Nevada's most productive gold trends.

Annual Meeting
Our annual general meeting of shareholders will be held at 1:00 p.m. on June 23rd, 2010, at Computershare, 510 Burrard St, 3rd floor boardroom, Vancouver BC, V6C 3B9, British Columbia.

Forward-Looking Statements
This annual report contains forward-looking statements. Please refer to the caution on forward-looking information on page 59.

Contents

Letter from our CEO	03
Management Discussion and Analysis	05
Consolidated Financial Statements	25
Caution on Forward-Looking Information	59
Officers and Directors	60
Corporate Information	Inside Back Cover

Letter from our CEO

"**Investors will continue to seek a safe** haven for their capital in 2010; gold and gold stocks will be their investments of choice."

Robert Giustra, President & CEO

To Our Fellow Shareholders:

Gold's performance over the last decade, and particularly during 2009 and to date this year, has been exceptional. Few asset classes can claim such a remarkable record. In nine of the last 10 years, gold closed higher than it did the previous year, and over the same period, gold significantly outperformed the world's principal equity markets.

Business failures and government bailouts during the past 18 months were the primary catalyst for rising gold prices. Despite unprecedented coordinated efforts by national governments, the global economy remains weak as sovereign states contend with unsustainable debt levels. As a result, investors will continue to seek safe havens. The best safe haven investment in the world in 2010, and likely beyond, may very well continue to be gold, and as a consequence, companies in the gold business.

Gold prices reached an all time high of $1,218.25 an ounce in 2009 and outperformed nearly every major commodity and equity index in the world. Notwithstanding the positive performance of the gold sector however, activity in the junior minor sector remained sluggish, creating a challenging operating environment, particularly in efforts to raise capital.

In the midst of this difficult market environment we significantly reduced overhead and exploration spending to preserve capital and reassessed our property portfolio to include only our most promising projects. Three new projects were also acquired with outcropping and near surface gold showings. Stevens Basin and Weepah are Carlin-type showings, and Eastside is a low sulfidation, volcanic-hosted deposit with geologic similarities to the Round Mountain gold deposit to the north. Columbus Gold now controls 22 gold projects in Nevada, ranking it in the top five in the state, eight of which are joint-ventured to a number of industry partners, including Agnico-Eagle Mines.

Joint-venture spending is expected to continue in 2010 from potential new joint venture arrangements under consideration and from existing joint-ventures, particularly by Agnico-Eagle at our Summit gold project. Our exploration spending in 2010 will continue to include prospecting, project generation activities and early-stage exploration to build value at low cost, with the eventual aim of seeking joint-venture partners to carry-out drilling on higher risk projects. We also plan to carry-out drilling at several of our most promising targets at Stevens Basin and Whitehorse Flats and we're in the process of completing a financing which will enable us to commence drilling by fall.

Our exploration activities will continue to be managed pursuant to an exclusive agreement with Cordex whose exceptional record of gold discovery and mine development during the past nearly 40 years is widely recognized by the mining industry.

The widely held view is that 2010 will be a challenging year for the economy. While we share these views, we also see a 2010 filled with opportunities. Our commitment is to capitalize on some of those opportunities to create material and sustainable shareholder value.

Yours Truly,

Robert F. Giustra
President and Chief Executive Officer
May 9th, 2010

Management Discussion and Analysis

FOR THE YEAR ENDED
September 30, 2009

Nevada is consistently ranked among the most favored jurisdictions in the world for mineral exploration and mine development.

Bolo gold project, Nevada

Introduction

Management Discussion and Analysis ("MD&A") focuses on significant factors that have affected Columbus Gold Corporation (the "Company" or "Columbus Gold") and its subsidiaries' performance and such factors that may affect its future performance. In order to better understand the MD&A, it should be read in conjunction with the audited annual consolidated financial statements for the year ended September 30, 2009.

The financial information in this MD&A is derived from the Company's consolidated financial statements which are prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are outlined within Note 2 to the consolidated financial statements of the Company. The Company's reporting currency is Canadian dollars. The effective date of this Management Discussion and Analysis is January 19, 2010.

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

Caution Regarding Forward Looking Statements

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

These risks, uncertainties and other factors include, but are not limited to: changes in Canadian/US dollar exchange rates; our strategies and objectives; our tax position and the tax and royalty rates applicable to us; our ability to acquire necessary permits and other authorizations in connection with our projects; risks associated with environmental compliance, including without limitation changes in legislation and regulation, and estimates of reclamation and other costs; our cost reduction and other financial and operating objectives; our environmental, health and safety initiatives; the availability of qualified employees and labour for our operations; risks that may affect our operating or capital plans; risks created through competition for mining properties; risks associated with exploration projects, and mineral reserve and resource estimates, including the risk of errors in assumptions and methodologies; risks associated with our dependence on third parties for the provision of critical services; risks associated with non-performance by contractual counterparties; risks associated with title; and general business and economic conditions.

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

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

Drilling at the Bolo gold project, Nevada

Description of Business

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

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

Results of Operations

Current Quarter

The Company incurred a loss of $1,072,200 during the current quarter versus a loss of $1,616,100 in the same period last year. This amounts to a decrease of $543,900 (33.6%) over the prior year period which can be attributed primarily to a substantial dilution gain from divestiture of Columbus Silver Corp. ("Columbus Silver"). The completion of the Columbus

Silver IPO in September 2008 resulted in the Company's ownership being reduced from 100% to approximately 18.5%. Furthermore the Company recorded a lesser impairment on its mineral properties in the current year of $1,321,155 (2008 - $1,720,836).

Fiscal 2009

The Company incurred a loss of $1,861,037 (2008 - $2,552,769) which represents a decrease of $691,732 (27.1%) over the prior year. This decrease can be attributed primarily to a substantial dilution gain from divestiture of Columbus Silver. The completion of the Columbus Silver IPO in September 2008 and a subsequent financing completed in August 2009 resulted in the Company's ownership being reduced from 100% to approximately 18.5%. Columbus Silver completed a second tranche of the 2009 financing in October 2009 which further reduced the Company's ownership interest to 14.8%.

The Company continued to be active in its exploration projects during the period as it expended $1,063,100 on its property portfolio. This figure is vastly different from previously reported quarters as the Columbus Silver properties are no longer consolidated into the Company's balance sheet at September 30, 2009.

Investment in Columbus Silver Corporation

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

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

At year end the Company held an 18.5% direct interest and a fully diluted interest of 32.4% assuming the convertible notes were converted into shares of Columbus Silver.

Effective August 14, 2007, the Company advanced a total of $845,450 to Columbus Silver under a promissory grid note. The note bears simple interest of 5% per annum, has a maturity date of August 31, 2010 and is convertible at the option of the Company into common shares of Columbus Silver at $0.25 per share. At September 30, 2008 the Company recorded the fair value of the note at $492,614 and the fair value of the conversion option at $352,595. At September 30, 2009, the Company recorded $65,794 in accrued interest and recorded the accreted value of the promissory note to be $663,576, inclusive of accretion interest income totaling $153,813 relating to the debt calculated using the effective interest method. The effective interest rate was determined to be 12% per annum.

Effective September 1, 2007, as amended August 19, 2008, the Company received a promissory note with a face value of US$540,465 for the sale of certain mineral properties to Columbus Silver. The note bears simple interest of 5% per annum, has a maturity date of August 31, 2010 and is convertible at the option of the Company into common shares of Columbus Silver at $0.25 per share. At September 30, 2008 the Company recorded the fair value of the note to be $333,788 and the fair value of the conversion option at $239,186. At September 30, 2009, the Company has recorded $60,330 in accrued interest and recorded the accreted value of the promissory note at $454,850, inclusive of accretion interest income totaling $115,728 relating to the debt calculated using an effective interest rate of 12% per annum.

