



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

**Condensed Interim Consolidated Financial Statements**

**For the Nine Months Ended  
June 30, 2016**

**(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 nine months ended June 30, 2016, 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)



	June 30, 2016 (\$)	September 30, 2015 (\$)
<b>Assets</b>		
Current assets		
Cash	5,984,043	1,303,562
Available-for-sale investments (note 3)	59,577	146,801
Receivables (note 4)	232,708	737,599
Prepaid expenses	153,137	220,563
	6,429,465	2,408,525
Non-current assets		
Receivable from related party (note 8)	-	447,739
Reclamation bonds (note 5)	462,268	477,586
Exploration and evaluation assets (note 6)	41,718,392	41,205,323
Equipment	62,456	108,153
	<b>48,672,581</b>	<b>44,647,326</b>
<b>Liabilities and shareholders' equity</b>		
Current liabilities		
Accounts payable (note 8)	205,922	715,683
Accrued liabilities (note 8)	273,275	440,349
Deferred exploration advances from Nord Gold N.V. (note 6)	567,631	-
Restoration provision	-	119,426
Deferred sale of minority interest in Paul Isnard Gold Project (note 6)	7,750,200	-
	8,797,028	1,275,458
Non-current liabilities		
Other non-current liabilities	-	8,509
	8,797,028	1,283,967
Shareholders' equity		
Share capital (note 7)	54,767,678	55,417,561
Reserves	10,298,917	10,401,208
Deficit	(25,191,042)	(22,455,410)
	39,875,553	43,363,359
	<b>48,672,581</b>	<b>44,647,326</b>

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		Nine months ended	
	June 30, 2016 (\$)	June 30, 2015 (\$)	June 30, 2016 (\$)	June 30, 2015 (\$)
Operating expenses				
Administration and office	300,397	336,302	1,037,594	1,078,327
Directors fees (note 8)	36,000	36,000	108,000	96,000
General exploration	212	38,030	14,340	72,527
Investor relations	35,517	121,047	105,278	607,260
Management fees (note 8)	75,000	75,000	275,000	255,000
Professional fees	251,441	151,767	435,457	369,902
Share-based payments (note 7b)	52,049	43,372	742,305	663,670
Transfer and filing fees	28,698	24,899	162,622	69,436
Travel	26,785	134,575	55,553	242,664
Amortization	15,192	15,510	46,420	43,771
Impairment of exploration and evaluation assets	-	-	-	50,830
Income from third party interest in exploration and evaluation assets	-	-	(61,027)	-
Loss before other items	(821,291)	(976,502)	(2,921,542)	(3,549,387)
Other items				
Interest income	5,628	7,209	10,970	34,675
Other income	301,499	2,885	374,312	25,824
Foreign exchange gain	356,623	14,574	392,291	51,184
Impairment of available-for-sale investments (note 3)	(144,179)	-	(591,663)	-
<b>Net loss for the period</b>	<b>(301,720)</b>	<b>(951,834)</b>	<b>(2,735,632)</b>	<b>(3,437,704)</b>
Reclassified to net income or loss:				
Unrealized loss on available-for-sale investments (note 3)	144,179	-	591,663	-
Items that may subsequently be reclassified to net income or loss:				
Unrealized loss on available-for-sale investments	(191,196)	(6,419)	(112,686)	(336,145)
Foreign currency translation	(721,071)	79,030	(1,116,216)	543,860
<b>Comprehensive loss for the period</b>	<b>(1,069,808)</b>	<b>(879,223)</b>	<b>(3,372,871)</b>	<b>(3,229,989)</b>
Loss per share (note 7d)				
Basic	(0.00)	(0.01)	(0.02)	(0.03)
Diluted	(0.00)	(0.01)	(0.02)	(0.03)

