

COLUMBUS GOLD CORPORATION

(A Development Stage Company)

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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

**For the Three Month Period Ended
December 31, 2005**

(Canadian Funds)

Columbus Gold Corporation

(A Development Stage Company)

Interim Consolidated Balance Sheet

(Canadian Funds)

Statement 1

	December 31, 2005 (Unaudited)	September 30, 2005 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 291,158	\$ 186,061
Term deposits	850,486	1,340,000
Prepays	21,370	63,946
Receivables	18,078	44,135
	1,181,092	1,634,142
Advances to a related party for exploration (note 7)	67,441	115,195
Deferred issuance costs (note 3)	83,233	58,662
Property and equipment, net (note 4)	1,790	1,982
Mineral properties (note 5)	1,623,939	1,290,852
	\$ 2,957,495	\$ 3,100,833
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 41,669	\$ 60,845
Due to related parties (note 7)	-	4,580
	41,669	65,425
Shareholders' equity		
Share capital (note 6)	4,658,315	4,562,315
Deficit	(1,742,489)	(1,526,907)
	2,915,826	3,035,408
	\$ 2,957,495	\$ 3,100,833

Nature and continuance of operations (note 1)

Commitments (note 9)

Approved by the Board of Directors:

"Ken Judge"

Ken Judge - Director

"Robert Giustra"

Robert Giustra - Director

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

Columbus Gold Corporation

(A Development Stage Company)

Statement 2

Interim Consolidated Statement of Operations and Deficit

(Canadian Funds)

	Three Months Ended December 31, 2005 (Unaudited)	Three Months Ended December 31, 2004 (Unaudited)
EXPENSES		
Administration	\$ 29,592	\$ 6,883
Amortization	192	-
Consulting fees	15,564	11,057
Corporate administration fees	19,200	-
Director fees	12,000	-
Foreign exchange loss (gain)	6,883	2,143
General exploration	74,710	-
Investor relations	1,050	-
Management fees	15,000	18,845
Professional fees	38,058	42,805
Travel, advertising and promotion	8,408	1,860
Net loss before the following	(220,657)	(83,593)
Interest income	5,075	374
Net loss for the period	(215,582)	(83,219)
Deficit, beginning of period	(1,526,907)	(616,175)
Deficit, end of period	\$ (1,742,489)	\$ (699,394)
Basic and diluted loss per common share	\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding	13,828,852	6,914,204

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

Columbus Gold Corporation

(A Development Stage Company)

Interim Consolidated Statement of Cash Flows

(Canadian Funds)

Statement 3

	Three Months Ended December 31, 2005 (Unaudited)	Three Months Ended December 31, 2004 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (215,582)	\$ (83,219)
Items not affecting cash:		
Amortization	192	-
Changes in non-cash working capital items:		
Decrease / (Increase) in receivables	26,057	(4,716)
Increase / (Decrease) in accounts payable and accrued liabilities	(19,176)	79,224
Decrease in prepaid expenses	42,576	-
Decrease in amounts due from related parties	-	5,675
Decrease in amounts due to related parties	(4,580)	-
Net cash used in operating activities	(170,513)	(3,036)
CASH FLOWS FROM FINANCING ACTIVITIES		
Deferred share issuance costs	(24,571)	-
Proceeds from the issuance of share capital	75,000	970,087
Net cash provided by financing activities	50,429	970,087
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances to a related party for exploration	47,754	-
Increase in term deposit	489,514	-
Mineral property exploration and development costs	(312,087)	(26,487)
Net cash used in investing activities	225,181	(26,487)
Change in cash and cash equivalents during the period	105,097	940,564
Cash, beginning of period	186,061	327,230
Cash and cash equivalents, end of period	\$ 291,158	\$ 1,267,794

Supplemental Cash Flow Information - Note 8

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

Columbus Gold Corporation

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Notes to Interim Consolidated Financial Statements

For the Three Month Period Ended December 31, 2005

1. Nature of Operations

Columbus Gold Corporation (formerly Purple Vein Resources Ltd., the “Company”) was incorporated on May 14, 2003 under the laws of the Province of Saskatchewan, Canada and continued on to British Columbia, Canada on December 29, 2003. The Company changed its name to Columbus Gold Corporation effective December 20, 2004. Its principal business activities are the exploration and development of resource properties. All of the Company’s resource properties are located in the United States.

The Company is in the process of exploring and developing its resource properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for resource properties and related deferred exploration costs 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.

These interim consolidated financial statements have been prepared on a going concern basis which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Its ability to continue as a going concern is dependent upon the continued support of the related parties, the ability of the Company to raise equity financing, the discovery of economically recoverable reserves and the attainment of profitable operations. In accordance with these objectives, the Company is proposing an Initial Public Offering on the TSX Venture Exchange (Note 12). These interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of presentation

These interim consolidated financial statements are presented in accordance with generally accepted accounting principles (“GAAP”) applicable in Canada. These interim consolidated financial statements include the accounts of Columbus Gold Corporation and its wholly owned subsidiary Columbus Gold (U.S.) Corporation. All inter-company transactions and balances have been eliminated upon consolidation. Columbus Gold (U.S.) Corporation was incorporated on March 17, 2005.

Columbus Gold Corporation

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Notes to Interim Consolidated Financial Statements

For the Three Month Period Ended December 31, 2005

2. Significant Accounting Policies (con't...)

(b) Use of estimates

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

(c) Cash and cash equivalents

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

(d) Mineral properties

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

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

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

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

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Notes to Interim Consolidated Financial Statements

For the Three Month Period Ended December 31, 2005

2. Significant Accounting Policies (con't...)

(e) Deferred issuance costs

Costs related to shares not yet issued are recorded as deferred issue costs. Deferred issue costs consist primarily of corporate finance fees and professional fees. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued. Any financing costs which do not directly relate to the issuance of shares are expensed as incurred.

