



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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**For the Nine Month Period Ended
June 30, 2006**

(Canadian Funds)

Auditor Review – These interim consolidated financial statements and related schedules were prepared by management. They have not been reviewed by the Company's independent external auditor.

Columbus Gold Corporation

(An Exploration Stage Company)

Interim Consolidated Balance Sheet

	June 30, 2006	September 30, 2005 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 459,418	\$ 186,061
Term deposits	4,000,000	1,340,000
Marketable securities (note 3)	35,200	-
Prepays	38,694	63,946
Receivables	36,421	44,135
	4,569,733	1,634,142
Advances to a related party for exploration (note 8)	86,266	115,195
Deferred issuance costs (note 4)	-	58,662
Property and equipment, net (note 5)	1,407	1,982
Mineral properties (note 6)	2,149,711	1,290,852
	\$ 6,807,117	\$ 3,100,833
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 71,323	\$ 60,845
Due to related parties (note 8)	7,422	4,580
	78,745	65,425
Shareholders' equity		
Share capital (note 7)	9,158,914	4,562,315
Contributed surplus (note 7)	303,778	-
Deficit	(2,734,320)	(1,526,907)
	6,728,372	3,035,408
	\$ 6,807,117	\$ 3,100,833

Nature and continuance of operations (note 1)

Commitments (note 10)

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

(An Exploration Stage Company)

Interim Consolidated Statement of Operations and Deficit

	Three Months Ended June 30, 2006	Nine Months Ended June 30, 2006	Three Months Ended June 30, 2005	Nine Months Ended June 30, 2005
EXPENSES				
Administration	\$ 19,601	\$ 52,309	\$ 13,777	\$ 31,026
Amortization	192	576	576	768
Consulting fees	17,375	51,467	23,878	201,935
Corporate administration fees	21,657	60,120	19,200	40,419
Director fees	12,000	36,000	11,964	23,964
Foreign exchange loss (gain)	9,457	19,177	(7,544)	(6,316)
General exploration	112,655	297,034	215,487	215,487
Investor relations	62,142	70,299	1,875	4,867
Management fees	142,500	172,500	15,000	34,000
Professional fees	18,492	110,606	42,502	106,470
Stock-based compensation	231,241	231,241	-	-
Transfer and filing fees	39,949	72,166	-	-
Travel, advertising and promotion	16,227	34,158	5,128	5,439
Loss before the following	(703,488)	(1,207,653)	(341,843)	(658,059)
Interest income	8,126	18,379	13,288	19,512
Bad debts	-	-	-	(17,899)
Write-down of mineral properties	-	(18,139)	-	-
Loss for the period	(695,362)	(1,207,413)	(328,555)	(656,446)
Deficit, beginning of period	(2,038,958)	(1,526,907)	(944,066)	(616,175)
Deficit, end of period	\$ (2,734,320)	\$ (2,734,320)	\$ (1,272,621)	\$ (1,272,621)
Basic and diluted loss per common share	\$ (0.04)	\$ (0.08)	\$ (0.03)	\$ (0.06)
Weighted average number of common shares outstanding	16,543,096	14,810,463	12,817,004	10,909,952

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

Columbus Gold Corporation

(An Exploration Stage Company)

Interim Consolidated Statement of Cash Flows

	Three Months Ended June 30, 2006	Nine Months Ended June 30, 2006	Three Months Ended June 30, 2005	Nine Months Ended June 30, 2005
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	\$ (695,362)	\$ (1,207,413)	\$ (328,555)	\$ (656,446)
Items not affecting cash:				
Amortization	192	576	576	768
Shares issued in exchange for services	127,500	127,500	-	30,000
Stock-based compensation	231,241	231,241	-	-
Write-down of mineral properties	-	18,139	-	-
Changes in non-cash working capital items:				
Decrease / (increase) in receivables	(23,758)	7,714	(5,131)	(12,825)
Increase / (decrease) in accounts payable and accrued liabilities	10,411	(9,486)	9,324	26,062
Decrease / (increase) in prepaid expenses	(6,385)	25,252	(54,848)	(54,848)
Decrease in amounts due from related parties	-	-	-	23,574
Increase / (decrease) in amounts due to related parties	(3,101)	2,842	(120,050)	(42,550)
Net cash used in operating activities	(359,262)	(803,635)	(498,684)	(686,265)
CASH FLOWS USED IN INVESTING ACTIVITIES				
Advances to a related party for exploration	(76,558)	28,929	-	-
Acquisition of mineral property interests	(6,173)	(6,173)	(6,048)	(6,048)
Deferred mineral property expenditures	(143,894)	(885,025)	37,367	(120,892)
Purchase of property, plant and equipment	-	-	-	(2,558)
Purchase of term deposit	(3,762,000)	(2,660,000)	-	-
Net cash used in investing activities	(3,988,625)	(3,522,269)	31,319	(129,498)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from private placements	-	-	-	2,836,371
Initial public offering	5,000,000	5,000,000	-	-
Deferred issuance costs	-	(61,151)	(38,638)	(49,181)
Exercise of share purchase warrants	-	75,000	-	-
Share issuance costs	(414,588)	(414,588)	(4,682)	(32,471)
Net cash provided by financing activities	4,585,412	4,599,261	(43,320)	2,754,719
Change in cash and cash equivalents	237,525	273,357	(510,685)	1,938,956
Cash and cash equivalents, beginning of period	221,893	186,061	2,776,871	327,230
Cash and cash equivalents, end of period	\$ 459,418	\$ 459,418	\$ 2,266,186	\$ 2,266,186

Supplemental Cash Flow Information - Note 8

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

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

1. Nature and Continuance 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. 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 resource properties. All of the Company’s resource properties are currently located in the United States. The Company is in the process of exploring and developing its resource properties, but has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for 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 ultimately the attainment of profitable operations. 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.

