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

Consolidated Financial Statements

For the Year Ended
September 30, 2015

(Stated in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Columbus Gold Corporation

We have audited the accompanying consolidated financial statements of Columbus Gold Corporation, which comprise the consolidated statements of financial position as at September 30, 2015 and 2014, and the consolidated statements of comprehensive loss, shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Columbus Gold Corporation as at September 30, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
January 26, 2016

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

	September 30, 2015 ($)	September 30, 2014 ($)
Assets		
Current assets		
Cash	1,303,562	10,366,494
Available-for-sale investments (note 5)	146,801	804,279
Receivables (note 6)	737,599	646,380
Prepaid expenses	220,563	866,238
	2,408,525	12,683,391
Non-current assets		
Receivable from related party (note 12)	447,739	-
Reclamation bonds (note 7)	477,586	251,968
Exploration and evaluation assets (note 8)	41,205,323	37,462,181
Equipment (note 9)	108,153	143,660
	44,647,326	**50,541,200**
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable (note 12)	715,683	1,478,485
Accrued liabilities (note 12)	440,349	1,113,454
Deferred exploration advances from Nord Gold N.V. (note 8)	-	3,134,033
Restoration provision (note 10)	119,426	471,047
	1,275,458	6,197,019
Non-current liabilities		
Other non-current liabilities	8,509	28,930
	1,283,967	6,225,949
Shareholders' equity		
Share capital (note 12)	55,417,561	53,185,056
Reserves	10,401,208	8,532,196
Deficit	(22,455,410)	(17,402,001)
	43,363,359	44,315,251
	44,647,326	**50,541,200**

Nature of operations and going concern (note 1)
Commitments (note 14)
Subsequent event (note 17)

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

Approved by the Board of Directors

"Robert Giustra"	*"Gil Atzmon"*
Robert Giustra – Director	Gil Atzmon - Director

Columbus Gold Corporation
(An Exploration Stage Company)
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Year ended September 30, 2015 ($)	Year ended September 30, 2014 ($)
Operating expenses		
Administration and office	1,401,229	1,079,866
Directors fees (note 12)	132,000	106,000
General exploration	92,996	24,073
Investor relations	693,526	433,909
Management fees (note 12)	330,000	342,500
Professional fees	506,563	961,125
Share-based payments (note 11b)	678,311	757,821
Transfer and filing fees	86,442	79,840
Travel	256,432	149,390
Amortization	59,438	48,805
Impairment of exploration and evaluation assets (note 8)	1,052,827	1,041,198
Income from third party interest in exploration and evaluation assets	-	(109,804)
Loss before other items	(5,289,764)	(4,914,723)
Other items		
Interest income	38,524	31,440
Other income	35,972	153,620
Foreign exchange gain (loss)	161,859	19,037
Impairment of available-for-sale investments (note 5)	-	(252,195)
Loss before taxes	(5,053,409)	(4,962,821)
Income tax recovery (note 16)	-	(868,738)
Net loss for the year	**(5,053,409)**	**(4,094,083)**
Reclassified to net income or loss:		
Unrealized loss on available-for-sale investments	-	252,195
Items that may subsequently be reclassified to net income or loss:		
Unrealized (loss) gain on available-for-sale investments	(657,478)	257,928
Foreign currency translation	1,980,311	930,817
Comprehensive loss for the year	**(3,730,576)**	**(2,653,143)**
Loss per share (note 11d)		
Basic	(0.04)	(0.03)
Diluted	(0.04)	(0.03)

