



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

Condensed Interim Consolidated Financial Statements

**For the Three Months Ended
December 31, 2015**

**(Stated in Canadian Dollars)
(Unaudited)**

NOTICE OF NO REVIEW BY AUDITOR

In accordance with National Instrument 51-102 *Continuous Disclosure Obligations* of The Canadian Securities Administrators we hereby give notice that our condensed interim consolidated financial statements for the three months ended December 31, 2015, which follow this notice, have not been reviewed by an auditor.

Columbus Gold Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position (Unaudited)

(Expressed in Canadian Dollars)



| | December 31, 2015 (\$) | September 30, 2015 (\$) |
|---|------------------------------|-------------------------------|
| Assets | | |
| Current assets | | |
| Cash | 1,069,347 | 1,303,562 |
| Available-for-sale investments (note 3) | 153,427 | 146,801 |
| Receivables (note 4) | 745,686 | 737,599 |
| Prepaid expenses | 246,096 | 220,563 |
| | 2,214,556 | 2,408,525 |
| Non-current assets | | |
| Receivable from related party (note 8) | 453,697 | 447,739 |
| Reclamation bonds (note 5) | 495,300 | 477,586 |
| Exploration and evaluation assets (note 6) | 41,159,293 | 41,205,323 |
| Equipment | 93,887 | 108,153 |
| | 44,416,733 | 44,647,326 |
| Liabilities and shareholders' equity | | |
| Current liabilities | | |
| Accounts payable (note 8) | 926,317 | 715,683 |
| Accrued liabilities (note 8) | 173,447 | 440,349 |
| Restoration provision | 86,468 | 119,426 |
| | 1,186,232 | 1,275,458 |
| Non-current liabilities | | |
| Other non-current liabilities | 3,404 | 8,509 |
| | 1,189,636 | 1,283,967 |
| Shareholders' equity | | |
| Share capital (note 7) | 55,417,561 | 55,417,561 |
| Reserves | 10,918,461 | 10,401,208 |
| Deficit | (23,108,925) | (22,455,410) |
| | 43,227,097 | 43,363,359 |
| | 44,416,733 | 44,647,326 |

Nature of operations and going concern (note 1)

Commitments (note 10)

Subsequent event (note 11)

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

Approved by the Board of Directors*"Robert Giustra"*

Robert Giustra – Director

"Gil Atzmon"

Gil Atzmon - Director

Columbus Gold Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Comprehensive Loss (Unaudited)

(Expressed in Canadian Dollars)



| | Three months ended | |
|--|------------------------------|------------------------------|
| | December 31, 2015 (\$) | December 31, 2014 (\$) |
| Operating expenses | | |
| Administration and office | 333,380 | 356,199 |
| Directors fees (note 8) | 36,000 | 30,000 |
| General exploration | 13,370 | 21,540 |
| Investor relations | 43,872 | 373,460 |
| Management fees (note 8) | 75,000 | 60,000 |
| Professional fees | 97,862 | 110,290 |
| Share-based payments (note 7b) | 32,561 | 115,137 |
| Transfer and filing fees | 29,927 | 9,551 |
| Travel, advertising and promotion | 6,363 | 70,277 |
| Amortization | 15,980 | 13,900 |
| Loss before other items | (684,315) | (1,160,354) |
| Other items | | |
| Interest income | 1,008 | 17,442 |
| Other income | 23,000 | 9,000 |
| Foreign exchange gain | 6,792 | 76,643 |
| Net loss for the period | (653,515) | (1,057,269) |
| Items that may subsequently be reclassified to net income or loss: | | |
| Unrealized gain on available-for-sale investments | 6,625 | 53,494 |
| Foreign currency translation | 478,067 | 151,990 |
| Comprehensive loss for the period | (168,823) | (851,785) |
| Loss per share (note 7d) | | |
| Basic | (0.00) | (0.01) |
| Diluted | (0.00) | (0.01) |

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

Columbus Gold Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flows (Unaudited)

(Expressed in Canadian Dollars)