Mineral Properties

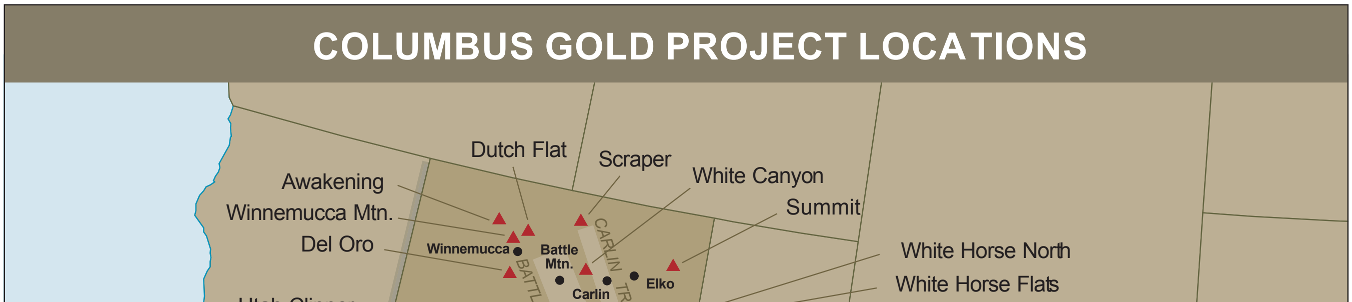
Currently, the Company is focusing its exploration activities on the western United States with special emphasis on gold exploration in Nevada.

Bolo Property

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

Geology

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



Past Work

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

In 2007, Columbus Gold completed an initial drilling program at Bolo, which consisted of 19 reverse circulation holes for a total of 3,014 m (9890 ft). Fifteen of the 19 holes completed intercepted anomalous gold values; the best holes were in the Mine Fault were BL-4 encountered 18.2 m (60 ft) of gold mineralization averaging 1.086 g/t gold (from 200-260 ft of depth); hole BL-3 intercepted 25.9 m (85 ft) of 0.431 g/t gold (from 25-110 ft of depth); and, hole BL-11 encountered 16.8 m (55 ft) of 0.611 g/t gold (from 390-445 ft of depth).

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

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

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

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

www.columbusgoldcorp.com/i/pdf/Bolo_Phase_II_Drill_assays_2008.pdf

Recent Results

The Phase III drilling program consisted of 3,990 feet (1,215 meters) in six angle, rotary drill holes. Five of the holes tested for extensions of significant gold mineralization cut by rotary drill hole BL-23, completed by Columbus in late 2008. Drill hole BL-23 cut 100 ft of 0.069 opt (30.5 m of 2.37 gpt) gold in silicified and oxidized Paleozoic limestone and siltstone and highly-altered Tertiary dike. This better grade zone was contained in a broader interval of 250 ft of 0.034 opt (76 m of 1.15 gpt) gold. The hole bottomed in gold mineralization at 600 ft (182 m) of down-hole depth.

Gold mineralization at Bolo occurs along and adjacent to two principal north-trending faults, known as the Mine and East faults, traceable for 16,000 ft (4,878 m) within the project area. BL-23 was drilled at 45 degrees, essentially perpendicular to the Mine Fault Zone, as determined by mapping, and encountered gold mineralization about 200 ft (60 m) vertically below the surface. Outcrop sampling at, and near, the Mine Fault Zone, up-dip above BL-23, produced 28 samples grading from 0.029 to 0.151 opt (1 to 5.18 gpt) gold. The gold mineralization is classified as "Carlin-type", similar to many other significant gold deposits in Nevada.

In the current program, drill hole BL-29 was drilled to cut the Mine Fault 100 ft (30 m) south of BL-23 and cut 205 ft (62 m) of 0.019 opt gold, including 15 ft (4.5 m) of 0.055 opt and 10 ft (3 m) of 0.099 opt gold. Drill hole BL-32 tested the Mine Fault 100 ft (30 m) north of BL-23 and cut 170 ft (51 m) of 0.024 opt gold, including 10 ft (3 m) of 0.087 opt and an additional 30 ft (9 m) of 0.056 opt gold. Hole BL-30 intersected the Mine Fault 360 ft (109 m) north of BL-23 and cut 55 ft (16 m) of 0.006 opt gold. Hole BL-31 cut the Mine Fault 250 ft (76 m) south of BL-23 and cut 15 ft (4.5 m) of 0.030 opt gold. Hole BL-33 was drilled to cut the Mine Fault 250 ft (76 m) below BL-23 and cut only anomalous values. The Mine Fault structure is thought to be offset along a flat fault between 500 ft and 700 ft (152 m and 213 m) of depth. Drill hole BL-34 was drilled in a gravel-covered area about 1 mile (1.6 kilometers) northeast of BL-23, and intersected no significant gold values. A table with complete drill results can be viewed at the following link:

www.columbusgoldcorp.com/i/pdf/nr/2009-12-18-bolo-drillresults.pdf

The drilling, combined with historical channel sampling of five bull dozer trenches totalling 1,800 ft (548 m) in length, cut and sampled in 1980's by Canerta (now mostly reclaimed, but results verified by extensive Columbus surface sampling), suggest that the BL-23 mineralized zone is about 500 ft (150 m) long, about 200 ft (60 m) wide, and extends to a depth of about 500 ft (150 m) where it is either offset or terminates. Thirtyfour more drill holes, on 100 ft (30 m) spacing will be required to delineate this tonnage and to test for the potential offset portion of the zone at depth. In addition, there are seven undrilled areas, most with surface sampling at grades exceeding 0.029 opt (1 gpt) which remain to be tested at Bolo, along with other blind geological targets, supported by geophysical surveys. Columbus has initiated the permitting process to allow drill testing of these additional target areas and for expansion drilling in the area around drill hole BL-23.

Summit Property

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

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

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

<u>Geology</u>

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

<u>Past Work</u>

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

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

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

Columbus Gold's project exploration and generation activities are managed by Cordex, which is widely recognized as having an exceptional record of gold discovery.

Andy Wallace of Cordex and Columbus Gold's CEO Robert Giustra at the Bolo gold project, Nevada.

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

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

Planned Program

Agnico-Eagle has advised Columbus Gold that it intends to continue with its option to earn an interest in the Summit Project and with plans to carry-out additional exploration expenditures during the 2009/2010 field seasons.

Utah Clipper and Crestview Properties

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

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

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

On December 31, 2009, the Company received approximately US$295,000 from Barrick in lieu of work expenditures in order to meet the US$500k threshold and maintain the option in good standing.

Other Properties

Property	Location	Status
Awakening	Nevada	No work planned. JV partner being sourced.
Burnt Well	Arizona	No work planned. JV partner being sourced.
Chert Cliff	Nevada	Leased to Platte River Gold (US) Inc.
Crestview	Nevada	Joint Venture option to Barrick Gold Exploration Inc.
Del Oro	Nevada	Joint Venture option to Ventura Gold Corp.
Dutch Flat	Nevada	Joint venture option to Piedmont Mining Company, Inc.
Eastside	Nevada	Initial exploration. JV partner being sourced.
Four Metals	Arizona	Sale option to White Cloud LLC.
Golden Mile		Property is under option to Portage Minerals
Guild, and Overland Pass	Nevada	Joint venture option to Sniper Resources Ltd.
Laura	Nevada	No work planned. JV partner being sourced.
Pete's Summit	Nevada	No work planned. JV partner being sourced.
Red Hills	Nevada	No work planned. JV partner being sourced.
Scraper	Nevada	No work planned. JV partner being sourced.
Stevens Basin	Nevada	No work planned. JV partner being sourced.
Summit	Nevada	Joint venture option to Agnico Eagle (USA) Ltd.
Weepah	Nevada	No work planned. JV partner being sourced.
White Canyon	Nevada	Leased to Allied Nevada.
White Horse Flats	Nevada	No work planned. JV partner being sourced.
White Horse Flats North	Nevada	No work planned. JV partner being sourced.
Winnemucca Mountain	Nevada	No work planned. JV partner being sourced.