(f) Stock-based compensation

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

(g) Foreign currency translation

The monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the balance sheet date and non-monetary items are translated at historical rates. Revenues and expenses are translated at the average exchange rate for the period. Exchange gains and losses arising on translation are included in the statement of operations.

(h) Future income taxes

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

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Notes to Interim Consolidated Financial Statements

For the Three Month Period Ended December 31, 2005

2. Significant Accounting Policies (con't...)

(i) Loss per share

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

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

(j) Share capital

i) The proceeds from the exercise of stock options, warrants and escrow shares are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the Company.

ii) Share capital issued for non-monetary consideration is recorded at an amount based on fair market value.

(k) Risk management

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

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

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

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Notes to Interim Consolidated Financial Statements

For the Three Month Period Ended December 31, 2005

2. Significant Accounting Policies (con't...)

(l) Asset retirement obligations

The Company's mineral exploration and development activities are subject to various laws and regulations regarding protection of the environment. As a result the Company incurs expenses from time to time to discharge its obligations under these laws and regulations. Certain of these expenses meet the definition of an asset and other expenses do not meet this definition. The assets are capitalized and the other costs are expensed as incurred.

When estimating the costs that are expected to be incurred, there are many factors to be considered such as the extended period over which the costs are to be incurred, the discount factors, and significant judgments and estimates. As such the fair value of the retirement obligations could change materially from year to year. In addition, changes in laws and regulations could cause significant changes in the expected costs and the related fair value.

During the period, management determined that there was no change to the estimates for asset retirement.

(m) Variable interest entities - Change in Accounting Policy

The Accounting Standards Board (AcSB) issued Accounting Guideline AcG 15 "Consolidation of Variable Interest Entities", to harmonize the Guideline with the equivalent FASB Interpretation No. 46R, "Consolidation of Variable Interest Entities" ("VIE"). The Guideline provides criteria for identifying VIEs and further criteria for determining what entity, if any, should consolidate them. The adoption of this Guideline does not materially impact the Company's results of operations and financial position.

3. Deferred Charges

The Company incurred \$24,571 in costs relating to its initial public offering ("IPO") during the period. Costs related to the current initial public offering are recorded as deferred issuance costs and will be charged against the gross proceeds raised from the initial public offering or charged to operations if the offering does not complete. The balance consisted of \$23,301 in legal fees and \$1,270 in audit and accounting fees. The total deferred costs relating to the IPO as of December 31, 2005 are \$83,233.

4. Property and Equipment

	Cost	Accumulated Amortization	2005 Net Book Value	2004 Net Book Value
Computer equipment - 30%	\$ 2,558	\$ 768	\$ 1,790	\$ 1,982

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Notes to Interim Consolidated Financial Statements

For the Three Month Period Ended December 31, 2005

5. Mineral Properties

Title to Resource Properties

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many resource properties. The Company has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties is in good standing.

A summary of resource properties and deferred exploration costs is as follows:

	September 30, 2005	Acquisition Cost	Deferred Exploration	Write-down/ Depreciation	December 31, 2005
Golden Mile	\$ 142,109	\$ 23,799	\$ 5,818	\$ -	\$ 171,726
Utah Clipper	464,801	-	31,531	-	496,332
Dutch Flat	74,828	6,000	37,952	-	118,780
Chert Cliff	11,698	-	109	-	11,807
Silver District	42,601	-	6,114	-	48,715
Four Metals	41,604	-	-	-	41,604
Crestview	95,528	-	2,112	-	97,640
Blue Spider	72,177	-	25,518	-	97,695
Laura	141,887	-	26,104	-	167,991
Orbit	103,925	-	3,520	-	107,445
Linka	18,243	-	51,940	-	70,183
Red Bird	18,139	-	-	-	18,139
Clanton Hills	2,367	-	4,842	-	7,209
Clara	39,462	-	12,014	-	51,476
Pete's Summit	21,483	-	-	-	21,483
Bolo	-	-	4,092	-	4,092
Guild	-	-	59,093	-	59,093
Summit	-	-	32,529	-	32,529
Total American Properties	\$ 1,290,852	\$ 29,799	\$ 303,288	\$ -	\$ 1,623,939

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Notes to Interim Consolidated Financial Statements

For the Three Month Period Ended December 31, 2005

5. Mineral Properties (con't...)

	September 30, 2004	Acquisition Cost	Deferred Exploration	Write-down/ Depreciation	September 30, 2005
Golden Mile	\$ 100,002	\$ 15,000	\$ 27,107	\$ -	\$ 142,109
Utah Clipper	346,003	-	118,798	-	464,801
Dutch Flat	1,053	6,048	67,727	-	74,828
Chert Cliff	1,251	-	10,447	-	11,698
Silver District	14,846	-	27,755	-	42,601
Four Metals	8,174	-	33,430	-	41,604
Crestview	-	70,000	25,528	-	95,528
Blue Spider	-	70,000	2,177	-	72,177
Laura	-	140,000	1,887	-	141,887
Orbit	-	70,000	33,925	-	103,925
Linka	-	10,810	7,433	-	18,243
Red Bird	-	16,952	1,187	-	18,139
Clanton Hills	-	-	2,367	-	2,367
Clara	-	-	39,462	-	39,462
Pete's Summit	-	-	21,483	-	21,483
Total American Properties	\$ 471,329	\$ 398,810	\$ 420,713	\$ -	\$ 1,290,852