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		Nine months ended	
	June 30, 2016 (\$)	June 30, 2015 (\$)	June 30, 2016 (\$)	June 30, 2015 (\$)
<b>Operating activities</b>				
Net loss for the period	(301,720)	(951,834)	(2,735,632)	(3,437,704)
Items not involving cash				
Amortization	15,192	15,510	46,420	43,771
Share-based payments (note 7b)	52,049	43,372	742,305	663,670
Unrealized foreign exchange gain	(179,440)	(97,880)	(332,602)	(215,142)
Gain from sale of available-for-sale assets	(257,566)	-	(257,566)	-
Impairment of available-for-sale investments	144,179	-	591,663	50,830
	(527,306)	(990,832)	(1,945,412)	(2,894,575)
Changes in non-cash working capital				
Receivables and prepaid expenses	(17,598)	964,937	536,685	761,119
Accounts payable and accrued liabilities	369,262	(693,667)	147,089	(1,029,230)
Cash used in operating activities	(175,642)	(719,562)	(1,261,638)	(3,162,686)
<b>Investing activities</b>				
Deferred sale of minority interest in Paul Isnard Gold Project (note 6)	-	-	8,375,959	-
Exploration advances from Nord Gold N.V. (note 6)	402,648	247,332	567,631	(2,886,701)
Operator's fee (note 6)	-	124,357	383,844	618,791
Net proceeds from available-for-sale assets	1,257,433	-	257,566	-
Interest received	5,628	6,634	10,970	34,100
Option payments received	-	-	7,490	-
Reclamation bonds	-	(201,520)	-	(163,502)
Exploration and evaluation assets (note 6)	(2,204,328)	(509,188)	(3,408,884)	(1,831,904)
Equipment	-	(4,249)	(1,714)	(20,856)
Restoration costs	(18,096)	-	(56,680)	(359,929)
Cash from (used in) investing activities	(556,715)	(336,634)	6,136,182	(4,610,001)
<b>Financing activities</b>				
Private placement net of finder's fee	-	1,880,000	-	1,880,000
Proceeds from share options exercised	398,250	21,000	398,250	220,373
Repayment of leasehold improvements costs	-	(5,106)	(8,507)	(15,316)
Cash from financing activities	398,250	1,895,894	389,743	2,085,057
Effect of foreign exchange on cash	(242,347)	68,224	(583,806)	172,718
Increase (decrease) in cash	(576,454)	907,922	4,680,481	(5,514,912)
Cash, beginning of period	6,560,497	3,943,660	1,303,562	10,366,494
<b>Cash, end of period</b>	<b>5,984,043</b>	<b>4,851,582</b>	<b>5,984,043</b>	<b>4,851,582</b>

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
Private Placement	5,000,000	1,880,000	-	-	-	-	1,880,000
Share options exercised	857,500	352,505	(132,132)	-	(132,132)	-	220,373
Share-based payments	-	-	663,670	-	663,670	-	663,670
Comprehensive loss	-	-	-	207,715	207,715	(3,437,704)	(3,229,989)
<b>Balance, June 30, 2015</b>	<b>141,665,086</b>	<b>55,417,561</b>	<b>7,800,055</b>	<b>1,471,394</b>	<b>9,271,449</b>	<b>(20,839,705)</b>	<b>43,849,305</b>
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
Treasury shares (note 7(a))	-	(1,255,490)	-	-	-	-	(1,255,490)
Share options exercised	1,255,000	605,607	(207,357)	-	(207,357)	-	398,250
Share-based payments (note 7(b))	-	-	742,305	-	742,305	-	742,305
Comprehensive loss	-	-	-	(637,239)	(637,239)	(2,735,632)	(3,372,871)
<b>Balance, June 30, 2016</b>	<b>142,920,086</b>	<b>54,767,678</b>	<b>8,349,644</b>	<b>1,949,273</b>	<b>10,298,917</b>	<b>(25,191,042)</b>	<b>39,875,553</b>

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 Nine Months Ended June 30, 2016 and 2015

(Expressed in Canadian Dollars)

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## **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 June 30, 2016, the Company has working capital deficiency of \$2,367,563 (September 30, 2015 – working capital of \$1,133,067) and an accumulated deficit of \$25,191,042 (September 30, 2015 - \$22,455,410). 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 August 4<sup>th</sup>, 2016.