| | Three months ended | |
|---|---------------------------------------|---------------------------------------|
| | December 31, 2015 (\$) | December 31, 2014 (\$) |
| Operating activities | | |
| Net loss for the period | (653,515) | (1,057,269) |
| Items not involving cash | | |
| Amortization | 15,980 | 13,900 |
| Share-based payments (note 7b) | 32,561 | 115,137 |
| Unrealized foreign exchange loss (gain) | 21,385 | (60,378) |
| | (583,589) | (988,610) |
| Changes in non-cash working capital | | |
| Receivables and prepaid expenses | 561,030 | 637,761 |
| Accounts payable and accrued liabilities | (191,483) | (1,164,460) |
| Cash used in operating activities | (214,042) | (1,515,309) |
| Investing activities | | |
| Exploration advances from Nord Gold N.V. (note 6) | - | (1,668,442) |
| Operator's fee (note 6) | 316,719 | 307,094 |
| Interest received | 1,008 | 17,442 |
| Reclamation bonds | - | 15,935 |
| Exploration and evaluation assets (note 6) | (296,436) | (190,946) |
| Equipment | (1,714) | - |
| Restoration costs | (38,584) | (306,364) |
| Cash used in investing activities | (19,007) | (1,825,281) |
| Financing activities | | |
| Proceeds from share options exercised | - | 86,874 |
| Repayment of leasehold improvements costs | (5,105) | (5,105) |
| Cash from (used in) financing activities | (5,105) | 81,769 |
| Effect of foreign exchange on cash | 3,939 | 72,471 |
| Decrease in cash | (234,215) | (3,186,350) |
| Cash, beginning of period | 1,303,562 | 10,366,494 |
| Cash, end of period | 1,069,347 | 7,180,144 |

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

Columbus Gold Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Shareholders' Equity (Unaudited)

(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, 2014 | 135,807,586 | 53,185,056 | 7,268,517 | 1,263,679 | 8,532,196 | (17,402,001) | 44,315,251 |
| Share options exercised | 347,500 | 140,354 | (53,480) | - | (53,480) | - | 86,874 |
| Share-based payments | - | - | 115,137 | - | 115,137 | - | 115,137 |
| Comprehensive loss | - | - | - | 205,484 | 205,484 | (1,057,269) | (851,785) |
| Balance, December 31, 2014 | 136,155,086 | 53,325,410 | 7,330,174 | 1,469,163 | 8,799,337 | (18,459,270) | 43,665,477 |
| Balance, October 1, 2015 | 141,665,086 | 55,417,561 | 7,814,696 | 2,586,512 | 10,401,208 | (22,455,410) | 43,363,359 |
| Share-based payments (note 7b) | - | - | 32,561 | - | 32,561 | - | 32,561 |
| Comprehensive loss | - | - | - | 484,692 | 484,692 | (653,515) | (168,823) |
| Balance, December 31, 2015 | 141,665,086 | 55,417,561 | 7,847,257 | 3,071,204 | 10,918,461 | (23,108,925) | 43,227,097 |

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

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Three Months Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)



1. Nature of operations and going concern

Columbus Gold Corp. (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 condensed interim 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 December 31, 2015, the Company has working capital of \$1,028,324 (September 30, 2015 - \$1,133,067) and an accumulated deficit of \$23,108,925 (September 30, 2015 - \$22,455,410). 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.

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

2. Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting* (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements have been prepared using the same accounting policies and methods of computation as the most recent annual financial statements for the year ending September 30, 2015. Certain amounts in the prior period have been reclassified to conform with the presentation in the current period.

These condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issue on February 22, 2016.

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Three Months Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

**3. Available-for-sale investments**

| | December 31, 2015 (\$) | September 30, 2015 (\$) |
|-----------------------------|------------------------------|-------------------------------|
| Sniper Resources Ltd. | 127,854 | 127,854 |
| Navaho Gold Limited | 17,244 | 10,898 |
| Piedmont Mining Corp. | 7,829 | 7,549 |
| Roscan Minerals Corporation | 500 | 500 |
| | 153,427 | 146,801 |

4. Receivables

| | December 31, 2015 (\$) | September 30, 2015 (\$) |
|--------------------------------------|------------------------------|-------------------------------|
| Due from related parties (note 8) | 19,425 | 257,882 |
| Due from Nord Gold N.V. ("Nordgold") | 405,067 | 239,587 |
| Other receivables | 321,194 | 240,130 |
| | 745,686 | 737,599 |

5. 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:

| | December 31, 2015 (\$) | September 30, 2015 (\$) |
|----------------|------------------------------|-------------------------------|
| Antelope | 6,707 | 6,467 |
| Big Lime | 10,795 | 10,409 |
| Bolo | 215,212 | 207,515 |
| Brown's Canyon | 9,591 | 9,248 |
| Eastside | 246,213 | 237,408 |
| Pete's Summit | 6,782 | 6,539 |
| | 495,300 | 477,586 |

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Three Months Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