Expenditure Summary

	September 30, 2008	Acquisition Cost	Deferred Exploration	Impairment/ Divestiture	**September 30, 2009**
Utah Clipper – NV	$ 688,909	$ -	$ 689	$ -	**$ 689,598**
Awakening – NV	580,159	-	25,784	(288,331)	**317,612**
Dutch Flat – NV	117,653	-	-	(91,707)	**25,946**
Chert Cliff – NV	18,346	-	(18,346)	-	**-**
Silver Dome – UT	376,250	-	-	(376,250)	**-**
Silver District – AZ	411,508	-	-	(411,508)	**-**
Crestview – NV	210,385	-	-	-	**210,385**
Laura – NV	-	-	9,263	(9,263)	**-**
Guild – NV	46,458	-	-	-	**46,458**
Overland Pass – NV	28,848	-	-	-	**28,848**
Linka – NV	55,307	-	-	(55,307)	**-**
Pete's Summit – NV	41,975	-	2,920	(33,405)	**11,490**
Bolo – NV	1,181,337	1,262	233,173	-	**1,415,772**
Scraper – NV	111,077	-	9,247	(94,941)	**25,383**
Eastside – NV	-	7,434	84,537	-	**91,971**
Weepah – NV	-	2,427	15,148	-	**17,575**
Del Oro – NV	17,356	-	(17,356)	-	**-**
White Canyon – NV	11,290	-	(5,412)	-	**5,878**
Clanton Hills – AZ	48,455	-	-	(48,455)	**-**
Keg – UT	75,058			(75,058)	**-**
Summit – NV	179,942	-	(58,360)	-	**121,582**
Ferguson Flats – NV	83,174	-	-	(83,174)	**-**
Mogollon - NM	39,944	-	-	(39,944)	**-**
Stevens Basin – NV	-	329	12,830	-	**13,159**
Westside – NV	-	2,757	11,068	(13,825)	**-**
Total Properties	**$ 4,323,431**	**$ 14,209**	**$ 305,185**	**$ (1,621,168)**	**$ 3,021,657**

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

Note: The Company is no longer consolidating Columbus Silver into its accounts so a divestiture of $1,034,389 is shown included in the above.

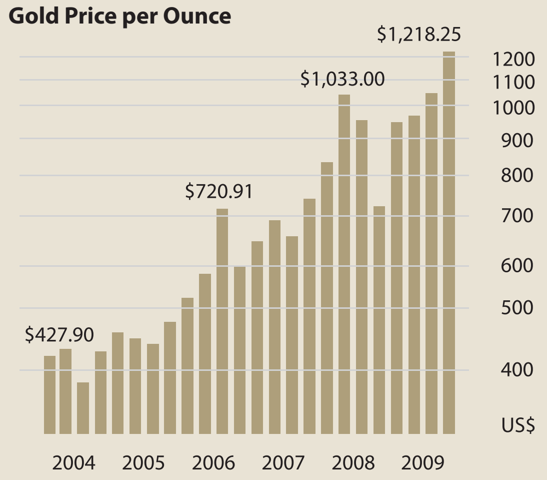
All disclosure of scientific or technical information on the Company's mineral properties contained in this Management's Discussion and Analysis, with the exception of the information presented in the Utah Clipper Technical Report and the Golden Mile Technical Report, is based on information prepared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

Selected Financial Data

	Sep. 30, 2009 ($)	Jun. 30, 2009 ($)	Mar. 31, 2009 ($)	Dec. 31, 2008 ($)	Sep. 30, 2008 ($)	Jun. 30, 2008 ($)	Mar. 31, 2008 ($)	Dec. 31, 2007 ($)
Financial results:								
Net loss for period	(1,072,200)	(253,171)	(317,831)	(217,385)	(1,616,100)	(322,240)	(326,460)	(287,969)
Basic and diluted loss per share	(0.04)	(0.01)	(0.01)	(0.01)	(0.08)	(0.01)	(0.01)	(0.01)
Balance sheet data:								
Cash and short term deposits	296,535	866,206	1,401,177	1,404,863	2,203,971	1,723,742	2,545,100	2,620,717
Mineral properties	3,021,657	5,213,644	4,992,860	4,697,201	4,323,431	5,303,057	4,806,776	4,510,820
Total assets	5,240,401	6,663,093	6,997,730	6,811,862	7,103,343	7,784,559	8,012,321	7,545,584
Shareholders' equity	5,169,505	6,409,617	6,600,842	6,139,764	6,206,243	7,699,025	7,926,318	7,544,349

	September 30, 2009 ($)	September 30, 2008 ($)	September 30, 2007 ($)
Financial results:			
Net loss for year	**1,861,037**	2,552,769	1,540,856
Basic and diluted loss per share	**0.07**	0.11	0.07
Mineral property acquistion and exploration costs	**1,063,100**	1,923,471	1,403,681
Balance sheet data:			
Cash and short term deposits	**396,535**	2,203,971	2,316,315
Mineral properties	**3,021,657**	4,323,431	4,120,796
Total assets	**5,240,401**	7,103,343	6,960,628
L/T Financial liabilities	**-**	-	-
Shareholders' equity	**5,169,505**	6,206,243	6,880,561

Gold prices reached an all time high of $1,218.25 an ounce in 2009, however many analysts believe that it is a precursor to record high prices in 2010 and beyond.



Capital Resources

On December 31, 2009, the Company received approximately US$295,000 from Barrick in lieu of work expenditures in order to meet the US$500k threshold and maintain the option in good standing.

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

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

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

In September 2008, Columbus Silver completed its IPO by raising gross proceeds of $1,802,250. After completion of the IPO, the Company was diluted to a 36% ownership position. In August and October 2009, Columbus Silver completed additional equity financing which diluted the Company to 14.8%. As a result, the Company no longer consolidates the results of Columbus Silver and instead carries the investment using the equity method of accounting.

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 $782,463, which included a cash balance of

$296,535 and a term deposit of $100,000. At September 30, 2008, the Company had a working capital balance of $2,270,363 which included a cash balance of $586,001 and a term deposit of $1,617,970.

The Company experienced a cash outflow from operations of $1,782,981 and invested $1,063,100 in cash to acquire and explore its mineral properties. As at September 30, 2009, the Company had total assets of $5,240,402, and the principal non-cash assets of the Company were its mineral exploration properties in Utah, Nevada, New Mexico and Arizona, with a carrying value of $3,021,657 representing 58% of its total assets.

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

Outstanding Share Data

	Amount
Common Shares outstanding at September 30, 2009	26,293,424
Stock Options	4,090,500
Share Purchase Warrants	3,305,500
Fully Diluted Shares	33,689,424

Options

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

Number of Options	Exercise Price	Expiry Date
1,377,500	$0.85	May 24, 2011
65,000	$0.85	July 25, 2011
90,000	$1.40	December 20, 2011
10,000	$1.25	December 20, 2011
35,000	$1.68	February 15, 2012
10,000	$1.25	February 15, 2012
30,000	$1.25	April 3, 2012
70,000	$1.25	May 2, 2012
60,000	$1.25	October 31, 2012
90,000	$1.25	November 29, 2012
83,000	$0.85	March 12, 2013
1,970,000	$0.50	August 15, 2013
200,000	$0.25	May 28, 2014

Warrants

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

Number of Warrants	Exercise Price	Expiry Date
3,305,500	$0.30	July 28, 2010

Off-Balance Sheet Arrangements

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

Commitments

The Company has the following commitments:

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

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

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

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

Subsequent Events

Subsequent to the end of the year:

a) the Company received US$295,938 in cash from Barrick Gold Corporation in settlement of its expenditure requirement on the Utah Clipper property for 2009.

b) the Company extended the terms of the original agreement with Cordex to design, initiate and carry out generative and mineral exploration activities in Nevada and the United States until December 31, 2010. The agreement provides that the term may be extended until December 31, 2012.

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.

Outlook

Commodity prices improved significantly in the second half of 2009 and consequently resource stocks, and in particular junior resource companies, have enjoyed renewed investor interest. In tandem with this, the Company began assessing opportunities to acquire development stage resource projects which might improve the Company's ability to access capital and continue its exploration activities. The Company is currently investigating opportunities in various geographic locations.

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:

<u>Metal Price Risk</u>

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.

<u>Financial Market Risk</u>

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

Title Risk

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

Value Risk

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

Environmental Risk

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

Equipment and Service Availability

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

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

Changes in Accounting Policies

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

International Financial Reporting Standards (IFRS) changeover plan

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

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

Financial and Other Instruments

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

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

Management's Responsibility for Financial Statements

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

Disclosure and Internal Controls

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

Other Information

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

Columbus Gold has 8 of its projects joint-ventured to major and junior mining companies, including Agnico-Eagle Mines.

Drilling by JV partner Platte River at Chert Cliff gold project, Nevada

Columbus Gold CORPORATION

Consolidated Financial Statements

FOR THE YEAR ENDED
September 30, 2009

(Canadian Dollars)

D M C L
CHARTERED ACCOUNTANTS

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AUDITOR'S REPORT

To the Shareholders of Columbus Gold Corporation

We have audited the consolidated balance sheet of Columbus Gold Corporation as at September 30, 2009 and the consolidated statements of loss and deficit, comprehensive loss, accumulated other comprehensive loss and cash flows for the year then ended. These 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, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The audited financial statements at September 30, 2008 and for the year then ended were examined by other auditors who expressed an opinion without reservation on those statements in their report dated January 27, 2009.