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

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

	Year ended	
	September 30, 2015 ($)	**September 30, 2014 ($)**
Operating activities		
Net loss for the year	(5,053,409)	(4,094,083)
Items not involving cash		
Amortization	59,438	48,805
Share-based payments (note 11b)	678,311	757,821
Impairment of available-for-sale investments	-	252,195
Unrealized foreign exchange gain	(428,578)	-
Impairment of exploration and evaluation asset	1,052,827	1,041,198
	(3,691,411)	(1,994,064)
Changes in non-cash working capital		
Receivables and prepaid expenses	(90,645)	(1,027,513)
Accounts payable and accrued liabilities	(308,352)	1,025,850
Income taxes payable	-	(868,738)
Cash used in operating activities	(4,090,408)	(2,864,465)
Investing activities		
Exploration advances (expenditures) from Nord Gold N.V. (note 8)	(3,134,033)	3,252,504
Operator's fee (note 8)	821,935	647,563
Payments received	-	4,519,891
Interest received	38,524	-
Reclamation bonds	(163,502)	13,040
Exploration and evaluation assets (note 8)	(4,662,036)	(7,431,221)
Equipment (note 9)	(23,931)	(39,037)
Restoration costs (note 10)	(192,785)	(3,663)
Cash (used in) from investing activities	(7,315,828)	959,077
Financing activities		
Private placement, net of finders' fees	1,880,000	5,038,400
Proceeds from share options exercised	220,373	260,625
Proceeds from warrants exercised	-	15,400
Repayment of leasehold improvements costs	(20,421)	(20,421)
Cash from financing activities	2,079,952	5,294,004
Effect of foreign exchange on cash	263,352	(17,905)
(Decrease) increase in cash	(9,062,932)	3,370,711
Cash, beginning of year	10,366,494	6,995,783
Cash, end of year	**1,303,562**	**10,366,494**

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

(Expressed in Canadian Dollars)

	Share capital		Reserves				
	Number of shares	Share capital ($)	Share options and warrants ($)	Accumulated other comprehensive income (loss) ($)	Total ($)	Deficit ($)	Total ($)
Balance, October 1, 2013	102,825,156	42,345,791	6,500,051	(177,261)	6,322,790	(13,307,918)	35,360,663
Private placement (note 11a)	13,400,000	5,360,000	-	-	-	-	5,360,000
Finder's fee for private placement (note 11a)	-	(482,859)	161,259	-	161,259	-	(321,600)
Shares issued for royalty acquisition (note 8)	18,208,328	5,371,457	-	-	-	-	5,371,457
Shares issued for Paul Isnard obligation (note 8)	368,602	164,028	-	-	-	-	164,028
Share options exercised (note 11b)	977,500	404,905	(144,280)	-	(144,280)	-	260,625
Warrants exercised (note 11c)	28,000	21,734	(6,334)	-	(6,334)	-	15,400
Share-based payments (note 11b)	-	-	757,821	-	757,821	-	757,821
Comprehensive income	-	-	-	1,440,940	1,440,940	(4,094,083)	(2,653,143)
Balance, September 30, 2014	**135,807,586**	**53,185,056**	**7,268,517**	**1,263,679**	**8,532,196**	**(17,402,001)**	**44,315,251**
Private placement	5,000,000	1,880,000	-	-	-	-	1,880,000
Share options exercised (note 11b)	857,500	352,505	(132,132)	-	(132,132)	-	220,373
Share-based payments (note 11b)	-	-	678,311	-	678,311	-	678,311
Comprehensive loss	-	-	-	1,322,833	1,322,833	(5,053,409)	(3,730,576)
Balance, September 30, 2015	**141,665,086**	**55,417,561**	**7,814,696**	**2,586,512**	**10,401,208**	**(22,455,410)**	**43,363,359**

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

1. Nature of operations and going concern

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

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

These consolidated financial statements have been prepared on a going concern basis which implies that the Company will continue realizing assets and discharging liabilities in the normal course of business for the foreseeable future. Should the going concern assumption not continue to be appropriate, further adjustments to carrying values of assets and liabilities may be required. At September 30, 2015, the Company has working capital of $1,133,067 (September 30, 2014 - $6,486,372) and an accumulated deficit of $22,455,410 (September 30, 2014 - $17,402,001). The Company presently has sufficient working capital to fund operations but will require additional funding to meet its exploration commitments and fund its intended exploration programs. Accordingly, the ability of the Company to realize the carrying value of its assets and continue operations as a going concern is dependent upon its ability to raise additional debt or equity to fund ongoing costs of operations and/or secure new or additional partners in order to advance its projects. Subsequent to year end the Company sold a 5% interest in Paul Isnard for US$6,000,000. Refer to note 17.

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

2. Basis of presentation

(a) Statement of compliance

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

These consolidated financial statements were approved by the Board of Directors and authorized for issue on January 26, 2016.