(b) Cash and cash equivalents

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

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

2. Significant Accounting Policies (continued)

(c) Use of estimates

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

(d) Deferred issuance costs

Costs related to shares not yet issued are recorded as deferred issuance costs. Deferred issuance 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.

(e) 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.

(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 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.

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

2. Significant Accounting Policies (continued)

(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.

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.

(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 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.

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

2. Significant Accounting Policies (continued)

(i) Stock-based compensation

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

(j) 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.

(l) 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.

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

2. Significant Accounting Policies (continued)

(m) 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.

3. Marketable Securities

Marketable securities consist of 120,000 common shares of Black Pearl Minerals Consolidated Inc. at a cost of \$35,200 and a market value of \$22,200 on June 30, 2006.

4. Deferred Issuance Costs

The Company completed its IPO during the period, and accordingly all of the previously deferred costs relating to the IPO have been charged against the gross proceeds raised from the IPO.

5. Property and Equipment

					June 30, 2006
	Cost	Accumulated Amortization			Net Book Value
Computer equipment - 30%	\$ 2,558	\$ 1,151	\$		1,407

					September 30, 2005
	Cost	Accumulated Amortization			Net Book Value
Computer equipment - 30%	\$ 2,558	\$ 576	\$		1,982

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

6. 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/ Amortization	June 30, 2006
Golden Mile	\$ 142,109	\$ 15,000	\$ 281,985	\$ -	\$ 439,094
Utah Clipper	568,726	-	83,788	-	652,514
Dutch Flat	74,828	6,000	51,866	-	132,694
Chert Cliff	11,698	-	(3,443)	-	8,255
Silver Dome	-	-	11,990	-	11,990
Silver District	42,601	-	21,488	-	64,089
Winnemucca Mountain	-	-	4,101	-	4,101
Four Metals	41,604	-	(70,282)	-	(28,678)
Crestview	167,705	-	35,466	-	203,171
Laura	141,887	-	30,379	-	172,266
Linka	18,243	-	63,267	-	81,510
Red Bird ⁽¹⁾	18,139	-	-	(18,139)	-
Clanton Hills	2,367	-	24,291	-	26,658
Clara	39,462	-	23,708	-	63,170
Pete's Summit	21,483	-	26,680	-	48,163
Bolo	-	561	57,660	-	58,221
Guild	-	5,612	92,319	-	97,931
Summit	-	-	114,562	-	114,562
Total Properties	\$ 1,290,852	\$ 27,173	\$ 849,825	\$ (18,139)	\$ 2,149,711

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

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

6. Mineral Properties (continued)

	September 30, 2004	Acquisition Cost	Deferred Exploration	Write-down/ Amortization	September 30, 2005
Golden Mile	\$ 100,002	\$ 15,000	\$ 27,107	\$ -	\$ 142,109
Utah Clipper	346,003	70,000	152,723	-	568,726
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	-	140,000	27,705	-	167,705
Laura	-	140,000	1,887	-	141,887
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 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
Geologists and staff	14,618
Geophysics	147,286
Travel	26,725
Balance – September 30, 2005	<u>\$1,290,852</u>
Acquisition	27,173
Administration	158,238
Advance royalties	66,525
Assays	62,138
Claim renewals	182,020
Drilling	124,321
Geologists and staff	254,126
Maps and reports	6,341
Travel	70,955
Less: Option payments	(74,839)
Less: Property write-offs	(18,139)
Balance – June 30, 2006	<u><u>\$2,149,711</u></u>

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

6. Mineral Properties (continued)

Utah Clipper Property

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

As consideration for the Utah Clipper Property and several other Nevada and Arizona properties (collectively the “Hidefield Properties”), the Company issued 2,500,000 common shares to Hidefield Gold (US). The Utah Clipper Property is subject to a 1.5% NSR under the Hidefield Agreement. Additionally, the Company agreed to assume the underlying royalty agreements on the Utah Clipper Property, whereby a total of 166 claims within the Utah Clipper Property are subject to an underlying 1% NSR.

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

Date	Amount (in USD)
Execution of Agreement	\$5,000 (Paid)
1 st Anniversary	5,000 (Paid)
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.