"DMCL"

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS

Vancouver, Canada
January 13, 2010

Columbus Gold Corporation

Statement 1

(An Exploration Stage Company)

Consolidated Balance Sheets

	September 30, 2009	September 30, 2008
ASSETS		
Current assets		
Cash and cash equivalents	$ 296,535	$ 586,001
Term deposits (note 5)	100,000	1,617,970
Available-for-sale investments (note 4)	85,828	2
Prepaids and receivables	370,996	183,347
	853,359	2,387,320
Advances to a related party for exploration (note 12)	(64,393)	287,896
Investment in Columbus Silver Corporation (note 3)	164,773	-
Due from Columbus Silver Corporation (note 3)	1,118,427	-
Conversion option (note 3)	109,686	-
Reclamation bond (note 6)	36,892	103,997
Property and equipment, net	-	699
Mineral properties (note 7)	3,021,657	4,323,431
	$ 5,240,401	$ 7,103,343
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 44,179	$ 104,272
Due to related parties (note 12)	26,717	12,685
	70,896	116,957
Non-controlling interest (note 3)	-	780,143
Shareholders' equity		
Share capital (note 8)	12,051,499	11,529,910
Contributed surplus (note 8)	2,660,516	2,343,196
Accumulated other comprehensive loss	(14,608)	-
Deficit	(9,527,903)	(7,666,863)
	5,169,505	6,206,243
	$ 5,240,401	$ 7,103,343

Nature of operations and going concern (note 1)
Commitments (notes 7 and 10)

Approved by the Board of Directors:

Gil Atzmon - Director

Robert Giustra - Director

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

Columbus Gold Corporation

Statement 2

(An Exploration Stage Company)

Consolidated Statement of Loss and Deficit

		Year Ended September 30, 2009		Year Ended September 30, 2008
EXPENSES				
Administration	$	169,905	$	184,236
Amortization		699		2,940
Consulting fees (note 12)		156,502		123,252
Impairment of mineral properties (note 7)		1,321,155		1,720,836
Director fees (note 12)		93,000		46,000
Foreign exchange gain		(24,276)		(171,780)
General exploration		663,945		406,671
Investor relations		73,584		185,826
Loan accretion (note 3)		(24,012)		-
Management fees (note 12)		115,000		144,000
Office and general		78,397		139,160
Professional fees		179,007		230,713
Stock-based compensation costs (note 8)		321,157		240,374
Transfer and filing fees		47,098		83,890
Travel, advertising and promotion		40,940		68,915
Loss before other items		(3,212,101)		(3,405,033)
OTHER ITEMS				
Interest income		15,884		62,036
Dilution gain from Columbus Silver (note 3)		776,580		795,578
Impairment of marketable securities		-		(64,998)
Loss on conversion option (note 3)		(482,095)		-
Loss from equity accounted investment (note 3)		(18,988)		-
Gain (loss) on sale of investment		-		(16,492)
Income from third party interest in mineral property		85,268		76,140
Non-controlling interest (note 3)		974,415		-
Loss for the year		(1,861,037)		(2,552,769)
Deficit, beginning of year		(7,666,866)		(5,114,094)
Deficit, end of year	$	(9,527,903)	$	(7,666,863)
Basic and diluted loss per common share	$	(0.07)	$	(0.11)
Weighted average common shares outstanding		25,199,371		22,279,339

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

Columbus Gold Corporation

Statement 3

(An Exploration Stage Company)

Consolidated Statements of Comprehensive Loss and Accumulated Other Comprehensive Loss

	Year Ended September 30, 2009	Year Ended September 30, 2008
Loss for the year	$ (1,861,037)	$ (2,552,769)
Unrealized loss on securities available for sale	(14,608)	15,600
Comprehensive loss for the year	$ (1,875,645)	$ (2,537,169)
Accumulated other comprehensive loss - Beginning of year	$ -	$ (15,600)
Other comprehensive loss	(14,608)	15,600
Accumulated other comprehensive loss - End of year	$ (14,608)	$ -

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

Columbus Gold Corporation

Statement 4

(An Exploration Stage Company)

Consolidated Statements of Cash Flows

	Year Ended September 30, 2009	Year Ended September 30, 2008
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the year	$ (1,861,037)	(2,552,769)
Items not affecting cash:		
Amortization	699	2,940
Stock-based compensation costs	321,157	240,374
Loss (gain) on sale of marketable securities	-	16,492
Loss on conversion option	482,095	-
Impairment of marketable securities	-	64,998
Impairment of mineral properties	1,321,155	1,720,836
Income from third party interest in mineral property	(57,290)	(18,400)
Dilution gain	(776,580)	(795,578)
Loan accretion	24,012	-
Non-controlling interest	(974,415)	-
Foreign exchange gain on bond reclamation	-	(2,138)
	(1,520,204)	(1,323,245)
Changes in non-cash working capital items:		
Increase (decrease) in prepaids and receivables	(216,716)	1,105
Increase (decrease) in accounts payable	(60,093)	33,628
Increase (decrease) in amounts due to related parties	14,032	3,262
	(1,782,981)	(1,285,250)
FINANCING ACTIVITIES		
Proceeds from private placement, net	657,432	640,000
Net proceeds from subsidiary initial public offering	-	1,480,500
Share purchase warrants exercised	-	758,175
Stock options exercised	-	38,250
	657,432	2,916,925
INVESTING ACTIVITIES		
Recovery (advance) to a related party for exploration	352,289	(2,082)
Loss of control of cash in Columbus Silver	(38,181)	-
Proceeds from sale of marketable securities	-	86,708
Redemption of term deposit	1,517,970	457,030
Redemption (purchase) of reclamation bond	67,105	(71,448)
Joint venture option proceeds received	-	35,380
Mineral property expenditures	(1,063,100)	(1,792,577)
	836,083	(1,286,989)
Change in cashand cash equivalents during the year	(289,466)	344,686
Cash and cash equivalents - beginning	586,001	241,315
Cash and cash equivalents - end	$ 296,535	$ 586,001

Supplemental Cash Flow Information - Note 9

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

1. Nature of Operations

Columbus Gold Corporation (the "Company") was incorporated on May 14, 2003 under the laws of the Province of Saskatchewan, Canada and continued on to British Columbia, Canada on December 29, 2003. On May 23, 2006, the Company completed its initial public offering ("IPO") and is currently listed on the TSX Venture Exchange (the "TSX" or "Exchange") classified as a Tier 2 mining issuer.

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

The ability of the Company to continue as a going concern is dependent on its ability to raise additional debt or equity to fund ongoing costs of operations and/or secure new or additional partners in order to advance its projects. Management plans to undertake an equity financing in the first quarter of 2010 in order advance the development of its existing mineral properties and provide general working capital. At September 30, 2009, the Company has working capital of $782,463 (2008 - $2,270,363) and an accumulated deficit of $9,527,903 (2008 - $7,666,863).

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 subsidiary Columbus Gold (U.S.) Corporation ("Columbus Gold (U.S.)"). All inter-company transactions and balances have been eliminated upon consolidation. The Company previously consolidated its controlling interest in Columbus Silver Corp. ("Columbus Silver"); however, during the year the Company's ownership interest in Columbus Silver was reduced to the level of significant influence, and thus effective August 28, 2009, the investment in Columbus Silver is recorded using the equity method of accounting (note 3).

(b) Cash and cash equivalents

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

(c) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the period. Significant areas requiring the use of management estimates include the determination of the valuation allowance for future income tax assets, the assumptions used in the determination of stock-based compensation, impairment of mineral claims and deferred exploration expenditures, and rates for amortization and depletion. While management believes the estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

(d) Equipment

Equipment is valued at cost less accumulated amortization. The Company provides for amortization using the declining balance method at 30% and applies only one-half of the applicable rate in the year of acquisition.

(e) Foreign currency translation

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

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

(f) 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 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.

(g) Mineral properties

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

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

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

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

(h) Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings 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 year.