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

	<u>Amount</u>
Balance – September 30, 2004	<u>\$ 471,329</u>
Acquisition	398,810
Administration	143,012
Assays	5,405
Claim renewals	83,667
Geological consultants	14,618
Geophysics	147,286
Travel	26,725
Balance – September 30, 2005	<u>\$1,290,852</u>
Acquisition	29,799
Administration	86,558
Assays	28,859
Claim renewals	57,252
Geophysics	103,813
Travel	26,806
Balance – December 31, 2005	<u>\$1,623,939</u>

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Notes to Interim Consolidated Financial Statements

For the Three Month Period Ended December 31, 2005

5. Mineral Properties (con't...)

Golden Mile Property

Pursuant to a mineral lease agreement (the “agreement”), dated December 9, 2003, between the Company and Nevada Mine Properties II Inc. (“Nevada Mine”), the Company acquired the right to earn a 100% interest in the Golden Mile Property located in Nevada, U.S.A. which includes the CMA, MA, Martin and Walsh claims. As consideration, the Company must issue and pay the following:

Shares

- 150,000 common shares (issued);
- 75,000 common shares on the first anniversary of the agreement (issued);
- 75,000 common shares on the second anniversary of the agreement; (issued) and

Cash (USD)

- \$2,500 on the first anniversary of the agreement (paid);
- \$5,000 on the second anniversary of the agreement (paid);
- \$7,500 on the third anniversary of the agreement;
- \$25,000 on the fourth anniversary of the agreement and thereafter until production commences.

The above payments can be deducted from subsequent production royalties.

In addition, the Company has agreed to:

- Pay for all charges incurred on the Golden Mile Property;
- A 3.5% net smelter returns royalty (“NSR”) from sale of gold on the CMA and MA claims; and
- A 0.5% NSR from sale of gold on the Martin and Walsh claims.

The Company can buy up to 2% of the royalty for the CMA and MA claims for USD\$1,750,000 per percentage point upon completion of a bankable feasibility study or when ore production occurs.

As part of the agreement with Nevada Mine, the Company is responsible for all underlying advance royalty obligations owed on Martin and Walsh claims. The Company must pay the following advance royalties (in USD) under the Martin agreement:

- \$15,000 on the second anniversary of the agreement (paid);
- \$20,000 on the third anniversary of the agreement;
- \$50,000 on the fourth anniversary of the agreement;
- \$50,000 (adjusted by changes in the consumer price index) on the fifth anniversary of the agreement and thereafter until production commences.

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Notes to Interim Consolidated Financial Statements

For the Three Month Period Ended December 31, 2005

5. Mineral Properties (con't...)

Martin is subject to a 4.75% NSR from the sale of gold on the Martin claims, and the above payments can be deducted from these production royalties.

The Company must pay the following advance royalties (in USD) under the Walsh agreement:

- \$7,500 on the third anniversary of the agreement (paid);
- \$7,500 on the fourth anniversary of the agreement (paid);
- \$10,000 (adjusted by changes in the consumer price index) on the fifth anniversary of the agreement and thereafter until production commences.

Walsh is subject to a 3.00% NSR from the sale of gold on the Walsh claims, and the above payments cannot be deducted from these production royalties.

The Lands Properties

The Company entered into an agreement dated March 10, 2003, with Hidefield Gold (US) Inc. ("Hidefield Gold") to acquire certain mineral properties in Nevada and Arizona, known as the Lands Properties. The president of Hidefield Gold is also a director of the Company. As consideration, the Company was required to raise \$250,000 and issue 2,500,000 common shares to Hidefield Gold (issued). The following properties were acquired:

- Utah Clipper Project (100% interest)
- Dutch Flat Project (83% interest)
- Chert Cliff Project (100% interest)
- Silver District (100% interest)
- Four Metals Copper Project (50% interest)

These properties are subject to a 1.5% NSR under the Hidefield Gold agreement. Additionally, the Company has assumed the underlying royalty agreements on the Utah Clipper Project and the Chert Cliff Project. A total of 166 claims within the Utah Clipper Project are subject to an underlying 1% NSR. Further, a total of 7 claims within the Chert Cliff Project are subject to a 3% NSR, which will be reduced to 1% upon reaching USD\$500,000 in NSR payments.

On May 31, 2005, the Company obtained the option to acquire the remaining 17% interest in the Dutch Flat Project in exchange for USD\$5,000 (paid) and the issuance of 20,000 common shares (issued).

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Notes to Interim Consolidated Financial Statements

For the Three Month Period Ended December 31, 2005

5. Mineral Properties (con't...)

Nevada Sunrise Agreement

On June 30, 2005, the Company entered into an agreement with Nevada Sunrise LLC ("Nevada Sunrise") pursuant to which the Company acquired, by quitclaim deed, from Nevada Sunrise eleven unpatented mineral claims comprising 220 acres for USD\$10,000 (paid) for reimbursement of past costs. The agreement obligates the Company to maintain the properties, and grants to Nevada Sunrise a 1% NSR over all the Dutch Flat Project claims. It also provides that if the Company fails or elects not to maintain the properties, then it will quitclaim all of the Dutch Flat the properties back to Nevada Sunrise.