(b) Basis of measurement

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

2. Basis of presentation – *continued*

(c) Basis of consolidation

These consolidated financial statements include the accounts of Columbus Gold and its wholly-owned subsidiaries Columbus Gold (US Property Holding) Corporation, Columbus Gold (U.S.) Corporation, Columbus Gold Nevada Corp., Columbus Gold (Luxembourg) S.à.r.l., Columbus International (Luxembourg) S.à.r.l. and Société de Travaux Publics et de Mines Aurifères en Guyane S.A.S. ("SOTRAPMAG"). All inter-company transactions and balances have been eliminated upon consolidation.

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

(d) Use of estimates and judgments

Significant estimates and assumptions

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

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

Significant judgments

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

3. Significant accounting policies

(a) Comparative figures

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

(b) Foreign currency translation

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

Entity	Functional currency
Columbus Gold Corporation	Canadian dollar
Columbus Gold (US Property Holding) Corporation	Canadian dollar
Columbus Gold (U.S.) Corporation	United States dollar
Columbus Gold (Nevada) Corp.	United States dollar
Columbus Gold (Luxembourg) S.à.r.l.	European euro
Columbus International (Luxembourg) S.à.r.l	European euro
Société de Travaux Publics et de Mines Aurifères en Guyane S.A.S.	European euro

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

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

(c) Exploration and evaluation assets

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

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

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

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

3. Significant accounting policies - *continued*

(d) Equipment

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

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

(e) Impairment of long-lived assets

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

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

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

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

(f) Restoration provision

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

3. Significant accounting policies - *continued*

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

(g) Finance income and expenses

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

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

(h) Income taxes

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

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

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

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

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

(i) Loss per share

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

3. Significant accounting policies - *continued*

(j) Share-based payments

The Company grants share-based awards, including options, as an element of compensation to directors, officers, employees and service providers. Details of the Company's share option plan are disclosed in note 11(b).

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

(k) Financial instruments

Financial assets

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

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

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

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

Financial liabilities

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

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

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

4. Changes in accounting standards

Effective October 1, 2014, the Company has adopted the following new and revised standards issued by the International Accounting Standards Board:

(a) IAS 32 - *Financial Instruments: Presentation ("IAS 32")*

These amendments address inconsistencies when applying the offsetting requirements, and is effective for annual periods beginning on or after January 1, 2014. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended September 30, 2015, and have not been applied in preparing these consolidated financial statements. Those that may have a significant effect on the consolidated financial statements of the Company are as follows:

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

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

(b) Other

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

(Expressed in Canadian Dollars)

5. Available-for-sale investments

	September 30, 2015 ($)	September 30, 2014 ($)
Sniper Resources Ltd.	127,854	767,116
Navaho Gold Limited	10,898	22,695
Piedmont Mining Corp.	7,549	11,968
Roscan Minerals Corporation	500	2,500
	146,801	**804,279**

During the year ended September 30, 2015, the Company reclassified $nil (2014 - $252,195) from accumulated other comprehensive loss to profit or loss as a result of impairment of the Company's available-for-sale investments. Further changes to the fair value of available-for-sale investments that are not considered an impairment are recorded in other comprehensive income (loss).

At September 30, 2015, the Company held 12,785,248 (September 30, 2014 – 12,785,248) shares of Sniper Resources Inc. with an original cost of $827,532.

6. Receivables

	September 30, 2015 ($)	September 30, 2014 ($)
Interest receivable from Columbus Exploration Corporation (note 12)	-	300,890
Due from related parties (note 12)	257,882	283,926
Due from Nord Gold N.V. ("Nordgold")	239,587	-
Other receivables	240,130	61,564
	737,599	**646,380**

7. Reclamation bonds

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

	September 30, 2015 ($)	September 30, 2014 ($)
Antelope	6,467	5,428
Big Lime	10,409	8,399
Bolo	207,515	174,159
Brown's Canyon	9,248	7,762
Eastside	237,408	15,657
Hugh's Canyon	-	15,475
Pete's Summit	6,539	25,088
	477,586	**251,968**

(Expressed in Canadian Dollars)

8. Exploration and evaluation assets

A summary of exploration and evaluation assets by property for the year ended September 30, 2015 is set out below:

Property	Balance at October 1, 2014 ($)	Additions ($)	Other ($)	Impairment[2] ($)	Foreign exchange ($)	Balance at September 30, 2015 ($)
French Guiana						
Paul Isnard	31,345,137	7,875,310	(8,939,502)[1]	-	621,417	30,902,362
Nevada						
Big Lime	1	5,344	-	(5,759)	415	1
Bolo	2,912,487	54,772	-	-	562,053	3,529,312
Brown's Canyon	126,307	6,754	-	(157,775)	24,714	-
Crestview	1	-	-	(1)	-	-
Eastside	2,460,729	3,564,704	-	-	748,205	6,773,638
Four Metals	11,825	6,504	-	(21,098)	2,770	1
Hugh’s Canyon	330,508	26,809	-	(422,696)	65,380	1
Monitor Hills	240,758	24,409	-	(313,172)	48,006	1
North Brown	9,920	5,601	-	(17,855)	2,335	1
Overland Pass	1	18,802	-	(20,262)	1,460	1
Red Hills	4,010	-	-	(4,778)	769	1
Utah Clipper	1	49,875	-	(50,829)	953	-
Weepah	-	1,401	-	(1,509)	109	1
White Canyon	104	114	-	(245)	28	1
White Horse Flats	6,905	4,035	-	(12,573)	1,634	1
White Horse Flats North	13,487	7,615	-	(24,275)	3,174	1
	37,462,181	**11,652,049**	**(8,939,502)**	**(1,052,827)**	**2,083,422**	**41,205,323**

[1] Consists of $8,117,567 exploration and evaluation funded by Nordgold and operator’s fee earned of $821,935.
[2] The Company dropped and written off the Brown’s Canyon, Crestview and Utah Clipper properties during the period. The Company further impaired all other Nevada properties to $1 except the Bolo and Eastside properties.

(Expressed in Canadian Dollars)

8. Exploration and evaluation assets - *continued*

A summary of exploration and evaluation assets by property for the year ended September 30, 2014 is set out below:

Property	Balance at October 1, 2013 ($)	Additions ($)	Other ($)	Impairment ($)	Foreign exchange ($)	Balance at September 30, 2014 ($)
French Guiana						
Paul Isnard	24,224,015	18,516,070	(11,654,825)[1]	-	259,877	31,345,137
Nevada						
Antelope	1	-	-	(1)[2]	-	-
Big Lime	158,317	15,292	-	(187,914)[3]	14,306	1
Bolo	2,576,461	108,021	-	-	228,005	2,912,487
Brown's Canyon	109,780	6,739	-	-	9,788	126,307
Crestview	186,632	-	-	(202,879)[3]	16,248	1
Dutch Flat	1	-	-	(1)[2]	-	-
Eastside	703,147	1,640,248	-	-	117,334	2,460,729
Four Metals	4,808	6,380	-	-	637	11,825
Golden Mile	36,983	1,924	-	(41,647)[2]	2,740	-
Hugh's Canyon	272,089	33,582	-	-	24,837	330,508
Monitor Hills	197,283	25,429	-	-	18,046	240,758
North Brown	4,036	5,350	-	-	534	9,920
Overland Pass	1	16,797	-	(17,371)[3]	574	1
Pete's Summit	92,839	197,679	-	(301,410)[2]	10,892	-
Red Hills	1,261	2,552	-	-	197	4,010
Utah Clipper	255,716	11,598	-	(289,973)[3]	22,660	1
Weepah	250,230	-	(264,080)[4]	-	13,850	-
White Canyon	1	99	-	-	4	104
White Horse Flats	2,686	3,853	-	-	366	6,905
White Horse Flats North	5,487	7,273	-	-	727	13,487
White Oaks	1	-	-	(1)[2]	-	-
Winnemucca	1	-	-	(1)[2]	-	-
	29,081,776	**20,598,886**	**(11,918,905)**	**(1,041,198)**	**741,622**	**37,462,181**

[1] Consists of $6,638,561 exploration and evaluation funded by Nordgold, operator's fee earned of $647,563, $4,519,891 received from Nordgold as part of the Paul Isnard option agreement, offset by $151,190 transferred from equipment.
[2] Dropped by the Company and written off.
[3] Impairment.
[4] Option payment received in shares of Sniper Resources Ltd.