(i) Asset retirement obligations

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

(j) Stock-based compensation

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

(k) Financial Instruments, Comprehensive Income, and Hedges

(i) Financial Instruments

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

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

Upon adoption of this new standard, the Company designated its cash and cash equivalents as held-for-trading, which is measured at fair value. Term deposits and investments in common shares have been designated as available for sale, which is measured at fair value. The equity portion of convertible loan is classified as a derivative instrument and carried at fair value. Receivables and the amount due from Columbus Silver have been designated as loans and receivables, which are measured at amortized cost. Accounts payable and due to related parties are classified as other financial liabilities, which are measured at amortized cost.

(ii) Comprehensive Income

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

(iii) Hedges

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

Accounting Policies Recently Adopted

Section 1535, Capital Disclosures

Handbook Section 1535 is effective for annual and interim periods beginning on or after October 1, 2007 and requires disclosure of the Company's objectives, policies, and processes for managing capital; quantitative data about what the Company regards as capital; whether the Company has complied with any capital requirements; and, if the Company has not complied, the consequences of such non-compliance. The new accounting standard covers disclosure only and has had no effect on the financial statements. Refer to Note 13.

Under Sections 3862 and 3863, the Company is required to provide disclosure of quantitative and qualitative information in its financial statements that enable users to evaluate (a) the significance of financial instruments for the Company's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the Company is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks. The Company has provided disclosure under these sections in Note 14.

Section 1400, General Standards of Financial Statement Presentation

In June 2007, the CICA amended this Section to include additional requirements to assess an entity's ability to continue as a going concern and disclose any material uncertainties that cast doubt on its ability to continue as a going concern. The mandatory effective date is for annual and interim financial statements for years beginning on or after January 1, 2008. The Company has provided the additional disclosure required in Note 1.

Section 3064, Goodwill and Intangible Assets

The new standard establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets, including those developed internally. At the same time the CICA accounting standards board amended section 1000, Financial Statement Concepts, to clarify the criteria for recognition of an asset. Therefore items that no longer meet the definition of an asset are no longer recognized with assets. The new standard and amended standard are both effective for annual and interim periods beginning on or after October 1, 2008. The adoption of this new standard did not have a material impact on the Company's financial statements.

Credit risk and the fair value of financial assets and financial liabilities

On January 20, 2009, the Emerging Issues Committee ("EIC") of the Canadian Accounting Standards Board ("AcSB") issued EIC Abstract 173, Credit Risk and Fair Value of Financial Assets and Financial Liabilities ("EIC 173"), which establishes that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC 173 should be applied retrospectively without restatement of prior years to all financial assets and liabilities measured at fair value in interim and annual financial statements for periods ending on or after January 20, 2009. Adoption of this EIC did not have a significant impact on the Company's financial statements.

Mining exploration costs

In March 2009 the Company adopted CICA issued Emerging Issues Committee Abstract 174 - *Mining Exploration Costs* which amends EIC-126 - *Accounting by Mining Enterprises for Exploration Costs*, to provide additional guidance for mining exploration enterprises on the accounting for capitalization of exploration costs and when an impairment test of these costs are required. EIC – 126 has been withdrawn. Adoption of EIC 174 did not have a significant impact on the Company's financial statements.

Recent Canadian Accounting Pronouncements

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

International Financial Reporting Standards ("IFRS")

In January 2006, CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards ("IFRS") by the end of 2011. The impact of the transition to IFRS on the Company's financial statements has yet to be determined.

During 2009 and 2010, the Company will assess its requirements and first time adoption methodologies, including its internal training and resource needs. The Company expects that by the second calendar quarter of 2010 management will have assessed conversion and first time adoption implications. During 2010 additional disclosures and analysis of impacts will be provided leading up to adoption in the first quarter of 2011.

Business Combination, Non-Controlling Interest, and Consolidation

In January 2009, the CICA issued Handbook Sections 1582, Business Combination ("Section 1582"), 1601, Consolidated Financial Statements. ("Section 1601") and 1602, Non-controlling Interests, ("Section 1602") which replaces CICA Handbook Sections 1581, Business Combinations, and 1600, Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company's business combinations and acquisition dates on or after January 1, 2011. Early adoption of this section is permitted. Section 1601 is applicable for the Company's interim and annual financial statements for its fiscal year beginning January 1, 2011. Early adoption of this section is permitted. If the Company chooses to adopt any one of these sections, the other sections must also be adopted at the same time. The adoption of this standard is not expected to have a material impact on the Company's financial statements.

3. Investment in Columbus Silver

At September 30, 2009 the Company owns 4,020,000 common shares (2008 – 4,000,000 common shares) of Columbus Silver. The Company recorded its investment in Columbus Silver on a consolidated basis until August 28, 2009 at which point the Company's ownership interest declined from 35.7% to 18.5% as a result of share issuances by Columbus Silver. Commencing August 28, 2009, the Company's investment in Columbus Silver was determined to have converted from a controlled entity to an equity investment. As the Company still exerts significant influence over Columbus Silver, the Company now accounts for its investment using the equity method.

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

On September 12, 2008, Columbus Silver completed an initial public offering of its common shares on the

TSX Venture Exchange. As a result, the Company's ownership interest in Columbus Silver was reduced to 35.7% and a dilution gain of $795,578 was recorded in the year ended September 30, 2008.

At year end the Company held an 18.5% direct interest and a fully diluted interest of 32.4% assuming the convertible notes were converted into shares of Columbus Silver.

Effective August 14, 2007, the Company advanced a total of $845,450 to Columbus Silver under a promissory grid note. The note bears simple interest of 5% per annum, has a maturity date of August 31, 2010 and is convertible at the option of the Company into common shares of Columbus Silver at $0.25 per share. At September 30, 2008 the Company recorded the fair value of the note at $492,614 and the fair value of the conversion option at $352,595. At September 30, 2009, the Company recorded $65,794 (2008 - $22,969) in accrued interest and recorded the accreted value of the promissory note to be $663,576 (2008 - $509,764), inclusive of accretion income totaling $153,813 (2008 - $17,150) relating to the debt discount calculated using the effective interest method. The effective interest rate was determined to be 12%.

Effective September 1, 2007, as amended August 19, 2008, the Company received a promissory note with a face value of US$540,465 for the sale of certain mineral properties to Columbus Silver. The note bears simple interest of 5% per annum, has a maturity date of August 31, 2010 and is convertible at the option of the Company into common shares of Columbus Silver at $0.25 per share. At September 30, 2008 the Company recorded the fair value of the note to be $333,788 and the fair value of the conversion option at $239,186. At September 30, 2009, the Company has recorded $60,330 (2008 - $27,242) in accrued interest and recorded the accreted value of the promissory note at $454,850 (2008 – $345,409), inclusive of accretion income totaling $115,728 (2008 - $11,422) relating to the debt discount calculated using the effective interest method.

Both of these notes receivable are recorded separately from the equity investment in Columbus Silver.

At September 30, 2009 the fair value of the conversion option of the convertible notes was determined to be $109,686 and as a result an impairment of $482,095 was recorded. The estimated fair value of the conversion option was determined using a Black-Scholes option pricing model with the following assumptions:

Expected dividend yield	Nil
Expected price volatility	75%
Risk free interest rate	1.3%
Expected life of options	0.92 years

4. Available-for-sale Investments

	Number of Shares	2009	Number of Shares	2008
Portage Minerals Inc. (Private)	200,000	$ 1	100,000	$ 1
EMC Metals Corp. (TSX-V)	51,859	4,667	-	-
Piedmont Mining Corp. (OTCBB)	500,000	13,939	-	-
Platte River Gold Inc. (Private)	25,000	59,700	-	-
Golden Predator Royalty and Development Corp.(TSX-V)	12,965	7,520	-	-
Sniper Resources Ltd. (Private)	200,500	1	100,000	1
		$85,828		$ 2

During the year the Company received 100,000 common shares (2008 – 100,000 shares) of Portage Minerals Inc. ("Portage") in connection with the Golden Mile property. Portage is a private company and the value of their common shares was not readily determinable upon receipt. Thus, the investment has been recorded at $1.

During the year the Company received 100,500 common shares (2008 – 100,000 shares) of Sniper Resources Ltd. ("Sniper"). In connection with the Guild, Linka and Pete's Summit property option agreements. Sniper is a private company and the value of their common shares was not readily determinable upon receipt. Thus, the investment has been recorded at $1.