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

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

6. Mineral Properties (continued)

Utah Clipper Property (continued)

On September 5, 2005, the Company entered into an assignment agreement (the "Golden West Agreement") with Golden West Resources Ltd. ("Golden West"), whereby Golden West assigned to the Company all of its rights, title and interest in the Orbit claims and certain other mining claims in Nevada known as the Crestview and the Laura claims (collectively the "Golden West Claims"). The Orbit claims are contiguous to the Company's existing Utah Clipper Property.

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

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

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

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

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

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

6. Mineral Properties (continued)

Utah Clipper Property (continued)

Date	Amount (in USD)
Execution of Agreement	\$20,000 (Paid)
1 st Anniversary	20,000
2 nd Anniversary	20,000
3 rd Anniversary	25,000
4 th Anniversary	25,000
5 th Anniversary	25,000
6 th and subsequent Anniversaries*	\$30,000

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

On June 9, 2006, the Company entered into an option agreement (the “Agnico Agreement”) with Agnico Eagle (USA) Ltd. (“Agnico”) which will allow Agnico to earn a 51% interest in a package of 3 Nevada properties which include the Company’s Utah Clipper Property, Crestview Property and Laura Property (collectively the “Cortez Properties”) by incurring exploration expenditures of USD\$6.5 million over 7 years, with minimum expenditures of USD\$600,000 in the first year. Agnico will assume responsibility for maintaining the Cortez Properties by paying all annual sustaining fees and meeting all underlying lease payments. Agnico will be the operator during the earn-in phase of the Agnico Agreement and upon formalization of a joint venture.

Upon completing USD\$6.5 million in aggregate work expenditures, Agnico will have earned a 51% interest in the Utah Clipper Property and the other Cortez Properties leading to the establishment of a formal joint venture whereby Agnico may elect to earn an additional 19% interest in the Cortez Properties (for a total interest of 70%) by preparing and delivering to the Company a positive feasibility study for the development of a mine on any one of the Cortez Properties.

In the event of a decision to develop a mine on any of the Cortez Properties, the Company may require Agnico to arrange financing for the Company’s proportionate share of the capital required for the development of the mine, including a working capital reserve as provided in the feasibility study. Agnico will earn a further 5% interest in the Cortez Properties (for a total interest of 75%) for arranging this financing for the Company which may take the form of a loan, a private placement into the Company, direct equity investment by Agnico or such other form as the parties agree are commercially reasonable.

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

Golden Mile Property

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

Shares

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

Cash (USD)

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

The above payments are deductible from subsequent production royalties.

In addition, the Company has agreed to:

- Pay a 3.5% net smelter returns royalty (“NSR”) from the sale of gold on the CMA and MA claims;
- Pay a 0.5% NSR from the sale of gold on the Martin and Walsh claims.

The Company can buy up to 2% of the NSR on 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.

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

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

6. Mineral Properties (continued)

Golden Mile Property (continued)

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

- \$15,000 on the second anniversary of the Martin Agreement (paid);
- \$20,000 on the third anniversary of the Martin Agreement (paid);
- \$50,000 on the fourth anniversary of the Martin Agreement;
- \$50,000 (adjusted by changes in the consumer price index) on the fifth anniversary of the Martin 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 are deductible from these production royalties.

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

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

The Walsh claims are subject to a 3.00% NSR from the sale of gold on the Walsh claims.

Dutch Flat Property

On March 10, 2003, the Company acquired a 83% interest in the Dutch Flat Property pursuant to the Hidefield Agreement with Hidefield Gold (US). As consideration for the Dutch Flat Property and the other Hidefield Properties, the Company issued 2,500,000 common shares to Hidefield Gold (US). The Dutch Flat Property is subject to a 1.5% NSR under the Hidefield Agreement.

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

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

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

6. Mineral Properties (continued)

Chert Cliff Property

On March 10, 2003, the Company acquired a 100% interest in the Chert Cliff Property pursuant to the Hidefield Agreement with Hidefield Gold (US). As consideration for the Chert Cliff Property and the other Hidefield Properties, the Company issued 2,500,000 common shares to Hidefield Gold (US). The Chert Cliff Property is subject to a 1.5% NSR under the Hidefield Agreement. Additionally, the Company has assumed the underlying royalty agreement whereby a total of 7 claims within the Chert Cliff Property are subject to an underlying 3% NSR which will be reduced to 1% upon reaching USD\$500,000 in NSR payments.

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

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

Silver District Property

On March 10, 2003, the Company acquired a 100% interest in the Silver District Property pursuant to the Hidefield Agreement with Hidefield Gold (US). As consideration for the Silver District Property and the other Hidefield Properties, the Company issued 2,500,000 common shares to Hidefield Gold (US). The Silver District Property is subject to a 1.5% NSR under the Hidefield Agreement.

On August 26, 2005, the Company acquired a mineral exploration permit for an additional 636 acres of land from the Arizona State Land Department. The permit is renewable annually for a fee of \$1,271.50 and is valid for a period of 5 years.

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

6. Mineral Properties (continued)

Four Metals Property

On March 10, 2003, the Company acquired a 100% interest in the Four Metals Property pursuant to the Hidefield Agreement with Hidefield Gold (US). As consideration for the Four Metals Property and the other Hidefield Properties, the Company issued 2,500,000 common shares to Hidefield Gold (US). The Four Metals Property is subject to a 1.5% NSR under the Hidefield Agreement.