(Expressed in Canadian Dollars)

8. Exploration and evaluation assets - *continued*

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

	($)
Balance at October 1, 2013	29,081,776
Acquisition and land	9,805,567
Camp costs and other	1,430,828
Drilling	5,433,961
Equipment	1,617,482
Geology and trenching	105,039
Geophysics	97,077
Management and administration	1,769,023
Technical studies	231,019
Travel	108,890
Reclassified from equipment	151,190
Operator fee	(647,563)
Payments received - (US$4.2 million from Nordgold as required under Paul Isnard option agreement)	(4,519,891)
Payments received – option payments	(264,080)
Amounts funded by Nordgold	(6,638,561)
Impairment	(1,041,198)
Foreign exchange	741,622
Balance at September 30, 2014	**37,462,181**
Acquisition and land	57,132
Camp costs and other	999,868
Drilling	6,060,556
Equipment	417,163
Geology and trenching	629,994
Management and administration	2,689,754
Technical studies	588,820
Travel	208,762
Operator fee	(821,935)
Amounts funded by Nordgold	(8,117,567)
Impairment	(1,052,827)
Foreign exchange	2,083,422
Balance at September 30, 2015	**41,205,323**

Paul Isnard

The Company's 100% owned "Paul Isnard Gold Project" consists of eight mining permits located in French Guiana.

The Company entered into a binding letter option agreement with major gold producer Nordgold on September 17, 2013, and subsequently executed a definitive agreement on March 13, 2014, under which Nordgold has been granted the right to acquire a 50.01% interest in the Paul Isnard mining concessions and the pending exploration permit. Nordgold can earn its interest in the mineral permits by completing a bankable feasibility study and by expending not less than US$30 million in 3 years, which includes a requirement for Nordgold to pay the Company US$4.2 million in cash no later than May 21, 2014 (received). During the earn-in period, the Company is the operator on the Paul Isnard Gold Project and earns a 10% operator fee on certain expenditures.

On May 21, 2013, the Company entered into an agreement with Sandstorm Gold Ltd. ("Sandstorm") and sold a 1% net smelter returns royalty ("NSR") on production from the Paul Isnard Gold Project for cash proceeds of US$5,000,000.

(Expressed in Canadian Dollars)

8. Exploration and evaluation assets - *continued*

Eastside

The Eastside property is located approximately 32 km west of Tonopah, Nevada. The Company holds a 100% interest in Eastside, subject to underlying royalties.

Bolo

The Bolo property is located approximately 60 km northeast of Tonopah, Nevada. Bolo is 100% controlled by the Company, subject to underling royalties.

Weepah

On June 30, 2014, the Company and Sniper Resources Ltd. ("Sniper") terminated an option agreement dated September 26, 2011, whereby Sniper could have earned an initial 51% interest in Weepah, and replaced it with a purchase agreement dated June 30, 2014 (the "Second Weepah Agreement"). Under the terms of the Second Weepah Agreement, the Company sold a 50.01% undivided beneficial interest in Weepah to Sniper, in exchange for receiving 7,647,503 common shares (received) of Sniper. Sniper is obligated to earn a further 49.99% of Weepah on July 1, 2017 by issuing to the Company additional common shares of Sniper equal to 19.99% of the July 1, 2017 post-closing issued capital of Sniper less 12,785,248 common shares. Concurrently upon closing of the final 49.99% interest in Weepah, Sniper shall grant to the Company a 1% NSR on the Weepah project.

Other

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

9. Equipment

	Furniture ($)	Leasehold improvements ($)	Equipment ($)	Total ($)
Cost				
Balance, October 1, 2013	30,490	182,583	252,437	465,510
Additions	26,548	7,559	4,930	39,037
Reclassified to exploration and evaluation assets	-	-	(239,467)	(239,467)
Balance, September 30, 2014	57,038	190,142	17,900	265,080
Additions	1,706	-	22,225	23,931
Balance, September 30, 2015	58,744	190,142	40,125	289,011
Accumulated amortization				
Balance, October 1, 2013	(9,655)	(55,589)	(95,648)	(160,892)
Amortization	(8,664)	(37,379)	(2,762)	(48,805)
Reclassified to exploration and evaluation assets	-	-	88,277	88,277
Balance, September 30, 2014	(18,319)	(92,968)	(10,133)	(121,420)
Amortization	(11,578)	(40,060)	(7,800)	(59,438)
Balance, September 30, 2015	(29,897)	(133,028)	(17,933)	(180,858)
Net book value, September 30, 2014	**38,719**	**97,174**	**7,767**	**143,660**
Net book value, September 30, 2015	**28,847**	**57,114**	**22,192**	**108,153**

(Expressed in Canadian Dollars)

10. Restoration provision

The Company's restoration provision relates to the Paul Isnard Gold Project, and has not been discounted as the full amount is expected to be incurred within a year.