**6. Exploration and evaluation assets**

A summary of exploration and evaluation assets by property for the three months ended December 31, 2015 is set out below:

| Property | Balance at October 1, 2015 (\$) | Additions (\$) | Other (\$) | Foreign exchange (\$) | Balance at December 31, 2015 (\$) |
|-------------------------|--|---------------------------|--------------------------|--------------------------------------|--|
| <u>French Guiana</u> | | | | | |
| Paul Isnard | 30,902,362 | 2,972,329 | (3,755,449) ¹ | 47,648 | 30,166,890 |
| <u>Nevada</u> | | | | | |
| Big Lime | 1 | 654 | - | 25 | 680 |
| Bolo | 3,529,312 | 5,121 | - | 131,098 | 3,665,531 |
| Chert Cliff | - | 276 | - | 10 | 286 |
| Eastside | 6,773,638 | 273,139 | - | 261,239 | 7,308,016 |
| Four Metals | 1 | 21 | - | 1 | 23 |
| Hugh's Canyon | 1 | 2,303 | - | 85 | 2,389 |
| Mogollon | - | 7,025 | - | 257 | 7,282 |
| Monitor Hills | 1 | 3,124 | - | 115 | 3,240 |
| North Brown | 1 | 745 | - | 28 | 774 |
| Overland Pass | 1 | 2,478 | - | 91 | 2,570 |
| Red Hills | 1 | - | - | - | 1 |
| Weepah | 1 | - | - | - | 1 |
| White Canyon | 1 | - | - | - | 1 |
| White Horse Flats | 1 | 540 | - | 20 | 561 |
| White Horse Flats North | 1 | 1,010 | - | 37 | 1,048 |
| | 41,205,323 | 3,268,765 | (3,755,449) | 440,654 | 41,159,293 |

¹ Consists of \$3,438,730 exploration and evaluation funded by Nordgold and operator's fee earned of \$316,719.

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Three Months Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)



6. Exploration and evaluation assets - continued

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 (\$) |
|-------------------------|--|-------------------|--------------------------|---------------------------------|-----------------------------|---|
| <u>French Guiana</u> | | | | | | |
| Paul Isnard | 31,345,137 | 7,875,310 | (8,939,502) ¹ | - | 621,417 | 30,902,362 |
| <u>Nevada</u> | | | | | | |
| 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.

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Three Months Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

**6. Exploration and evaluation assets - continued**

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

| | (\$) |
|--------------------------------------|-------------------|
| Balance at October 1, 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 |
| Acquisition and land | 7,157 |
| Camp costs and other | 359,437 |
| Drilling | 2,120,223 |
| Equipment | 94,331 |
| Geology and trenching | 126,106 |
| Management and administration | 546,217 |
| Technical studies | 4,440 |
| Travel | 10,854 |
| Operator fee | (316,719) |
| Amounts funded by Nordgold | (3,438,730) |
| Foreign exchange | 440,654 |
| Balance at December 31, 2015 | 41,159,293 |

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, up to January 14, 2016, Columbus Gold was the project operator and earned a 10% operator fee on certain expenditures. Effective January 15, 2016, NordGold is the project operator.

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 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.

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Three Months Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)



6. Exploration and evaluation assets - continued

Bolo

The Bolo property is located approximately 60 km northeast of Tonopah, Nevada. The Company holds a 100% interest in Bolo, subject to underlying royalties.

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.

Mogollon

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.

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, Chert Cliff, Four Metals, Hugh's Canyon, Mogollon, Monitor Hills, North Brown, Overland Pass, Red Hills, Weepah, White Canyon, White Horse Flats, and White Horse Flats North.

7. Share capital

(a) Common shares

Authorized - Unlimited common shares without par value.

At December 31, 2015, the Company had 141,665,086 (September 30, 2015 – 141,665,086) 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.

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Three Months Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

**7. Share capital - continued**

(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, 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 |
| Expired | (908,500) | 0.50 |
| Cancelled | (265,000) | 0.47 |
| Balance, December 31, 2015 | 11,341,500 | 0.46 |

A summary of the Company's options at December 31, 2015 is as follows:

| Exercise price (\$) | Options outstanding | | Options exercisable | |
|---------------------|-------------------------------|---|-------------------------------|---|
| | 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 | 7.28 | 2,250,000 | 7.28 |
| 0.30 | 1,750,000 | 7.68 | 875,000 | 7.68 |
| 0.35 | 1,975,000 | 2.97 | 1,975,000 | 2.97 |
| 0.45 | 1,050,000 | 3.73 | 850,000 | 3.73 |
| 0.45 | 400,000 | 7.07 | 400,000 | 7.07 |
| 0.50 | 1,550,000 | 4.10 | 1,400,000 | 4.10 |
| 0.78 | 1,281,500 | 0.46 | 1,281,500 | 0.46 |
| 0.78 | 1,085,000 | 0.98 | 1,085,000 | 0.98 |
| 0.30-0.78 | 11,341,500 | 4.45 | 10,116,500 | 4.19 |

The fair value of share options recognized as an expense during the three months ended December 31, 2015 was \$32,561 (2014 - \$115,137).

No share options have been granted during the three months ended December 31, 2015 and 2014.