The Company received 51,859 common shares of EMC Metals Corp., 12,965 common shares of Golden Predator Royalty and Development Corp. and 25,000 common shares of Platte River Gold Inc. in connection with the Chert Cliff property.

The Company also received 500,000 common shares of Piedmont Mining Corp. as a partial debt settlement (Note 7).

All of the shares are classified as available for sale and are carried at fair value based on their closing trading price at September 30, 2009, with the exception of those which are private companies, which are carried at cost, or where fair values are not readily determinable, at a nominal value.

5. Term Deposits

	2009	2008
Short-term Investment Certificate	-	$1,000,000
Maturity date	-	Sept 16, 2009
Interest rate per annum	-	Prime less 2%
Short-term Investment Certificate	-	$317,970
Maturity date	-	June 1, 2009
Interest rate per annum	-	1.60%
Short-term Investment Certificate	-	$300,000
Maturity date	-	May 27, 2009
Interest rate per annum	-	Prime less 2.25%
Short-term Investment Certificate	$100,000	-
Maturity date	February 19, 2010	-
Interest rate per annum	0.75%	-

The short-term guaranteed investment certificates were issued through the Bank of Montreal and are redeemable at any time, but if redeemed within the first 30 days of issue then interest will not be paid. Accrued interest of $458 (2008 - $5,391) has been included in receivables at September 30, 2009.

6. Reclamation Bond

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

		2009		2008
Bolo	$	32,488	$	34,481
Awakening		4,404		11,150
Silver Dome		-		58,366
Total	$	36,892	$	103,997

7. Mineral Properties

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

	September 30, 2008	Acquisition Cost	Deferred Exploration	Impairment/ Divestiture	**September 30, 2009**
Utah Clipper – NV	$ 688,909	$ -	$ 689	$ -	**$ 689,598**
Awakening – NV	580,159	-	25,784	(288,331)	**317,612**
Dutch Flat – NV	117,653	-	-	(91,707)	**25,946**
Chert Cliff – NV	18,346	-	(18,346)	-	**-**
Silver Dome – UT	376,250	-	-	(376,250)	**-**
Silver District – AZ	411,508	-	-	(411,508)	**-**
Crestview – NV	210,385	-	-	-	**210,385**
Laura – NV	-	-	9,263	(9,263)	**-**
Guild – NV	46,458	-	-	-	**46,458**
Overland Pass – NV	28,848	-	-	-	**28,848**
Linka – NV	55,307	-	-	(55,307)	**-**
Pete's Summit – NV	41,975	-	2,920	(33,405)	**11,490**
Bolo – NV	1,181,337	1,262	233,173	-	**1,415,772**
Scraper – NV	111,077	-	9,247	(94,941)	**25,383**
Eastside – NV	-	7,434	84,537	-	**91,971**
Weepah – NV	-	2,427	15,148	-	**17,575**
Del Oro – NV	17,356	-	(17,356)	-	**-**
White Canyon – NV	11,290	-	(5,412)	-	**5,878**
Clanton Hills – AZ	48,455	-	-	(48,455)	**-**
Keg – UT	75,058			(75,058)	**-**
Summit – NV	179,942	-	(58,360)	-	**121,582**
Ferguson Flats – NV	83,174	-	-	(83,174)	**-**
Mogollon - NM	39,944	-	-	(39,944)	**-**
Stevens Basin – NV	-	329	12,830	-	**13,159**
Westside – NV	-	2,757	11,068	(13,825)	**-**
Total Properties	**$ 4,323,431**	**$ 14,209**	**$ 305,185**	**$ (1,621,168)**	**$ 3,021,657**

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

Note: The Company is no longer consolidating Columbus Silver into its accounts so a divestiture of $1,034,389 is shown included in the above.

The following tables provide a breakdown of acquisition and exploration expenditures by property:

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

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

	Amount
Balance – September 30, 2007	$4,120,796
Acquisition	223,037
Administration	161,318
Advance royalties	21,772
Assays	96,834
Claim renewals	232,743
Drilling	287,747
Geologists and staff	560,373
Geophysics	59,902
Site preparation and reclamation	17,702
Travel	152,788
Trenching	264,075
Less: Option payments	(154,820)
Less: Property impairment	(1,720,836)
	202,635
Balance – September 30, 2008	4,323,431
Acquisition	14,209
Administration	31,361
Assays	30,110
Claim renewals	79,124
Drilling	64,392
Geologists and staff	117,375
Site preparation and reclamation	3,005
Travel	46,153
Trenching	33,150
Less: Columbus Silver properties *	(300,013)
Less: Option payments	(99,485)
Less: Property impairment	(1,321,155)
	(1,301,774)
Balance – September 30, 2009	**$3,021,657**

* The Company is no longer consolidating Columbus Silver (Note 3).

Utah Clipper / Crestview Properties

In December 2007, the Company entered into an agreement (the "Barrick Agreement") with Barrick Gold Exploration Inc. ("Barrick"), a subsidiary of Barrick Gold Corporation, to explore and develop the Utah Clipper and Crestview properties. Under the terms of the Barrick Agreement, Barrick can earn a 60% interest in the two properties by undertaking staged work expenditures totaling US$6 million ($1,000,000 incurred) over a six year period. Upon completing US$6 million in aggregate work expenditures, Barrick will have earned a 60% interest in the properties and at this time it may elect to earn an additional 10% interest in the properties (for a total interest of 70%) by completing additional work expenditures of US$2.5 million by the 7th anniversary of the Barrick Agreement. Barrick can also elect to earn an additional 5% (total 75%) in the properties by carrying the Company to a production decision and arranging financing for the Company's prorated share of mine construction costs.

Golden Mile Property

On October 21, 2007, the Company entered into an option agreement with Portage Minerals Inc. ("Portage") wherein Portage can earn an initial 60% interest in the Golden Mile property by incurring $2.5 million in exploration expenditures and issuing to the Company 500,000 common shares (200,000 shares received) of Portage by December 31, 2012. Portage can increase its interest to 70% by completing a positive feasibility study. Subsequent to September 30, 2009, the Company amended its agreement with Portage by granting a one year extension on the expenditure requirement in exchange for 250,000 common shares of Portage. The Company has a $nil carrying value for this property as the option payments it has received to date exceed the previously capitalized expenditures on the property.

Awakening Property

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

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

* And each subsequent anniversary

Dutch Flat Property

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

At September 30, 2009, the Company is owed US$145,508, plus accrued interest being charged at 1.5% per month, for exploration expenditures incurred on behalf of Piedmont in 2007. During the year, the Company accepted 500,000 common shares at a value of $0.05 per share in partial settlement of the outstanding balance (note 4).

Chert Cliff Property

On April 11, 2006 and amended on October 5, 2007, the Company entered into a lease agreement (the "Platte River Lease") with Platte River Gold (US) Inc. ("Platte River") whereby the Company has leased the Chert Cliff Property to Platte River for a term of 20 years. The Platte River Lease is renewable for additional and successive terms of 10 years provided Platte River is engaged in active exploration and development and the lease payments are doubled. The initial term of annual lease payments progressively increase from US$5,000 (paid) on signing of the Platte River Lease to US$8,500 (1st and 2nd anniversaries paid) due on the 20th anniversary of signing. Additional consideration to the Company is the issuance of US$100,000 in common shares of Platte River Gold Inc., parent corporation of Platte River, within 36 months of the effective date of the Platte River Lease. During the year ended September 30, 2009, the Company received 25,000 common shares of Platte River Gold Inc., 51,859 common shares of EMC Metals Corp. and 12,965 common shares of Golden Predator Royalty and Development Corp. in settlement of this provision.

Platte River is required to incur minimum exploration expenditures of US$100,000 by October 11, 2008 (incurred) and an additional US$200,000 by April 11, 2009 (incurred). Further, the Company will maintain NSR royalties on the Chert Cliff Property that vary between 2% - 3% depending on the claim. The Company has a $nil carrying value for this property as the option payments it has received to date exceed the previously capitalized expenditures on the property.

Del Oro

On July 18, 2007, as amended November 13, 2008, the Company entered into an agreement with Ventura Gold Corp. ("Ventura"), which allows Ventura to earn an option to acquire an initial 51% interest in the Del Oro Property by paying US$70,000 (US$50,000 paid via issuance of 125,418 common shares of Ventura and the balance in cash) to Columbus Gold and by incurring US$2 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.