**Columbus Gold Corp.**

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended June 30, 2016 and 2015

(Expressed in Canadian Dollars)

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

	June 30, 2016 (\$)	September 30, 2015 (\$)
EnerGulf Resources Inc.	30,555	-
Navaho Gold Limited	28,022	10,898
Piedmont Mining Corp.	-	7,549
Roscan Minerals Corporation	1,000	500
Sniper Resources Ltd.	-	127,854
	<b>59,577</b>	<b>146,801</b>

During the three and nine months ended June 30, 2016, the Company reclassified \$144,179 (2015 - \$nil) and \$591,663 (2015 - \$nil) respectively 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).

**4. Receivables**

	June 30, 2016 (\$)	September 30, 2015 (\$)
Due from related parties (note 8)	73,500	257,882
Due from Nord Gold N.V. ("Nordgold")	-	239,587
Other receivables	159,208	240,130
	<b>232,708</b>	<b>737,599</b>

**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:

	June 30, 2016 (\$)	September 30, 2015 (\$)
Antelope	6,260	6,467
Big Lime	10,075	10,409
Bolo	200,860	207,515
Brown's Canyon	8,951	9,248
Eastside	229,793	237,408
Pete's Summit	6,329	6,539
	<b>462,268</b>	<b>477,586</b>



**Columbus Gold Corp.**

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended June 30, 2016 and 2015

(Expressed in Canadian Dollars)

**6. Exploration and evaluation assets**

A summary of exploration and evaluation assets by property for the nine months ended June 30, 2016 is set out below:

<b>Property</b>	<b>Balance at October 1, 2015 (\$)</b>	<b>Additions (\$)</b>	<b>Other (\$)</b>	<b>Foreign exchange (\$)</b>	<b>Balance at June 30, 2016 (\$)</b>
<u>French Guiana</u>					
Paul Isnard	30,902,362	8,593,048	(10,944,659) <sup>1</sup>	(448,377)	28,102,374
<u>Nevada</u>					
Big Lime	1	653	-	(20)	634
Bolo	3,529,312	17,300	-	(113,715)	3,432,897
Chert Cliff	-	275	-	(9)	266
Eastside	6,773,638	3,249,506	-	(315,637)	9,707,507
Four Metals	1	21	-	-	22
Hugh's Canyon	1	3,536	-	(107)	3,430
Mogollon	-	482,025	(7,490) <sup>2</sup>	(14,252)	460,283
Monitor Hills	1	4,895	-	(148)	4,748
North Brown	1	1,239	-	(38)	1,202
Overland Pass	1	2,472	-	(74)	2,399
Red Hills	1	431	-	(14)	418
Weepah	1	90	-	(2)	89
White Canyon	1	-	-	-	1
White Horse Flats	1	538	-	(16)	523
White Horse Flats North	1	1,639	-	(41)	1,599
	<b>41,205,323</b>	<b>12,357,668</b>	<b>(10,952,149)</b>	<b>(892,450)</b>	<b>41,718,392</b>

<sup>1</sup> Consists of \$9,215,325 exploration and evaluation funded by Nordgold, operator's fee earned of \$383,844 and cost recoveries of \$1,345,490.

<sup>2</sup> \$68,517 (US\$50,000) option payment received from third party. Amounts in excess of carrying value of property at the time are recognized in consolidated statements of comprehensive loss.

# Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended June 30, 2016 and 2015

(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 <sup>2</sup> (\$)	Foreign exchange (\$)	Balance at September 30, 2015 (\$)
<u>French Guiana</u>						
Paul Isnard	31,345,137	7,875,310	(8,939,502) <sup>1</sup>	-	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
	<b>37,462,181</b>	<b>11,652,049</b>	<b>(8,939,502)</b>	<b>(1,052,827)</b>	<b>2,083,422</b>	<b>41,205,323</b>

<sup>1</sup> Consists of \$8,117,567 exploration and evaluation funded by Nordgold and operator's fee earned of \$821,935.