On April 13, 2006 and May 16, 2006, the Company entered into two sale agreements (the “Black Pearl Agreements”) with Black Pearl Minerals Consolidated Inc. (“Black Pearl”) which will allow Black Pearl to earn a 100% interest in the Four Metals Property. Subject to pre-existing underlying royalties and a 1.5% NSR to the Company on certain claims that comprise the Four Metals Property, the Company has agreed to sell all of its interest in exchange for aggregate consideration of USD\$300,000 cash and 600,000 common shares of Black Pearl, payable over four years.

Crestview Property

On September 5, 2005, the Company entered into the Golden West Agreement whereby Golden West assigned to the Company all of its rights, title and interest in the Golden West Claims which includes the Crestview Claims.

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

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

On June 9, 2006, the Company entered into the Agnico Agreement which will allow Agnico to earn a 51% interest in the Cortez Properties, which includes the Crestview Property, by incurring exploration expenditures of USD\$6.5 million over 7 years, with minimum expenditures of USD\$600,000 in the first year. Agnico will assume responsibility for maintaining the Cortez Properties by paying all annual sustaining fees and meeting all underlying lease payments. Agnico will be the operator during the earn-in phase of the Agnico Agreement and upon formalization of a joint venture.

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

6. Mineral Properties (continued)

Crestview Property (continued)

Upon completing USD\$6.5 million in aggregate work expenditures, Agnico will have earned a 51% interest in the Crestview Property and the other Cortez Properties leading to the establishment of a formal joint venture whereby Agnico may elect to earn an additional 19% interest in the Cortez Properties (for a total interest of 70%) by preparing and delivering to the Company a positive feasibility study for the development of a mine on any one of the Cortez Properties. In the event of a decision to develop a mine on any of the Cortez Properties, the Company may require Agnico to arrange financing for the Company's proportionate share of the capital required for the development of the mine in exchange for an additional 5% interest in the Cortez Properties (for a total interest of 75%).

Laura Property

On September 5, 2005, the Company entered into the Golden West Agreement whereby Golden West assigned to the Company all of its rights, title and interest in the Golden West Claims which includes the Laura Claims.

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

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

On June 9, 2006, the Company entered into the Agnico Agreement which will allow Agnico to earn a 51% interest in the Cortez Properties, which includes the Laura Property, by incurring exploration expenditures of USD\$6.5 million over 7 years, with minimum expenditures of USD\$600,000 in the first year. Agnico will assume responsibility for maintaining the Cortez Properties by paying all annual sustaining fees and meeting all underlying lease payments. Agnico will be the operator during the earn-in phase of the Agnico Agreement and upon formalization of a joint venture.

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

6. Mineral Properties (continued)

Laura Property (continued)

Upon completing USD\$6.5 million in aggregate work expenditures, Agnico will have earned a 51% interest in the Laura Property and the other Cortez Properties leading to the establishment of a formal joint venture whereby Agnico may elect to earn an additional 19% interest in the Cortez Properties (for a total interest of 70%) by preparing and delivering to the Company a positive feasibility study for the development of a mine on any one of the Cortez Properties. In the event of a decision to develop a mine on any of the Cortez Properties, the Company may require Agnico to arrange financing for the Company's proportionate share of the capital required for the development of the mine in exchange for an additional 5% interest in the Cortez Properties (for a total interest of 75%).

Guild Project

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

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

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

The Company has subsequently staked an additional 80 mining claims around the Guild and the Bolo Properties in order to comprise the Guild Project.

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

6. Mineral Properties (continued)

Other Properties

The Company has staked additional properties in the following jurisdictions:

Property	Location	Status
Clanton Hills	Arizona	Initial exploration
Clara	Arizona	Initial exploration
Linka	Nevada	Initial exploration
Pete's Summit	Nevada	Initial exploration
Silver Dome	Utah	Initial exploration
Summit	Nevada	Initial exploration
Winnemucca Mountain	Nevada	Initial exploration

All of these properties are subject to a NSR royalty of 2% under the terms of the Cordex Agreement (Refer to Note 9).

7. Share Capital

(a) Common Shares

Authorized - Unlimited common shares without par value

Unlimited Class A preferred shares without par value

	Number of Shares	Amount	Contributed Surplus
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 – non-cash	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	\$ -

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

7. Share Capital (continued)

(a) Common Shares (continued)

	Number of Shares	Amount	Contributed Surplus
Balance, as at September 30, 2005	13,817,004	\$ 4,562,315	\$ -
Initial public offering ³	5,882,352	5,000,000	-
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	-
In exchange for services rendered – non-cash	150,000	127,500	-
Stock-based compensation costs	-	-	231,241
Share issue costs	-	(626,901)	72,537
Balance, as at June 30, 2006	20,094,356	\$ 9,158,914	\$ 303,778

* 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
3. On May 23, 2006, the Company completed its initial public offering on the TSX Venture Exchange by issuing 5,882,352 units at a price of \$0.85 per unit for total gross proceeds of \$5,000,000 (the "Offering"). Each Unit consisted of one common share of the Company and one share purchase warrant. Each share purchase warrant will entitle the holder to acquire one additional common share at an exercise price of \$1.25 per share for a period of 18 months from the closing of the Offering. Global Securities Corporation (the "Agent") was paid a cash commission of \$284,568, a \$25,000 corporate finance fee and received 334,785 Agent's warrants exercisable at \$1.25 for a period of 18 months from the closing of the Offering. Additionally, a cash commission of \$45,607 was paid in third party finder's fees.