Belaustegui Lease

On April 18, 2005, the Company entered into an agreement with third parties (the "lessors") whereby the Company leased an additional 7 patented lode claims in Lander Country, Nevada for a term of 20 years to conduct exploration and mining operations. The lease is renewable for additional and successive terms of ten years provided the Company is engaged in active exploration and development. These claims, which are internal to the existing Utah Clipper claims, are subject to a 3% NSR and provide for the payment of specified advance minimum royalty payments on an annual basis as follows:

Date	Amount (in USD)
Execution of Agreement	\$5,000 (Paid)
1 st Anniversary	\$5,000
2 nd Anniversary	\$5,000
3 rd Anniversary	\$7,500
4 th Anniversary	\$7,500
5 th Anniversary	\$7,500
6 th and subsequent Anniversaries*	\$10,000

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

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

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Notes to Interim Consolidated Financial Statements

For the Three Month Period Ended December 31, 2005

5. Mineral Properties (con't...)

Golden West Agreement

On September 5, 2005, the Company entered into an assignment agreement with Golden West Resources Ltd. ("Golden West"), whereby Golden West agreed to assign to the Company all of its rights, title and interest in and to certain lease agreements respecting certain mineral properties in Nevada known as the Orbit Property, the Crestview Property, the Blue Spider Property and the Laura Property (the "Golden Properties"). As consideration for the assignment, the Company agreed to pay to Golden West US\$25,000 (paid), reimburse Golden West for a total of US\$61,400 (paid) in past costs, assume US\$8,875 (paid) in obligations to the underlying lessors and issue 1,000,000 common shares (issued) of the Company. All of the properties are subject to a 3% NSR.

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

Date	Number of Shares
Upon closing of the agreement	100,000 (released)
January 13, 2006	100,000 (released)
6 months after IPO completion	200,000
12 months after IPO completion	200,000
18 months after IPO completion	200,000
24 months after IPO completion	200,000

The lease agreements acquired from Golden West are for a term of ten years and can be renewed for three additional terms of ten years, each so long as the conditions of the lease are met and a fee of \$50,000 is paid to the lessor upon the beginning of each successive term. Quarterly lease payments, subject to annual CPI adjustment, are due as follows:

Property	Lease payment
Orbit Property	\$3,000
Crestview Property	\$1,800
Blue Spider Property	\$1,500
Laura Property	\$1,800

Other Properties

The Company has staked additional properties in Nevada and Arizona, including the Linka Property, Redbird Property, Clanton Hills Property, Clara Property, Pete's Summit Property, Bolo Property, Guild Property and the Summit Property. Initial work has begun on all of these properties. All of these properties are subject to an NSR between 1% and 2% under the terms of the Cordex Agreement.

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Notes to Interim Consolidated Financial Statements

For the Three Month Period Ended December 31, 2005

6. Share Capital

(a) Common Shares

	Number of Shares	Amount
Authorized *		
Unlimited common shares without par value		
Unlimited Class A preferred shares without par value		
Balance, as at September 30, 2004	7,180,100	\$ 388,680
Consolidation of shares at 2:1 ratio **	(3,590,050)	-
Common shares issued for cash ^{1 and 2}	2,769,954	1,763,986
Conversion of \$0.20 special warrants to shares	2,637,250	527,450
Exercise of warrants at \$0.50 per share	2,144,750	1,072,385
Shares issued as settlement of acquisition of mineral properties – non-cash	1,075,000	365,000
In exchange for services rendered	100,000	30,000
Conversion of \$0.30 special warrants to shares	1,500,000	450,000
Share issuance costs	-	(35,186)
Balance, as at September 30, 2005	13,817,004	4,562,315
Exercise of warrants at \$0.50 per share	150,000	75,000
Shares issued as settlement of acquisition of mineral properties – non-cash	95,000	21,000
Balance, as at December 31, 2005	14,062,004	\$ 4,658,315

* During the 2005 fiscal year, the Company changed its authorized share structure from 100,000,000 common shares without par value and 100,000,000 preference shares without par value, to unlimited common shares without par value and unlimited class A preference shares without par value.

** Effective December 20, 2004, the Company consolidated its share capital on the basis of 2:1. All special warrants issued prior to this date have been restated for presentation purposes.

1. During the prior year, the Company completed a private placement of 696,620 common shares at a per unit price of \$0.30 with total proceeds of \$208,986.
2. During the prior year, the Company completed a private placement of 2,073,334 common shares at a per unit price of \$0.75 with total proceeds of \$1,555,000

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For the Three Month Period Ended December 31, 2005

6. Share Capital (con't...)

Escrow Shares

Pursuant to an escrow agreement dated as of June 21, 2005 between the Company, Computershare Investor Services (the "escrow agent") and the certain principals of the Company, the principals agreed to deposit in escrow their common shares totaling 5,230,134 shares with the escrow agent. The escrow agreement provides that the escrow shares will be released from escrow in equal blocks of 15% of the principal's escrow shares at 6 month intervals over the 36 months following the issue of the final receipt of the Initial Public Offering Prospectus, with 10% of each principal's holdings being exempt from the escrow provisions. As at December 31, 2005, the number of escrow shares outstanding was 5,230,134.

(b) Stock Options

A summary of stock options outstanding as at December 31, 2005 is set out below:

Number of Options	Exercise Price	Expiry Date
1,615,000	\$ 0.85	5 Years from date of exchange listing

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

	Options outstanding	Weighted average exercise price
Balance – September 30, 2005	1,565,000	\$ 0.85
Granted during the year	50,000	0.85
Exercised during the year	-	-
Cancelled during the year	-	-
Balance – December 31, 2005	1,615,000	\$ 0.85

The Company granted 50,000 share options to a consultant at an exercise price of \$0.85 for a term of 5 years from the date the Company's common shares are listed on a recognized stock exchange. These options are not exercisable until the Company completes its initial public offering, therefore, no stock based compensation has been recognized during the period.