Four Metals Property

On April 13, 2006 and May 16, 2006, the Company entered into two option agreements with Canada Lithium Corp. ("Canada Lithium" and formerly Black Pearl Minerals) which allowed Canada Lithium to purchase the Company's interest in the Four Metals Property. During the year ended September 30, 2009, Consolidated Lithium cancelled both agreements, and the Company entered into two new agreements with White Cloud Resources LLC ("White Cloud") wherein White Cloud can earn a 100% interest in the property. The aggregate payments required under the agreements are as follows:

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

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

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

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

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

<u>Guild</u>

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

<u>Overland Pass</u>

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

<u>Linka and Pete's Summit</u>

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

Summit Property

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

Other Properties

The Company staked four new properties in Nevada: Eastside, Westside, Weepah and Stevens Basin. However, the Company abandoned the Westside property during the year. The Company continues to hold properties staked in previous years: White Canyon, which is being leased to Allied Nevada Gold Corp.; Scraper, which was returned after Newmont Mining dropped its option; Bolo; and Laura.

Impairment of Mineral Properties

As at September 30, 2009, management reviewed the carrying values of its mineral property interests. Indications of impairment were identified on certain properties due to the fact that the Company had no immediate plans to conduct further exploration activities or the property was abandoned. Impairment charges totaling $1,321,155 were recorded based on the proportionate reduction in the number of claims abandoned.

8. Share Capital

(a) Common Shares

Authorized - Unlimited common shares without par value.

	Number of Shares		Amount		Contributed Surplus
Balance, as at September 30, 2007	**21,410,347**	**$**	**10,058,998**	**$**	**1,951,257**
Exercise of warrants at $1.25 per share	606,540		758,175		-
Exercise of stock options at $0.85 per share	45,000		38,250		-
Fair value of options and warrants exercised	-		115,279		(115,279)
Private placement at $0.80 per unit [1]	800,000		491,514		148,486
Stock-based compensation	-		-		358,732
Property acquisitions	101,037		67,694		-
Balance, as at September 30, 2008	**22,962,924**		**11,529,910**		**2,343,196**
Private placement at $0.20 per unit [2]	3,305,500		516,839		140,593
Property acquisitions	25,000		4,750		-
Stock-based compensation	-		-		176,727
Balance, as at September 30, 2009	**26,293,424**	**$**	**12,051,499**	**$**	**2,660,516**

[1] On March 12, 2008, the Company completed a private placement of 800,000 units at $0.80 per unit for gross proceeds of $640,000. Each unit consisted of a common share and a share purchase warrant entitling the holder to acquire an additional common share at a price of $0.90 per share until September 12, 2009. The warrant was re-priced to $0.40 during the year ended September 30, 2009.

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

Escrow Shares

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

(b) Stock Options

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

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

Number of Options	Exercise Price	Expiry Date
1,377,500	$0.85	May 24, 2011
65,000	$0.85	July 25, 2011
90,000	$1.40	December 20, 2011
10,000	$1.25	December 20, 2011
35,000	$1.68	February 15, 2012
10,000	$1.25	February 15, 2012
30,000	$1.25	April 3, 2012
70,000	$1.50	May 2, 2012
60,000	$1.25	October 31, 2012
90,000	$1.25	November 29, 2012
83,000	$0.85	March 12, 2013
1,970,000	$0.50	August 15, 2013
200,000	$0.25	May 28, 2014
4,090,500		

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	Weighted Average Grant Date Fair Value
Balance – Sept. 30, 2008	4,538,000	$0.72	3.88 yrs	$0.36
Granted during the year	200,000	0.25	5.00	0.25
Exercised during the year	-	-	-	-
Cancelled during the year	(647,500)	-	-	-
Balance – Sept. 30, 2009	**4,090,500**	**$0.70**	**3.01 yrs**	$0.36

	Options Outstanding	Weighted Average Exercise Price	Weighted Average Time To Expiry	Weighted Average Grant Date Fair Value
Balance – Sept. 30, 2007	2,108,750	$0.93	3.75 yrs	$0.59
Granted during the year	2,490,500	0.57	5.00	0.16
Exercised during the year	(45,000)	0.85	-	-
Cancelled during the year	(16,250)	0.85	-	-
Balance – Sept. 30, 2008	**4,538,000**	**$0.72**	**3.88 yrs**	**$0.36**

On May 28, 2009, the Company granted a total of 200,000 incentive stock options to a Director at an exercise price of $0.25 per share and a term of 5 years. The options were assigned a fair value of $21,653 on the date of grant. The options vest over a period of eighteen months and as at September 30, 2009, a total of $13,687 had been recorded as stock-based compensation.

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

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

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

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

The estimated fair value of the stock options granted in 2009 and 2008 was determined using a Black-Scholes option pricing model with the following assumptions:

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

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

(c) Warrants

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

Number of Warrants	Exercise Price	Expiry Date
3,305,500	$0.30	July 28, 2010

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

	Warrants Outstanding	Weighted Average Exercise Price	Weighted Average Time To Expiry	Weighted Average Grant Date Fair Value
Balance – Sept. 30, 2008	800,000	$0.40	0.95 yrs	$0.19
Issued during the year	3,305,500	0.30	1.50	0.04
Exercised during the year	-	-	-	-
Expired during the year	(800,000)	-	-	-
Balance – Sept. 30, 2009	**3,305,500**	**$0.32**	**0.82 yrs**	**$0.04**

*During the year ended September 30, 2009 800,000 warrants were re-priced from $0.90 to $0.40 per share. These warrants expired without being exercised.

	Warrants Outstanding	Weighted Average Exercise Price	Weighted Average Time To Expiry	Weighted Average Grant Date Fair Value
Balance – Sept. 30, 2007	5,133,646	$1.25	0.15 yrs	$0.15
Issued during the year	800,000	0.90	1.50	0.19
Exercised during the year	(606,540)	1.25	-	-
Expired during the year	(4,527,106)	1.25	-	-
Balance – Sept. 30, 2008	**800,000**	**$0.40**	**0.95 yrs**	**$0.19**

9. Supplemental Cash Flow Information

	2009	2008
Cash and cash equivalents consisted of:		
Cash	$196,535	$586,001
Term deposits	100,000	-
	$296,535	$586,001

The only significant non-cash investing or financing activities during the period were the Company capitalizing $nil (2008 - $189,140) of stock-based compensation costs into mineral properties for stock options granted to consultants of Cordex, the issuance of 25,000 (2008 - 101,037) common shares with a fair value of $4,750 (2008 - $67,694) to acquire mineral properties and the receipt of marketable securities with a fair value at $71,369 (2008 - $84,076) as option payments that were credited against the mineral property balances of the specific properties.

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

10. Commitments

The Company has the following commitments:

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

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

The agreement with Columbus Gold (U.S.) expires on December 31, 2009, but it contains an option to extend, under certain conditions, for up to an additional four years. Columbus Gold (U.S.) provides Cordex with general operating capital, exclusive of third party contractor expenses, of up to US$20,500 per month which includes a monthly management fee to Cordex of US$7,500 (note 15).