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Three Months Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

**7. 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, 2014 | 804,000 | 0.40 |
| Expired | (804,000) | 0.40 |
| Balance, September 30, 2015 and December 31, 2015 | - | - |

There are no warrants outstanding as at December 31, 2015.

(d) Loss per share

| | Three months ended | |
|--------------------------------|---------------------------------------|---------------------------------------|
| | December 31, 2015 (\$) | December 31, 2014 (\$) |
| Basic loss per share | (0.00) | (0.01) |
| Diluted loss per share | (0.00) | (0.01) |
| Net loss for the period | (653,515) | (1,057,269) |

| | Three months ended | |
|--|------------------------------|------------------------------|
| | December 31, 2015 | December 31, 2014 |
| Shares outstanding, beginning of period | 141,665,086 | 135,807,586 |
| Effect of share options exercised | - | 130,408 |
| Basic weighted average number of shares outstanding | 141,665,086 | 135,937,944 |
| Effect of dilutive share options | - | - |
| Effect of dilutive warrants | - | - |
| Diluted weighted average number of shares outstanding | 141,665,086 | 135,937,944 |

During the three months ended December 31, 2015 there were 11,341,500 (2014 – 11,400,000) 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.

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Three Months Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

**8. Related party transactions**

The Company has a “Services Agreement” with Organto Foods Inc. (formerly Columbus Exploration Corporation) (“Organto”) and EnerGulf Resources Inc. (“EnerGulf”), companies with certain directors and officers in common, whereby the Company provides administration and management services for a fixed monthly fee. The Services Agreement is in effect until December 31, 2016 and may be terminated by Columbus Gold with 30 days’ notice.

On March 2, 2015, the Company entered into an agreement with Organto, pursuant to which Organto will transfer to Columbus Gold its Mogollon Project in consideration for the cancellation of debts owed by Organto to Columbus Gold of \$453,697. The debt owed to Columbus Gold has been shown as a long-term asset.

The following is a summary of related party transactions:

| | Three months ended | |
|---|---------------------------------------|---------------------------------------|
| | December 31, 2015 (\$) | December 31, 2014 (\$) |
| Management fees paid to a company controlled by the CEO and Chairman of the Company | 75,000 | 60,000 |
| Accounting fees paid to the CFO of the Company | 29,025 | 29,025 |
| Consulting fees paid or accrued to Cordex Exploration LLC (note 10) | 66,760 | 57,665 |
| Directors fees paid or accrued | 36,000 | 30,000 |
| Administration fees received or accrued from Organto and EnerGulf | (23,000) | (9,000) |
| | 183,785 | 167,690 |

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

| | December 31, 2015 (\$) | September 30, 2015 (\$) |
|---|---------------------------------------|--|
| Advances to a Company controlled by the CEO and Chairman of the Company | 50,000 | 50,000 |
| Advances to the CEO of the Company | 34,467 | 25,467 |
| Receivable from Columbus Exploration to be settled for Mogollon Project | 453,697 | 447,739 |
| Trade receivables from Columbus Exploration | 5,250 | 257,882 |
| Trade receivables from EnerGulf | 14,175 | - |
| Directors fees payable | (40,000) | (31,000) |
| | 517,589 | 750,088 |

Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Three Months Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

**9. Segmented information**

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

| | December 31 2015, (\$) | September 30 2015, (\$) |
|------------------------|---------------------------------------|--|
| Current assets | | |
| Canada | 518,219 | 1,283,997 |
| USA | 137,549 | 277,386 |
| France (French Guiana) | 1,558,788 | 847,142 |
| | 2,214,556 | 2,408,525 |
| Non-current assets | | |
| Canada | 547,584 | 555,892 |
| USA | 11,487,693 | 10,780,551 |
| France (French Guiana) | 30,166,900 | 30,902,358 |
| | 42,202,177 | 42,238,801 |
| Total assets | | |
| Canada | 1,065,803 | 1,839,889 |
| USA | 11,625,242 | 11,057,937 |
| France (French Guiana) | 31,725,688 | 31,749,500 |
| | 44,416,733 | 44,647,326 |

10. Commitments

Since 2005, the Company has engaged the services of Cordex Exploration LLC ("Cordex") to generate, evaluate, and explore mineral 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, 2016. Monthly payments consist of a management fee of US\$16,667. There is a specified NSR for Cordex on existing and new Columbus Gold properties. The principal of Cordex is an officer 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 | 165,965 | 144,310 | 169,671 | 479,946 |

11. Subsequent event

On February 11, 2016, the Company granted incentive stock options to certain of its directors, officers, employees, consultants and advisors to purchase up to an aggregate of 2,815,000 common shares at an exercise price of \$0.40 per share for a period of 5 years. The stock options all vest immediately on the date of grant.

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.