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Notes to Interim Consolidated Financial Statements

For the Three Month Period Ended December 31, 2005

6. Share Capital (con't...)

(c) Warrants

There were no warrants outstanding at December 31, 2005.

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

	Warrants outstanding	Weighted average exercise price
Balance – September 30, 2005	442,500	\$ 0.50
Issued during the period	-	-
Exercised during the period	(150,000)	0.50
Expired during the period	(292,500)	0.50
Balance – December 31, 2005	-	\$ -

7. Related Party Transactions

The following are related party transactions for the three months ended December 31, 2005 and 2004:

	Corp Admin and Prof fees	Consulting fees	Management fees	Director fees
John Prochnau (Director)	\$ -	\$ 3,483	\$ -	\$ 3,000
Hamilton Capital Ltd. (Company with Director in common)	-	12,000	-	3,000
Robert Giustra (President and Director)	-	-	15,000	3,000
Gil Atzmon (Director)	-	-	-	3,000
Cordex (Company with Officer in common)	-	44,250	-	-
RWA Management Ltd. (Company with Officer in common)	28,200	-	-	-
Balance, period ending Dec. 31, 2005	\$ 28,200	\$ 59,733	\$ 15,000	\$ 12,000

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Three Month Period Ended December 31, 2005

7. Related Party Transactions (con't...)

	Prof. and Admin fees	Consulting fees	Management fees	Director fees
John Prochnau (Director)	\$ -	\$ 11,057	\$ -	\$ -
Hamilton Capital Ltd. (Company with Director in common)	-	-	-	-
Robert Giustra (President and Director)	-	-	7,000	-
RWA Management Ltd. (Company with Officer in common)	12,000	-	-	-
Balance, period ending Dec. 31, 2004	\$ 12,000	\$ 11,057	\$ 7,000	\$ -

At December 31, 2005, a total of \$67,441 (September 30 2005 - \$115,195) was advanced to Cordilleran Exploration Co. ("Cordex"), a company with an officer in common with Columbus Gold (US) Corp., for planned future exploration expenditures on the Company's resource properties.

At December 31, 2005, a total of \$nil (September 30, 2005 - \$4,580) was due to directors of the Company for reimbursement of expenses and acquisition costs of resources properties, directors and management fees.

These transactions are 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.

8. Supplemental Cash Flow Information

	2005	2004
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

Other Non-Cash Investing and Financing Activities:

The Company issued 75,000 common shares (2004 – 75,000 common shares) at a price of \$0.20 per share (\$15,000) as part of the Golden Mile acquisition agreement.

The Company issued 20,000 common shares at a price of \$0.30 per share (\$6,000) as part of the remaining (17%) Dutch Flat property acquisition.

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Three Month Period Ended December 31, 2005

9. Commitments

In January 2005, the Company entered into an exclusive three year agreement with Cordex, a company that shares an officer in common with Columbus Gold (US) Corporation, to design, initiate and carry out generative mineral activities in Nevada, and elsewhere in the United States on behalf of the Company with the objective of identifying, acquiring and exploring new mineral properties and operating exploration programs on the Company's current portfolio of properties. The Company has agreed that Cordex will be provided general operating costs, exclusive of third party contractor expenses, of US\$30,000 per month including a management fee to Cordex of US\$12,500.

Cordex will also receive for properties they bring to the Company a 2% NSR on staked claims, for claims or mineral rights acquired from third parties which include an existing NSR it shall be the difference between a 4% and the third party royalty provided, however, it shall be no less than 1% and not greater than 2%.

An area of influence of two miles will exist for all properties acquired by the Company and Cordex becomes subject to this agreement for these properties.

10. Segmented Information

The Company primarily operates in one reportable operating segment, being the exploration and development of resource properties in the United States.

11. Income Taxes

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

	December 31, 2005	September 30, 2005
Estimated non-capital losses available	\$ 1,743,675	\$ 1,528,285
Estimated corporate income tax rate	35.8%	35.8%
Potential future income tax assets	624,236	547,126
Less: Valuation allowance	(624,236)	(547,126)
Future Income Tax Asset (Liability)	\$ -	\$ -

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Three Month Period Ended December 31, 2005

11. Income Taxes (con't...)

At December 31, 2005, the Company has non-capital losses remaining to be carried forward of approximately \$1,743,675 (September 2005: \$1,528,285) which may be available to offset future income for income tax purposes but which expire over the next ten years. As the criteria for recognizing future income tax assets have not been met due to the uncertainty of realization, a valuation allowance of 100% has been recorded for the current and prior years.

The Company has certain resource related deductions of approximately \$1,623,939 which may be available to be offset against future taxable income in the United States. The benefits of these deductions are not reflected in these financial statements. The realization of these tax benefits in future years will be recorded as an adjustment to the corporate tax provision in the year realized.

12. Initial Public Offering

The Company is planning to offer, by way of Initial Public Offering ("IPO") on the TSX Venture Exchange ("the Exchange"), a minimum of 2,941,177 and a maximum of 5,882,352 units (the "Units") at a price of \$0.85 per Unit (the "Offering") for total gross proceeds of between \$2,500,000 to \$5,000,000. Each Unit consists of one common share of the Company and one warrant (a "Warrant"). Each warrant will entitle the holder to acquire one additional common share at an exercise price of \$1.25 per share for a period of eighteen (18) months from the closing of the Offering.