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

11. Segmented Information

		2009		2008
Current Assets				
Canada	**$**	**793,029**	$	2,387,320
USA		**60,330**		-
Total	**$**	**853,359**	$	2,387,320
Capital Assets				
Canada	**$**	**-**	$	699
USA		**2,957,265**		4,323,431
Total	**$**	**2,957,265**	$	4,324,130
Total Assets				
Canada	**$**	**698,413**	$	2,388,019
USA		**4,541,989**		4,715,324
Total	**$**	**5,240,402**	$	7,103,343
Net Loss				
Canada	**$**	**80,922**	$	363,331
USA		**1,780,115**		2,189,438
Total	**$**	**1,861,037**	$	2,552,769

12. Related Party Transactions

The following related party transactions occurred during the year ended September 30, 2009:

	Corp Admin Fees	Consulting fees	Management fees	Director fees
Don Gustafson *(Director)*	-	-	-	23,000
Hamilton Capital Partners Ltd. [1] *(Company with former director in common)*	-	29,000	-	18,000
Perennial Capital Corp. [2] *(Company with an officer in common)*	-	-	115,000	23,000
Gil Atzmon *(Director)*	-	-	-	23,000
Peter Gianulis *(Director)*	-	-	-	6,000
Cordilleran Exploration Co. ("Cordex") [3] *(Company with an officer in common)*	-	204,232	-	-
HRG Management Ltd. [4] *(Company with 2 former directors in common)*	279,065	-	-	-
Balance, September 30, 2009	**$ 279,065**	**$ 233,232**	**$ 115,000**	**$ 93,000**

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

The following related party transactions occurred during the year ended September 30, 2008:

	Corp Admin fees	Consulting fees	Management fees	Director fees
Hamilton Capital Partners Ltd. *(Company with a former director in common)*	$ -	$ 48,000	$ -	$ 12,000
Perennial Capital Corp. *(Company with an officer in common)*	-	-	144,000	12,000
Gil Atzmon *(Director)*	-	-	-	12,000
Don Gustafson *(Director)*	-	-	-	3,000
John Prochnau *(Former Director)*	-	39,917	-	7,000
Cordilleran Exploration Co. ("Cordex") *(Company with an officer in common)*	-	181,659	-	-
HRG Management Ltd. *(Company with 2 directors in common)*	168,124	28,420	-	-
Balance, September 30, 2008	$ 168,124	$ 297,996	$ 144,000	$ 46,000

At September 30, 2009, a total of $7,217 (2008 - $287,896 deposit) was owing to Cordex, a company with an officer in common with Columbus Gold (U.S.) Corp., for exploration expenditures on the Company's mineral properties.

At September 30, 2009, a total of $19,500 (2008 - $12,685) was owing to directors of the Company for director fees.

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

Refer to note 3.

13. Income Taxes

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

	2009	2008
Loss for the year	$ 1,861,037	$ 2,552,760
Tax rate	30%	31%
Expected income tax recovery	(558,311)	(791,358)
Change in statutory tax rate	67,568	-
Non-taxable items	152,565	639,034
Future tax benefit of share issue costs not credited to share capital	(721)	-
Deductible taxable items	-	(816,855)
Change in valuation allowance	338,899	969,179
Total income tax recovery	$ -	$ -

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

	2009	2008
Non-capital loss carry-forwards	$ 2,239,142	$ 2,834,759
Capital loss carry-forwards	4,123	-
Share issuance costs	28,295	57,196
Mineral properties in excess of tax value	(177,601)	-
Other	728	1,092
Valuation allowance	(2,094,687)	(2,893,047)
Net future income tax asset (liability)	$ -	$ -

The Company has accumulated losses of approximately $4,428,000 which may be used to reduce future year's taxable income. These losses expire as follows:

2027	$ 161,000
2024	536,000
2025	673,000
2026	764,000
2027	982,000
2028	814,000
2029	498,000
	$ 4,428,000

The Company has foreign tax losses totalling approximately $4,232,000 which may be available to reduce future year's taxable income. These carry-forwards will expire, if not utilized, commencing in 2027.

Future tax benefits which may arise as a result of these non-capital losses have not been recognized in these financial statements and have been offset by a valuation allowance because of uncertainty of their recovery.

14. Capital Management

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

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

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

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

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

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

The Company is not exposed to any externally imposed capital requirements, and there have been no changes to its capital management in the past year.

15. Management of Financial Risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

<u>Interest rate and credit risk</u>

The Company has cash balances and interest-bearing debt. The Company has no significant concentrations of credit risk arising from operations. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company has interest bearing debt at a fixed rate and therefore the Company is not exposed to interest rate risk on its debts.

The Company has receivables consisting of goods and services tax due from the Federal Government of Canada and payments due from a property optionee. Management believes that the credit risk concentration with respect to receivables is minimal.

<u>Foreign Currency Risk</u>

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

<u>Liquidity Risk</u>

The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at September 30, 2009, the Company had a cash balance of $296,535 (2008 - $586,001) to settle current liabilities of $70,896 (2008 - $116,957).

<u>Commodity Price risk</u>

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

Market risk

The Company hold investments in common shares of publicly traded companies which give rise to market risk and share price variance. The Company monitors the trading of these companies in order to minimize this risk.

Sensitivity analysis

The Company holds balances in foreign currencies which give rise to exposure to foreign exchange risk. Sensitivity to a plus or minus 1% change in exchange rates would affect net loss by $1,881.

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.

16. Subsequent Events

Subsequent to the end of the year:

a) the Company received US$295,938 in cash from Barrick Gold Corporation in settlement of its expenditure requirement on the Utah Clipper property for 2009.

b) the Company extended the terms of the original agreement with Cordex to design, initiate and carry out generative and mineral exploration activities in Nevada and the United States until December 31, 2010. The agreement provides that the term may be extended until December 31, 2012.

Caution on Forward-Looking Information

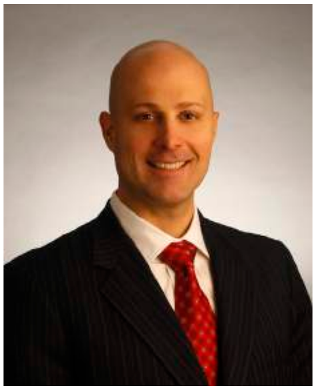
This document contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to as "forward-looking statements"). Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "expects"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

These risks, uncertainties and other factors include, but are not limited to: changes in Canadian/US dollar exchange rates; our strategies and objectives; our tax position and the tax and royalty rates applicable to us; our ability to acquire necessary permits and other authorizations in connection with our projects; risks associated with environmental compliance, including without limitation changes in legislation and regulation, and estimates of reclamation and other costs; our cost reduction and other financial and operating objectives; our environmental, health and safety initiatives; the availability of qualified employees and labour for our operations; risks that may affect our operating or capital plans; risks created through competition for mining properties; risks associated with exploration projects, and mineral reserve and resource estimates, including the risk of errors in assumptions and methodologies; risks associated with our dependence on third parties for the provision of critical services; risks associated with non-performance by contractual counterparties; risks associated with title; and general business and economic conditions.

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

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

Officers and Directors



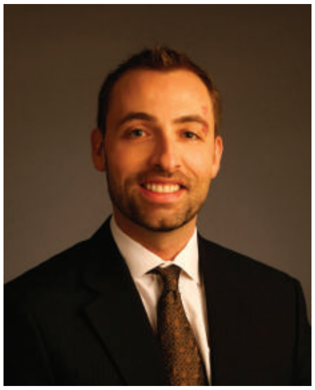
Robert Giustra
President, CEO and Director

Columbus Gold has an experienced management group with a strong background in all aspects of the acquisition, exploration, development and financing of gold mining projects.

Peter Gianulis
Director

Donald Gustafson
Director

Gil Atzmon
Director



Sean McGrath
CFO

Joel Schuster
VP Legal &
Corporate Secretary

Corporate Information

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President & CEO

Sean McGrath
CFO

Joel Schuster
VP Legal & Corporate Secretary

Andy Wallace *
VP Exploration of Columbus Gold (U.S.) Corp.

Board of Directors:

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Peter Gianulis
Gil Atzmon
Donald Gustafson

Registered Office:

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* Is a Qualified Person Under National Instrument 43-101

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Transfer Agent and Registrar:

Computershare Investor Services Inc.
Stock Transfer Services
3rd Floor - 510 Burrard Street
Vancouver, BC
Canada, V6C 3B9

Stock Exchange:

Our shares are listed on the TSX Venture Exchange under the symbol CGT

Shares Outstanding: *

Shares Outstanding:	26,403,768
Warrants:	3,305,500
Options:	5,183,000
Fully Diluted:	34,892,268

* At May 1, 2010

2009 Monthly Share Prices and Trading Volumes:

	High	Low	Close	Volume
Jan	0.230	0.190	0.200	249,100
Feb	0.210	0.150	0.210	498,690
Mar	0.190	0.140	0.180	198,400
Apr	0.180	0.120	0.180	477,318
May	0.195	0.145	0.195	845,089
Jun	0.235	0.145	0.220	661,187
Jul	0.195	0.135	0.220	723,179
Aug	0.285	0.140	0.285	556,050
Sep	0.270	0.160	0.200	510,785
Oct	0.240	0.165	0.220	708,650
Nov	0.350	0.180	0.330	914,610
Dec	0.330	0.230	0.280	681,216
				7,024,274

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Columbus Gold
CORPORATION

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CBGDF: OTCBB