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

7. Share Capital (continued)

(a) Common Shares (continued)

Escrow Shares

Pursuant to an escrow agreement dated as of June 21, 2005 between the Company, Computershare Investor Services (the “escrow agent”) and certain principals of the Company, the principals agreed to deposit in escrow their common shares totaling 4,497,634 shares with the escrow agent. The escrow agreement provides that 10% of the escrow shares will be released upon final receipt of the Company’s IPO prospectus, and 15% will be released every 6 months thereafter over a period of 36 months. As at June 30, 2006, the number of escrow shares outstanding was 4,047,871.

(b) Stock Options

A summary of stock options outstanding as at June 30, 2006 is set out below:

Number of Options	Exercise Price	Expiry Date
1,890,000	\$0.85	May 24, 2011

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 period	425,000	0.85
Exercised during the period	-	-
Cancelled during the period	(100,000)	0.85
Balance – June 30, 2006	1,890,000	\$0.85

During the period, the Company issued a total of 425,000 incentive stock options to officers and employees at an exercise price of \$0.85 per share and a term of 5 years from the date the Company’s common shares were listed on the Exchange. These options were assigned a fair value of \$231,241 and have been expensed as stock-based compensation costs.

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

7. Share Capital (continued)

(b) Stock Options (continued)

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

Expected dividend yield	0%
Expected price volatility	75%
Risk free interest rate	4.25%
Expected life of warrants	5 years

(c) Warrants

A summary of share purchase warrants outstanding as at June 30, 2006 is set out below:

Number of Options	Exercise Price	Expiry Date
5,882,352	\$1.25	November 23, 2007
334,785 *	\$1.25	November 23, 2007

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

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

	Warrants outstanding	Weighted average exercise price
Balance – September 30, 2005	442,500	\$0.50
Issued during the period	6,217,137	0.85
Exercised during the period	(150,000)	0.50
Expired during the period	(292,500)	0.50
Balance – June 30, 2006	6,217,137	\$0.85

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

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

7. Share Capital (continued)

(c) Warrants (continued)

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

Expected dividend yield	0%
Expected price volatility	75%
Risk free interest rate	4.25%
Expected life of warrants	1.5 years

8. Related Party Transactions

The following are related party transactions for the nine months ended June 30, 2006:

	Corp Admin and Prof. fees	Consulting fees	Management fees	Director fees
John Prochnau (Director)	\$ -	\$ 14,774	\$ -	\$ 9,000
Hamilton Capital Partners Ltd. (Company with a director in common)	-	36,000	-	9,000
Robert Giustra (President and director)	-	-	172,500	9,000
Gil Atzmon (Director)	-	-	-	9,000
Cordilleran Exploration Co. (Company with an officer in common)	-	129,750	-	-
HRG Management Ltd. (Company with 2 directors in common)	58,590	-	-	-
RWA Management Ltd. (Company with a former officer in common)	37,600	-	-	-
Balance, period ending June 30, 2006	\$ 96,190	\$ 180,524	\$ 172,500	\$ 36,000

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

8. Related Party Transactions (continued)

The following are related party transactions for the nine months ended June 30, 2005:

	Corp Admin and Prof. fees	Consulting fees	Management fees	Director fees
John Prochnau (<i>Director</i>)	\$ -	\$ 22,935	\$ -	\$ 6,000
Hamilton Capital Partners Ltd. (<i>Company with a director in common</i>)	-	179,000	-	6,000
Robert Giustra (<i>President and director</i>)	-	-	34,000	6,000
Gil Atzmon (<i>Director</i>)	-	-	-	5,964
RWA Management Ltd. (<i>Company with a former officer in common</i>)	59,700	-	-	-
Balance, period ending June 30, 2005	\$ 59,700	\$ 201,935	\$ 34,000	\$ 23,964

Additionally, the Company issued 75,000 common shares to a Director of the Company at an agreed price of \$0.20 per share (\$15,000) as part of the Golden Mile Agreement.

At June 30, 2006, a total of \$86,266 (September 30 2005 - \$115,195) was advanced to Cordilleran Exploration Co. ("Cordex"), a company with an officer in common with Columbus Gold (U.S.) Corp., for planned future exploration expenditures on the Company's mineral properties.

At June 30, 2006, a total of \$7,422 (September 30, 2005 - \$4,580) was due to directors of the Company for reimbursement of expenses and consulting 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.