11. Share capital

(a) Common shares

Authorized - Unlimited common shares without par value.

At September 30, 2015, the Company had 141,665,086 (September 30, 2014 – 135,807,586) common shares issued and outstanding.

On May 19, 2015, the Company completed a private placement of 5,000,000 common shares, at a price of $0.40 per share, for gross proceeds of $2 million. A finders' fee of 6% in cash has been paid in connection with the private placement.

On September 24, 2014, the Company completed a private placement and issued 13,400,000 common shares at a price of $0.40 per common share, for gross proceeds of $5,360,000. The Company issued 804,000 warrants and paid $321,600 to a third party as finder's fees.

On August 29, 2014, Columbus Gold issued 368,602 common shares with a fair value of $164,028 in connection with the Paul Isnard Gold Project.

On November 7, 2013, the Company issued 18,208,328 shares with a fair value of $5,371,457.

(b) Share options

On January 25, 2013, the Company amended its share purchase option plan to authorize the Company to issue share options whereby the total share options outstanding may be up to 10% of its issued capital at the time of an applicable option grant. The Board of Directors may from time to time, grant options to directors, officers, employees or consultants. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant date.

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

	Number of options	**Weighted average exercise price ($)**
Balance, October 1, 2013	10,075,000	0.45
Granted	3,275,000	0.39
Exercised	(977,500)	0.27
Cancelled	(225,000)	0.43
Balance, September 30, 2014	12,147,500	0.44
Granted	1,700,000	0.50
Exercised	(857,500)	0.26
Forfeited	(75,000)	0.35
Cancelled	(400,000)	0.66
Balance, September 30, 2015	**12,515,000**	**0.46**

(Expressed in Canadian Dollars)

11. Share capital - *continued*

A summary of the Company's options at September 30, 2015 is as follows:

	Options outstanding		Options exercisable	
Exercise price ($)	**Number of options outstanding**	**Weighted average remaining contractual life (years)**	**Number of Options exercisable**	**Weighted average remaining contractual life (years)**
0.30	2,250,000	7.53	2,250,000	7.53
0.30	1,750,000	7.94	875,000	7.94
0.35	1,990,000	3.22	1,915,000	3.22
0.45	1,150,000	3.99	925,000	3.99
0.45	400,000	7.33	400,000	7.33
0.50	908,500	0.18	908,500	0.18
0.50	1,700,000	4.35	1,550,000	4.35
0.78	1,281,500	0.71	1,281,500	0.71
0.78	1,085,000	1.23	1,085,000	1.23
0.30-0.78	**12,515,000**	**4.36**	**11,190,000**	**4.09**

The fair value of share options recognized as an expense during the year ended September 30, 2015 was $678,311 (2014 - $757,821).

The following are the share options granted and weighted average assumptions used in the Black-Scholes options pricing model for share options granted during the years ended September 30, 2015 and 2014:

	Year ended	
	September 30, 2015	**September 30, 2014**
Number of share options granted	1,700,000	3,275,000
Weighted average fair value per share option granted	$0.27	$0.15
Total fair value of share options granted	$457,968	$626,600
Black-Scholes option pricing model assumptions:		
Expected price volatility	87%	86%
Risk free interest rate	0.54%	1.23%
Expected life of options	3 years	3 years
Expected dividend yield	nil	nil

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

(Expressed in Canadian Dollars)

11. Share capital - *continued*

(c) Warrants

On September 23, 2014, the Company granted 804,000 warrants to a third party as finder's fees, in connection with a private placement of the Company's common shares completed on September 24, 2014. The aforementioned warrants are exercisable immediately, at a price of $0.40 per share until September 24, 2015. At the date of issue the estimated fair value of the warrants was $161,258 based on the Black Scholes option pricing model, using the following assumptions:

Expected price volatility	87%
Risk free interest rate	1.11%
Expected life of options	1 year
Expected dividend yield	nil

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

	Number of warrants	**Weighted average exercise price ($)**
Balance, October 1, 2013	5,700,000	0.64
Granted	804,000	0.40
Exercised	(28,000)	0.55
Expired	(5,672,000)	(0.64)
Balance, September 30, 2014	804,000	0.40
Expired	(804,000)	0.40
Balance, September 30, 2015	-	-

There are no warrants outstanding as at September 30, 2015.