The Company has entered into an agency agreement, amended December 22, 2005 and February 28, 2006, with Global Securities Corporation (the "Agent") to assist the Company in distribution of its securities in connection with the IPO. The Agent is entitled to a cash commission equal to 10% of the gross proceeds of the sale of the first 3,529,411 Units and 2% of the gross proceeds of the sale of any additional Units. Further, the Agent is entitled to Agent's Warrants equal to the lesser of 10% of the number of Units sold under the Offering and 352,941, at a price of \$1.25 per Agent's Warrant Share for a period of eighteen (18) months following the closing date and a \$25,000 (plus GST) non-refundable corporate finance fee.

13. Subsequent Events

As of January 1, 2006, the Company entered into a new two year agreement with Cordex. The agreement provides for the general operating costs paid to Cordex to be increased to USD\$34,500. All other terms and conditions will remain the same.

As of January 31, 2006, the Company discontinued its corporate administration services agreement with a company controlled by an officer.

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Three Month Period Ended December 31, 2005

14. Comparative Figures

Certain of the comparative figures have been reclassified to conform with the current period's presentation.

COLUMBUS GOLD CORPORATION

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FOR THE THREE MONTHS ENDED
DECEMBER 31, 2005**

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2005

INTRODUCTION

The following discussion of performance and financial condition should be read in conjunction with the interim unaudited interim consolidated financial statements of the Company for the quarter ended December 31, 2005 and the audited consolidated financial statements for the year ended September 30, 2005. The Company's interim consolidated financial statements are prepared in accordance with Canadian GAAP. The Company's reporting currency is Canadian dollars unless otherwise stated. The date of this Management's Discussion and Analysis is February 20, 2006.

DESCRIPTION OF BUSINESS

Columbus Gold Corporation (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. The Company has applied for listing on the TSX Venture Exchange (the "Exchange") as a Tier 2 mining issuer.

The Company's principal business activities are the acquisition, exploration and development of resource properties. Currently, all of the Company's resource properties are located in the United States (Refer to Resource Properties). The Company is in the process of exploring and developing these resource properties but has not yet determined whether the properties contain ore reserves that are economically recoverable.

RESOURCE PROPERTIES

Golden Mile Property

Pursuant to a mineral lease agreement (the "Agreement"), dated December 9, 2003 as amended June 30, 2005, between the Company and Nevada Mine Properties II Inc. ("Nevada Mine"), the Company acquired the right to earn a 100% interest in the Golden Mile Property located in Nevada, U.S.A. which includes the CMA, MA, Martin and Walsh claims. As consideration, the Company must issue and pay the following:

Shares

- 150,000 common shares (issued);
- 75,000 common shares on the first anniversary of the agreement (issued);
- 75,000 common shares on the second anniversary of the agreement (issued); and

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2005

Cash

- \$2,500 on the first anniversary of the agreement (paid);
- \$5,000 on the second anniversary of the agreement (paid);
- \$7,500 on the third anniversary of the agreement;
- \$25,000 on the fourth anniversary of the agreement and thereafter until production commences.

The above payments can be deducted from subsequent production royalties.

In addition the Company has agreed to:

- Pay for all charges incurred on the CMA Property;
- Pay a 3.5% net smelter returns royalty from the sale of gold on the CMA and MA claims; and
- Pay a 0.5% net smelter returns royalty from the sale of gold on the Martin and Walsh claims.

The Company can buy up to 2% of the royalty from the CMA and MA claims for \$1,750,000 per percentage point upon completion of a bankable feasibility study or when ore production occurs.

As part of the agreement with Nevada Mine, the Company is responsible for all underlying payments and advance royalty obligations owed on the Martin and Walsh claims. The Company must pay the following advance royalties (in USD) under the Martin agreement:

- \$15,000 on the second anniversary of the agreement (paid);
- \$20,000 on the third anniversary of the agreement;
- \$50,000 on the fourth anniversary of the agreement;
- \$50,000 (adjusted by changes in the consumer price index) on the fifth anniversary of the agreement and thereafter until production commences.

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

The Company must make the following payments (in USD) under the Walsh agreement:

- \$7,500 on the third anniversary of the agreement (paid);
- \$7,500 on the fourth anniversary of the agreement (paid);
- \$10,000 (adjusted by changes in the consumer price index) on the fifth anniversary of the agreement and thereafter until production commences.

The Walsh claims are subject to a 3.00% NSR from the sale of gold, and the above payments cannot be deducted from these production royalties.

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2005

The Lands Properties

The Company entered into an agreement, dated March 10, 2003 as amended on June 18, 2003 and June 29, 2005, with Hidefield Gold (US) Inc. ("Hidefield Gold"), formerly The Other Mining Company (U.S.) Inc., to acquire certain mineral properties in Nevada and Arizona, known as the Lands Properties. The president of Hidefield Gold is also a director of the Company. As consideration, the Company was required to raise \$250,000 for exploration work and issue 2,500,000 common shares (issued) to Hidefield Gold. The following properties were acquired:

- Utah Camp Clipper Project (100% interest)
- Dutch Flat Project (83% interest)
- Chert Cliff Project (100% interest)
- Silver District (100% interest)
- Four Metals Copper Project (50% interest in 16 claims and 100% in 24 claims)

These properties are subject to a 1.5% NSR under the Hidefield Gold agreement. Additionally, the Company has assumed the underlying royalty agreements on the Utah Clipper Project and the Chert Cliff Project. A total of 166 claims within the Utah Clipper Project are subject to an underlying 1% NSR. Further, a total of 7 claims within the Chert Cliff Project are subject to a 3% NSR, which will be reduced to 1% upon reaching USD\$500,000 in NSR payments.