9. Supplemental Cash Flow Information

	June 30, 2006	June 30, 2005
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

9. Supplemental Cash Flow Information (continued)

Other Non-Cash Investing and Financing Activities:

- a) The Company issued 75,000 common shares (2004 – 75,000 common shares) at an agreed price of \$0.20 per share (\$15,000) as part of the Golden Mile acquisition agreement.
- b) The Company issued 20,000 common shares at an agreed price of \$0.30 per share (\$6,000) as part of the remaining (17%) Dutch Flat property acquisition.
- c) The Company issued 150,000 common shares to an officer at an agreed price of \$0.85 per share as payment for services in connection with the completion of the Company's IPO.
- d) The Company incurred \$19,964 in share issue costs through accounts payable and accrued liabilities.

10. Commitments

The Company has engaged in the following commitments:

- a) In January 2006, the Company entered into a new exclusive two year agreement with Cordex, a company that shares an officer in common with Columbus Gold (U.S.) Corporation, to design, initiate and carry out mineral exploration and development activities in Nevada, and elsewhere in the United States on behalf of the Company with the objective of identifying, acquiring and exploring new mineral properties and operating exploration programs on the Company's current portfolio of mineral properties. The Company will provide Cordex with general operating costs, exclusive of third party contractor expenses, of USD\$34,500 per month which includes a monthly management fee to Cordex of USD\$12,500.

Further, Cordex will receive a 2% NSR on any claims that they stake on behalf of the Company. For claims or mineral rights acquired from third parties, which include an existing royalty, 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 the area of influence and become subject to this agreement.

- b) Effective May 1, 2006, the Company entered into a management services agreement with a corporation controlled by the CEO. The Company will pay a monthly fee of \$5,000 for a term of one year.

Columbus Gold Corporation

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

For the Nine Month Period Ended June 30, 2006

10. Commitments (continued)

- c) Effective February 1, 2006, the Company entered into a services agreement with HRG Management Ltd. ("HRG") in which the Company will pay a monthly corporate administration fee of approximately \$12,000 which includes office administration, accounting, corporate secretarial, chief financial officer, investor relations and other related services. HRG is a captive management company jointly owned by the Company and certain other public companies, all of which share office space. The Company shares two common directors with HRG.
- d) Effective June 1, 2006, the Company entered into an agreement with Legace Capital to provide investor relations services for a period of one year. The Company will pay a monthly fee of \$4,000 for the first three months and \$5,000 for the balance of the agreement.

11. Subsequent Events

Subsequent to the end of the period, the Company:

- a) Entered into an earn-in agreement with Piedmont Mining Company, Inc. ("Piedmont") which will allow Piedmont to earn a 51% interest in the Dutch Flat property by paying USD\$35,000 upon signing of the agreement and by incurring exploration expenditures of USD\$2,000,000 over 5 years, with minimum expenditures of US\$200,000 in the first year. Piedmont can increase its ownership interest to 70% by funding the completion of a positive feasibility study. Columbus, utilizing its exclusive relationship with Cordex, will be the operator during the first year of this agreement.
- b) Granted 100,000 incentive stock options to an officer and various consultants of the Company at a price of \$0.85 per share for a period of 5 years.
- c) Amended a management services agreement with a corporation controlled by the CEO of the Company to increase the monthly fee from \$5,000 to \$8,000. All other terms and conditions remain unchanged.
- d) Entered into an agreement with John Prochnau, a director of the Company, and Barbara Prochnau (the "Vendors") to purchase all of their right, title and interest in the Golden Mile Property for consideration of a cash payment of USD\$26,250 on or before January 1, 2007. Pursuant to the agreement, the existing royalties to Nevada Mine will be terminated and replaced by a 2% NSR on the CMA and MA claims. The underlying Martin and Walsh Agreements will remain in tact. Furthermore, if the Company holds any part of the Golden Mile Property as at December 26, 2009, then the Company will pay the Vendors a one time bonus of USD\$100,000. The Company can elect, however, to settle this payment in lieu of cash through the issuance of common shares of the Company with a fair market value of USD\$100,000.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS

**For The Nine Month Period Ended
June 30, 2006**

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2006

INTRODUCTION

The following discussion of performance and financial condition should be read in conjunction with the interim consolidated financial statements of the Company for the period ended June 30, 2006 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 August 15, 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. 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 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.

MINERAL PROPERTIES

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

Utah Clipper Property

The Utah Clipper Property is situated in the Bullion Mining District, in the Shoshone Range, Lander County, Nevada. The property consists of 16 patented mining claims and 213 unpatented mining claims totaling approximately 4545 acres.

During 2005, the Company completed surface rock sampling, a ground magnetic survey, and a ground CSAMT survey on the property. The 2005 exploration program was managed by Cordilleran Exploration Co. ("Cordex") on behalf of the Company.

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2006

Agnico Eagle Option:

On June 9, 2006, the Company entered into an earn-in agreement with Agnico Eagle (USA) Ltd. ("Agnico") which will allow Agnico to earn a 51% interest in the Utah Clipper, Laura and Crestview properties (the "Cortez Properties") by incurring exploration expenditures of USD\$6.5 million over 7 years, with minimum expenditures of USD\$600,000 in the first year. Agnico Eagle will assume responsibility for maintaining the Cortez Properties by paying all annual sustaining fees and meeting all underlying royalty and lease payments. Agnico will be the operator during the earn-in phase of this arrangement and upon formalization of a joint venture.