(Expressed in Canadian Dollars)

11. Share capital - *continued*

(d) Loss per share

	Year ended	
	September 30, 2015 ($)	**September 30, 2014 ($)**
Basic loss per share	(0.04)	(0.03)
Diluted loss per share	(0.04)	(0.03)
Net loss for the year	**(5,053,409)**	**(4,094,083)**

	Year ended	
	September 30, 2015	**September 30, 2014**
Shares outstanding, beginning of period	135,807,586	102,825,156
Effect of private placement	1,931,507	293,699
Effect of shares issued for royalty acquisition	-	16,362,552
Effect of shares issued for Paul Isnard obligation	-	19,188
Effect of share options exercised	617,411	456,256
Effect of warrants exercised	-	15,726
Basic weighted average number of shares outstanding	**138,356,504**	**119,972,577**
Effect of dilutive share options	**-**	**-**
Effect of dilutive warrants	**-**	**-**
Diluted weighted average number of shares outstanding	**138,356,504**	**119,972,577**

During the year ended September 30, 2015, there were 12,515,000 (2014 – 12,147,500) share options and nil (2014 – 804,000) warrants that were potentially dilutive but not included in the diluted earnings per share calculation as the effect would be anti-dilutive.

(Expressed in Canadian Dollars)

12. Related party transactions

During the year ended September 30, 2014, the Company entered into a services agreement with Organto Foods Inc. (formerly Columbus Exploration Corporation) ("Columbus Exploration") and Columbus Copper Corporation ("Columbus Copper"), companies under common management, whereby the Company provides administration and management services to Columbus Exploration and Columbus Copper for a fixed monthly. The aforementioned services agreement is effective January 1, 2014, until December 31, 2015, and may be terminated with 30 days' notice by the Company, or 90 days' notice by Columbus Copper Corporation or Columbus Exploration.

On March 2, 2015, the Company entered into an agreement with Columbus Exploration, pursuant to which Columbus Exploration will transfer to Columbus Gold its Mogollon Project in consideration for the cancellation of debts owed by Columbus Exploration to Columbus Gold of $447,739. The transfer was completed subsequent to September 30, 2015. The debt owed to Columbus Gold has been shown as a long-term asset.

The following is a summary of related party transactions:

	Year ended	
	September 30, 2015 ($)	**September 30, 2014 ($)**
Management fees paid to a company controlled by the CEO and Chairman of the Company	330,000	342,500
Accounting fees paid to the CFO of the Company	125,775	107,075
Consulting fees paid or accrued to Cordex Exploration LLC (note 11)	247,665	216,604
Management fees paid or accrued to the president of a subsidiary of the Company	-	15,000
Directors fees paid or accrued	132,000	106,000
Administration fees received or accrued from Columbus Exploration and Columbus Copper	(36,000)	(153,620)
	799,440	**633,559**

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

	September 30, 2015 ($)	**September 30, 2014 ($)**
Advances to a Company controlled by the CEO and Chairman of the Company	50,000	20,000
Advances to the CEO of the Company	25,467	10,000
Receivable from Columbus Exploration to be settled for Mogollon Project	447,739	-
Interest receivable from Columbus Exploration	-	300,890
Trade receivables from Columbus Exploration	257,882	131,657
Trade receivables from Columbus Copper	-	152,269
Directors fees payable	(31,000)	-
	750,088	**614,816**

(Expressed in Canadian Dollars)

13. Segmented information

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

	September 30 2015, ($)	September 30, 2014 ($)
Current assets		
Canada	1,283,997	8,745,908
USA	277,386	323,698
France (French Guiana)	847,142	3,613,785
	2,408,525	12,683,391
Non-current assets		
Canada	555,892	143,660
USA	10,780,551	6,369,018
France (French Guiana)	30,902,358	31,345,131
	42,238,801	37,857,809
Total assets		
Canada	1,839,889	8,889,568
USA	11,057,937	6,692,716
France (French Guiana)	31,749,500	34,958,916
	44,647,326	**50,541,200**

14. Commitments

Since 2005, the Company has engaged the services of Cordex Exploration LLC ("Cordex") to generate, evaluate, and explore resource properties on behalf of the Company, primarily in Nevada; this has been accomplished through an agreement that is generally updated on an annual basis. The current agreement is in effect to December 31, 2015. Monthly payments consist of a management fee of US$16,667. The Company has committed to fund annual exploration programs through Cordex of not less than US$600,000. There is a specified NSR royalty for Cordex on existing and new Columbus Gold properties. The principal of Cordex is the president of a subsidiary of the Company.