On December 31, 2005, the Company acquired the remaining 17% interest in the Dutch Flat Project in exchange for USD\$5,000 (paid) and the issuance of 20,000 common shares (issued).

Belaustegui Lease

On April 18, 2005, the Company entered into an agreement with third parties (the "lessors") whereby the Company leased an additional 7 patented lode claims in Lander County, Nevada for a term of 20 years to conduct exploration and mining operations. The lease is renewable for additional and successive terms of ten years provided the Company is engaged in active exploration and development. These claims, which are internal to the existing Utah Clipper claims, are subject to a 3% NSR and provide for the payment of specified advance minimum royalty payments on an annual basis as follows:

Date	Amount (in USD)
Execution of Agreement	\$5,000 (Paid)
1 st Anniversary	\$5,000
2 nd Anniversary	\$5,000
3 rd Anniversary	\$7,500
4 th Anniversary	\$7,500
5 th Anniversary	\$7,500
6 th and subsequent Anniversaries*	\$10,000

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

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

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2005

Nevada Sunrise Agreement

On June 30, 2005, the Company entered into an agreement with Nevada Sunrise LLC ("Nevada Sunrise") pursuant to which the Company acquired from Nevada Sunrise eleven unpatented mineral claims comprising 220 acres for USD\$10,000 (paid) for reimbursement of past costs. The agreement obligates the Company to maintain the properties, and grants to Nevada Sunrise a 1% NSR over all the Dutch Flat Project claims. It also provides that if the Company fails or elects not to maintain the properties, then it will quitclaim all of the Dutch Flat properties back to Nevada Sunrise.

Golden West Agreement

On September 5, 2005, the Company entered into an assignment agreement with Golden West Resources Ltd. ("Golden West"), whereby Golden West agreed to assign to the Company all of its rights, title and interest in and to certain lease agreements respecting certain mineral properties in Nevada known as the Orbit Property, the Crestview Property, the Blue Spider Property and the Laura Property (the "Golden Properties"). As consideration for the assignment, the Company agreed to pay to Golden West US\$25,000 (paid), reimburse Golden West for a total of US\$61,400 (paid) in past costs, assume US\$8,875 (paid) in obligations to the underlying lessors and issue 1,000,000 common shares (issued) of the Company. All of the properties are subject to a 3% NSR.

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

Date	Number of Shares
Upon closing of the agreement	100,000 (released)
January 13, 2006	100,000 (released)
6 months after the IPO	200,000
12 months after the IPO	200,000
18 months after the IPO	200,000
24 months after the IPO	200,000

The lease agreements acquired from Golden West are for a term of ten years and can be renewed for three additional terms of ten years each, so long as the conditions of the leases are met and a fee of \$50,000 per lease is paid to the lessors upon the beginning of each successive term. Quarterly lease payments, subject to annual CPI adjustment, are due as follows:

Property	Lease payment
Orbit Property	\$3,000
Crestview Property	\$1,800
Blue Spider Property	\$1,500
Laura Property	\$1,800

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2005

Other Properties

The Company has staked additional properties in Nevada and Arizona, including the Linka Property, Redbird Property, Clanton Hills Property, Clara Property, Pete's Summit Property, Bolo Property, Guild Property and the Summit Property. Initial work has begun on all of these properties. All of these properties are subject to a 2% NSR under the terms of the Cordex Agreement.

Summary of Resource Property Expenditures:

	September 30, 2005	Acquisition Cost	Deferred Exploration	Write-down/ Depreciation	December 31, 2005
Golden Mile	\$ 142,109	\$ 23,799	\$ 5,818	\$ -	\$ 171,726
Utah Clipper	464,801	-	31,531	-	496,332
Dutch Flat	74,828	6,000	37,952	-	118,780
Chert Cliff	11,698	-	109	-	11,807
Silver District	42,601	-	6,114	-	48,715
Four Metals	41,604	-	-	-	41,604
Crestview	95,528	-	2,112	-	97,640
Blue Spider	72,177	-	25,518	-	97,695
Laura	141,887	-	26,104	-	167,991
Orbit	103,925	-	3,520	-	107,445
Linka	18,243	-	51,940	-	70,183
Red Bird	18,139	-	-	-	18,139
Clanton Hills	2,367	-	4,842	-	7,209
Clara	39,462	-	12,014	-	51,476
Pete's Summit	21,483	-	-	-	21,483
Bolo	-	-	4,092	-	4,092
Guild	-	-	59,093	-	59,093
Summit	-	-	32,529	-	32,529
Total American Properties	\$ 1,290,852	\$ 29,799	\$ 303,288	\$ -	\$ 1,623,939

RESULTS OF OPERATIONS

Current Quarter

The Company incurred a \$215,582 loss during the current quarter versus an \$83,219 loss in the same period last year. This amounts to a \$132,363 (159%) increase over the prior period which can be attributed mainly to general exploration costs incurred in investigating potential resource property acquisition targets, increased corporate administration fees, foreign exchange losses due to the falling US dollar relative to the CDN dollar, and increased administrative overhead.

Year-to-Date

Same as current quarter.