Management anticipates that Agnico will begin exploration on the Utah Clipper Property during the 3rd quarter of 2006.

Golden Mile Property

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

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

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

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2006

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

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

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

The Company is now planning a follow-up drilling program, designed to test for additional gold mineralization below 100 m depth and along strike to the northeast of the mineralized zone. This program is expected to commence in the 4th fiscal quarter of this year.

Other Properties

Property	Location	Status
Bolo	Nevada	Initial exploration
Guild	Nevada	Initial exploration
Linka	Nevada	Initial exploration
Chert Cliff	Nevada	Lease to Platte River Gold (US) Inc.
Clanton Hills	Arizona	Initial exploration
Clara	Arizona	Initial exploration
Crestview	Nevada	Joint venture option to Agnico Eagle (USA) Ltd.
Dutch Flat	Nevada	Joint venture option to Piedmont Mining Company, Inc.
Four Metals	Arizona	Sale option to Black Pearl Minerals Consolidated Inc.
Laura	Nevada	Joint venture option to Agnico Eagle (USA) Ltd.
Pete's Summit	Nevada	Initial exploration
Silver District	Arizona	Initial exploration
Silver Dome	Utah	Initial exploration
Summit	Nevada	Initial exploration
Winnemucca Mountain	Nevada	Initial exploration

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2006

Expenditure Summary

PROPERTIES	September 30, 2005	Acquisition Cost	Deferred Exploration	Write-down/ Depreciation	June 30, 2006
Golden Mile	\$ 142,109	\$ 15,000	\$ 281,985	\$ -	\$ 439,094
Utah Clipper	568,726	-	83,788	-	652,514
Dutch Flat	74,828	6,000	51,866	-	132,694
Chert Cliff	11,698	-	(3,443)	-	8,255
Silver Dome	-	-	11,990	-	11,990
Silver District	42,601	-	21,488	-	64,089
Winnemucca Mountain	-	-	4,101	-	4,101
Four Metals	41,604	-	(70,282)	-	(28,678)
Crestview	167,705	-	35,466	-	203,171
Laura	141,887	-	30,379	-	172,266
Linka	18,243	-	63,267	-	81,510
Red Bird	18,139	-	-	(18,139)	-
Clanton Hills	2,367	-	24,291	-	26,658
Clara	39,462	-	23,708	-	63,170
Pete's Summit	21,483	-	26,680	-	48,163
Bolo	-	561	57,660	-	58,221
Guild	-	5,612	92,319	-	97,931
Summit	-	-	114,562	-	114,562
Total	\$ 1,290,852	\$ 27,173	\$ 849,825	\$ (18,139)	\$ 2,149,711

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

RESULTS OF OPERATIONS

Current Quarter

The Company incurred a \$695,362 loss during the current quarter versus a \$328,555 loss in the same period last year. This amounts to a \$366,450 (112%) increase over the prior period which can be attributed to an increase in virtually all expenditure categories due to the Company's change in status from a private to publicly-traded.

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2006

In addition to increased regulatory and investor relations fees, the Company recorded substantial non-recurring costs within stock-based compensation and management fees. The Company granted 425,000 incentive stock options which were valued at \$231,241, whereas options granted in the prior year were given a fair value of \$nil due to the Company's private issuer status. Management fees have increased due to the awarding of a bonus paid in the form of 150,000 common shares issued to the CEO upon completion of the IPO.

The Company continued to be active in its exploration efforts during the period as it incurred \$114,867 on its properties. However, increased exploration costs were partially offset by several cash and share option payments received through various property agreements with other exploration companies.

Year-to-Date

The Company incurred a \$1,207,413 loss during the current period versus a \$656,446 loss in the same period last year. This amounts to a \$550,967 (84%) increase over the prior period which can be attributed mainly to stock-based compensation costs incurred by issuing 425,000 incentive stock options to directors, officers and consultants, a bonus paid in the form of shares to the CEO following the completion of the IPO and increased corporate administration costs due to public company reporting requirements. The increase was partially offset by a significant reduction in non-recurring consulting fees associated with the Company's corporate reorganization in December 2004.

SELECTED FINANCIAL DATA

	Jun. 30, 2006	Mar. 31, 2006	Dec. 31, 2005	Sept. 30, 2005	Jun. 30, 2005	Mar. 31, 2005	Dec. 31, 2004	Sept. 30, 2004
Financial results:								
Net loss for period	695,362	296,469	215,582	254,286	328,555	244,672	83,219	260,406
Basic and diluted loss per share	0.04	0.02	0.02	0.01	0.03	0.03	0.01	0.04
Expenditures on resource properties	114,867	410,905	333,087	677,583	(31,319)	131,772	41,487	76,139
Balance sheet data:								
Cash and short term deposits	4,459,418	459,893	1,141,644	1,526,061	2,266,186	2,776,871	1,267,794	327,230
Resource properties	2,149,711	2,034,844	1,623,939	1,290,852	613,269	644,588	512,816	471,329
Total assets	6,807,117	2,670,829	2,957,495	3,100,833	3,015,796	3,459,760	1,812,349	839,831
Shareholders' equity	6,728,372	2,619,357	2,915,826	3,035,408	2,950,274	3,275,646	1,651,824	2,950,274

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2006

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 increased to \$4,490,988 which included a cash balance of \$459,418 and a liquid GIC of \$4,000,000. 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 GIC of \$1,340,000.