In addition, the Company has commitments as follows:

	1 year ($)	2-3 years ($)	4-5 years ($)	Total ($)
Office lease payments	165,634	169,234	184,615	519,483

15. Financial risk and capital management

Financial risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at September 30, 2015 are summarized below. The Board of Directors reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

(a) Credit risk

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

(b) Liquidity risk

Liquidity risk arises from the Company's general and capital financing needs. The Company manages liquidity risk by attempting to maintain sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at September 30, 2015, the Company has working capital of $1,133,067 (September 30, 2014 - $6,486,372).

(c) Market risks

(i) Foreign currency risk

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

(ii) Commodity price risk

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

(iii) Interest rate risk

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

Sensitivity analysis

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

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

15. Financial risk and capital management - *continued*

Capital management

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

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

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

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

Fair value

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

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

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

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

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. Available-for-sale investments are classified as Level 1. At September 30, 2015, there were no financial assets or liabilities measured and recognized in the consolidated statement of position that would be categorized as Level 2 or Level 3 in the fair value hierarchy above.

(Expressed in Canadian Dollars)

16. Income taxes

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

	Year ended	
	September 30, 2015 ($)	**September 30, 2014 ($)**
Loss before taxes	(5,053,409)	(4,962,821)
Canadian federal and provincial income tax rates	26.00%	26.00%
Expected income tax recovery	(1,313,900)	(1,290,300)
Foreign tax differences, rate changes and foreign exchange	(51,100)	(151,000)
Expiry of non-capital losses carried forward	174,800	139,400
Non-taxable items	(376,600)	244,500
Share issue costs	(31,200)	(83,600)
True up prior year timing differences	(126,000)	(806,138)
Unrealized changes in available-for-sale investments	(170,900)	-
Change in valuation of deferred tax assets	1,894,900	1,078,400
Income tax (recovery) expense	**-**	**(868,738)**

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

	September 30, 2015 ($)	**September 30, 2014 ($)**
Net operating losses carried forward	9,144,000	5,944,200
Share issuance costs	102,200	123,300
Equipment and other	34,300	7,100
Investments	301,700	-
Capital losses carried forward	329,300	329,300
Resource properties costs	(2,805,900)	(1,193,200)
Valuation allowance	(7,105,600)	(5,210,700)
	-	-

(Expressed in Canadian Dollars)

16. Income taxes - *continued*

As of September 30, 2015, the Company has Canadian tax loss carry-forwards of approximately $6,805,500 (2014 - $6,168,000) available to reduce future years' taxable income. The Company recognizes the benefit of tax losses only to the extent of anticipated future taxable income in the relevant jurisdictions. The Company's tax loss carry-forwards will expire, if not utilized as follows:

	Canada (CDN$)	**USA (US$)**	**French Guiana (Euro)**	**Luxembourg (Euro)**
September 30, 2026	764,500	-		-
September 30, 2027	982,300	-		-
September 30, 2028	813,800	-		-
September 30, 2029	542,800	-		-
September 30, 2030	450,200	-		-
September 30, 2031	93,600	-		-
September 30, 2032	860,500	-		-
September 30, 2033	451,600	-		-
September 30, 2034	949,200	-		-
September 30, 2035	897,000	-	-	-
Various dates	-	8,070,400	7,115,000	141,400
	6,805,500	**8,070,400**	**7,115,000**	**141,400**

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

17. Subsequent event

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

On December 22, 2015, the Company entered into an option agreement with a third party, allowing the third party an option to acquire a 100% interest in the Company's beneficially owned Mogollon silver-gold project located in Catron County, New Mexico. The agreement requires the third party to pay Columbus Gold an aggregate of US$1,000,000 in staged annual payments over a four year period.