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2005

SELECTED FINANCIAL DATA

	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004	March 31, 2004
Financial results:								
Net loss for period	215,582	254,286	328,555	244,672	83,219	260,406	126,154	68,668
Basic and diluted loss per share	0.02	0.01	0.03	0.03	0.01	0.04	0.02	0.01
Expenditures on resource properties	333,087	677,583	(31,319)	131,772	41,487	76,139	29,510	26,662
Balance sheet data:								
Cash and short term deposits	1,141,644	1,526,061	2,266,186	2,776,871	1,267,794	327,230	7,301	127,730
Resource properties	1,623,939	1,290,852	613,269	644,588	512,816	471,329	395,190	365,680
Total assets	2,957,495	3,100,833	3,015,796	3,459,760	1,812,349	839,831	474,780	573,000
Shareholders' equity	2,915,826	3,035,408	2,950,274	3,275,646	1,651,824	2,950,274	426,610	552,765

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. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of finance cannot be obtained, then the Company will be forced to curtail its activities to a level for which funding is available and can be obtained.

During the period, the Company's working capital position decreased to \$1,139,423 which included a cash balance of \$291,158 and a liquid term deposit of \$850,486. Whereas, at September 30, 2005, the Company had a working capital balance of \$1,568,717 which included a cash balance of \$186,061 and a liquid term deposit of \$1,340,000.

The Company experienced a cash outflow from operations of \$190,513 and invested \$264,333 into exploration of its resource properties. As at December 31, 2005, the Company had total assets of \$3,015,796, and the principal non-cash assets of the Company are its mineral exploration property interests in Nevada and Arizona, with a carrying value of \$1,623,939.

CAPITAL RESOURCES

During the period, the Company issued 150,000 Common Shares on the exercise of share purchase warrants at \$0.50 per share for gross proceeds of \$75,000.

In order to generate additional investment capital, the Company has engaged Global Securities Corporation ("Global Securities") to act as agent in its Initial Public Offering on the TSX Venture. The Company intends to raise between \$2,500,000 and \$5,000,000 at a price of \$0.85 per Unit. Each unit will consist of a common share and a share purchase warrant exercisable into one additional common share at a price of \$1.25 for a period of eighteen months from the date of closing of the offering.

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2005

COMMITMENTS

The Company entered into an exclusive three year agreement with Cordilleran Exploration Co. ("Cordex") in January 2005, amended in February 2006, to design, initiate and carry out generative mineral activities in Nevada, and elsewhere in the United States on behalf of the Company with the objective of identifying, acquiring and exploring new mineral properties and operating exploration programs on the Company's existing portfolio of properties. The Company has agreed that Cordex will be provided general operating costs, exclusive of third party contractor expenses, of US\$34,500 per month including a management fee to Cordex of US\$12,500.

Cordex will also receive for properties they bring to the Company a 2% NSR on staked claims, for claims or mineral rights acquired from third parties which include an existing NSR it shall be the difference between a 4% and the third party royalty provided, however, it shall be no less than 1% and not greater than 2%.

An area of influence of two miles will exist for all properties acquired by the Company pursuant to the agreement.

OUTSTANDING SHARE DATA

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

	Number of shares	Amount \$
Balance – September 30, 2005	13,817,004	4,562,315
Exercise of warrants	150,000	75,000
Issued in exchange for mineral properties	95,000	21,000
Balance – December 31, 2005 and February 20, 2006	14,062,004	4,658,315

Options

A summary of stock options outstanding at December 31, 2005 is as follows:

Expiry Date	Number of Shares	Weighted Average Exercise Price
5 Years from the date of listing on Stock Exchange	1,615,000	\$0.85
Total	1,615,000	\$0.85

Warrants

There are no warrants outstanding at December 31, 2005.

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2005

RELATED PARTY TRANSACTIONS

The following are related party transactions for the three month period ended December 31, 2005:

- The Company incurred \$15,000 in management fees to an Officer.
- The Company incurred \$59,733 in consulting fees to a Director, a company controlled by a Director and a company controlled by an Officer.
- The Company incurred \$12,000 in Director fees.
- The Company incurred \$28,200 in corporate administration fees to a company controlled by an officer.

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

SUBSEQUENT EVENTS

Subsequent to the end of the period, the Company amended its agency agreement with Global Securities to extend the agreement to March 31, 2006 and to increase the minimum proceeds raised to \$2,500,000.

Effective January 1, 2006, the Company entered into a new two year agreement with Cordex. The agreement provides for the general operating costs paid to Cordex to be increased to USD\$34,500. All other terms and conditions will remain the same.

As of January 31, 2006, the Company discontinued its corporate administration services agreement with a company controlled by an officer.

FINANCIAL AND OTHER INSTRUMENTS

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash and cash equivalents, receivables, accounts payable and accrued liabilities approximate their fair value because of the short-term nature of those instruments.

CHANGES IN ACCOUNTING POLICIES

The Company did not implement any accounting policy changes during the period.

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2005

CRITICAL ACCOUNTING ESTIMATES

The preparation of 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.

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. Some of the possible risks include the following:

- a) The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates.
- b) The only source of future funds for further exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party carrying out further exploration or development. Management has been successful in accessing the equity markets in the past, but there is no assurance that such sources will be available on acceptable terms in the future.
- c) Any future equity financings by the Company for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders.
- d) The Company must comply with environmental regulations governing air and water quality and land disturbance and provide for mine reclamation and closure costs.

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2005

- e) The operations of the Company will require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue its exploration and development activities in the future.
- f) 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.

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.

OFF-BALANCE SHEET ARRANGEMENTS

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

OTHER INFORMATION

Additional information is available on the Company's website at www.columbusgoldcorp.com or on SEDAR at www.sedar.com.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Except for historical information contained in this discussion and analysis, disclosure statements contained herein are forward-looking. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those in such forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.