The Company experienced a cash outflow from operations of \$803,635, invested \$6,173 in cash into acquiring mineral property interests and incurred \$885,025 in cash exploration expenditures. As at June 30, 2006, the Company had total assets of \$6,807,117, and the principal non-cash assets of the Company were its mineral exploration properties in Nevada and Arizona, with a carrying value of \$2,149,711 representing 32% of total assets.

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

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

The Company received USD\$65,000 in cash from optioning several of its non-core mineral property interests to various other junior mineral exploration companies.

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2006

COMMITMENTS

In January 2006, the Company entered into a new exclusive two year agreement with Cordex, a company that shares an officer in common with Columbus Gold (U.S.) Corporation, to design, initiate and carry out mineral exploration and development activities in Nevada, and elsewhere in the United States on behalf of the Company with the objective of identifying, acquiring and exploring new mineral properties and operating exploration programs on the Company's current portfolio of mineral 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 which is inclusive of a management fee to Cordex of US\$12,500 per month.

Further, Cordex will receive a 2% NSR on any claims that they stake on behalf of the Company. For claims or mineral rights acquired from third parties which include an existing royalty, 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 the area of influence and become subject to this 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
Shares issued for services	150,000		127,500
Initial Public Offering	5,882,352		5,000,000
Less: Share issuance costs	-		(626,901)
Balance – June 30, 2006 and August 15, 2006	20,094,356	\$	9,158,914

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2006

Options

A summary of stock options outstanding at August 15, 2006 is as follows:

Expiry Date	Number of Shares	Weighted Average Exercise Price
May 24, 2011	1,890,000	\$0.85
July 25, 2011	100,000	0.85
Total	1,990,000	\$0.85

Warrants

A summary of warrants outstanding at August 15, 2006 is as follows:

Expiry Date	Number of Shares	Weighted Average Exercise Price
November 23, 2007	5,882,352	\$1.25
November 23, 2007 **	334,785	1.25
Total	6,217,137	\$1.25

** Agents warrants issued in connection with the IPO.

RELATED PARTY TRANSACTIONS

The following are related party transactions for the nine month period ended June 30, 2006:

- The Company incurred \$172,500 in management fees to the CEO and a corporation controlled by the CEO.
- The Company incurred \$180,524 in consulting fees to a Director, a company controlled by a Director and a company controlled by an Officer of Columbus Gold (U.S.) Corp.
- The Company incurred \$36,000 in Director fees.
- The Company incurred \$96,190 in corporate administration fees, which include office administration, accounting, corporate secretarial, investor relations, chief financial officer and other related services, to HRG Management Ltd. ("HRG"). HRG is a captive management company jointly owned by the Company and certain other companies that share the Vancouver office. HRG shares two common directors with the Company.

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2006

- The Company issued 75,000 common shares at an agreed price of \$0.20 per share to a Director of the Company in accordance with the Golden Mile Agreement.

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:

- a) Entered into an earn-in agreement with Piedmont Mining Company, Inc. ("Piedmont") which will allow Piedmont to earn a 51% interest in the Dutch Flat property by paying USD\$35,000 upon signing of the agreement and by incurring exploration expenditures of USD\$2,000,000 over 5 years, with minimum expenditures of US\$200,000 in the first year. Piedmont can increase its ownership interest to 70% by funding the completion of a positive feasibility study. Columbus, utilizing its exclusive relationship with Cordex, will be the operator during the first year of this agreement.
- b) Granted 100,000 incentive stock options to an officer and various consultants of the Company at a price of \$0.85 per share for a period of 5 years.
- c) Amended a management services agreement with a corporation controlled by the CEO of the Company to increase the monthly fee from \$5,000 to \$8,000. All other terms and conditions remain unchanged.
- d) Entered into an agreement John and Barbara Prochnau (the "Vendors") to purchase all of their right, title and interest in the Golden Mile property in exchange for a cash payment of USD\$26,250 on or before January 1, 2007. The existing NSR and lease payments due to Nevada Mine will be terminated and replaced by a 2% NSR. All underlying lease agreements will remain in tact. Furthermore, if the Company holds any part of the Golden Mile property at December 26, 2009, then the Company will pay the Vendors a one time bonus of USD\$100,000. The Company can elect, however, to settle this payment in lieu of cash through the issuance of common shares of the Company with a fair market value of USD\$100,000.

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2006

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.

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.

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 NINE MONTH PERIOD ENDED JUNE 30, 2006

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.
- 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.

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2006

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.

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.

OTHER INFORMATION

Effective July 25, 2006, Ken Judge accepted the position of chairman of the board of directors and Robert Giustra accepted the position of chief executive officer.

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

COLUMBUS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2006

CORPORATE INFORMATION

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

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

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

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

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

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