<sup>2</sup> 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 Nine Months Ended June 30, 2016 and 2015

(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
<b>Balance at September 30, 2015</b>	<b>41,205,323</b>
Acquisition and land	454,941
Camp costs and other	748,716
Drilling	7,489,201
Equipment	346,138
Geology and trenching	732,783
Management and administration	1,969,917
Technical studies	453,439
Travel	162,533
Operator fee	(383,844)
Amounts funded by Nordgold	(9,215,325)
Cost recoveries	(1,345,490)
Option payments received	(7,490)
Foreign exchange	(892,450)
<b>Balance at June 30, 2016</b>	<b>41,718,392</b>

*Paul Isnard*

The Company's "Paul Isnard Gold Project" consists of eight mining and two exclusive exploration 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 exploration permits. 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 \$7,750,200 (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 \$7,750,200 (US\$6,000,000).

## Columbus Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended June 30, 2016 and 2015

(Expressed in Canadian Dollars)

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### 6. Exploration and evaluation assets - continued

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.

#### *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*

During the current year, Organto Food Inc. (“Organto”), a company with certain directors and officers in common, completed the transfer of the Mogollon property to Columbus Gold for settlement of \$443,429 owed by Organto to the Company.

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 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. As at June 30, 2016, the Company received US\$50,000.

#### *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.

On June 1, 2016, Sniper informed the Company of its intention to return the Weepah property to the Company.

#### *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, Monitor Hills, North Brown, Overland Pass, Red Hills, White Canyon, White Horse Flats, and White Horse Flats North.

### 7. Share capital

#### (a) Common shares

Authorized - Unlimited common shares without par value.

At June 30, 2016, the Company had 140,690,086 (September 30, 2015 – 141,665,086) common shares issued and outstanding, and an additional 2,230,000 (2015 – nil) common shares issued and remaining in treasury. The Company’s issued common shares in treasury have a value of \$1,255,490. The treasury shares were received during the current year, in satisfaction of an agreement with another party.

**Columbus Gold Corp.**

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended June 30, 2016 and 2015

(Expressed in Canadian Dollars)

**7. Share capital – continued**

During the current year, a total of 1,255,000 share options were exercised between \$0.30 to \$0.40 per share for the gross proceeds of \$398,250

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.

**(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
<b>Balance, September 30, 2015</b>	<b>12,515,000</b>	<b>0.46</b>
Granted	3,315,000	0.40
Expired	(2,090,000)	0.74
Exercised	(1,255,000)	0.32
Cancelled	(465,000)	0.60
<b>Balance, June 30, 2016</b>	<b>12,020,000</b>	<b>0.42</b>

A summary of the Company's options at June 30, 2016 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	1,450,000	6.78	1,450,000	6.78
0.30	1,650,000	7.19	1,025,000	7.19
0.35	1,700,000	2.47	1,625,000	2.47
0.40	2,735,000	4.62	2,735,000	4.62
0.40	500,000	4.68	-	4.68
0.45	1,050,000	3.24	850,000	3.24
0.45	400,000	6.58	400,000	6.58
0.50	1,550,000	3.60	1,475,000	3.60
0.78	985,000	0.48	985,000	0.48
<b>0.30-0.78</b>	<b>12,020,000</b>	<b>4.40</b>	<b>10,545,000</b>	<b>4.37</b>

The fair value of share options recognized as an expense during the three and nine months ended June 30, 2016 was \$52,049 and \$742,305, respectively (2015 - \$43,372 and \$663,670, respectively).

# Columbus Gold Corp.

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## 7. Share capital - continued

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 three and nine months ended June 30, 2016 and 2015:

	Three months ended		Nine months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Number of share options granted	nil	nil	3,315,000 <sup>1</sup>	1,700,000 <sup>2</sup>
Weighted average fair value per share option granted	n/a	n/a	\$0.22	\$0.27
Total fair value of share options granted	n/a	n/a	\$724,762	\$4,57,968

### Black-Scholes option pricing model assumptions:

Expected price volatility	n/a	n/a	82%	87%
Risk free interest rate	n/a	n/a	0.40%	0.54%
Expected life of options	n/a	n/a	3.5 years	3 years
Expected dividend yield	n/a	n/a	nil	nil

<sup>1</sup> 500,000 share options granted have a vesting schedule where 25% vests every 6 months. The remainder of share options granted all vest immediately.

<sup>2</sup> 150,000 share options granted have a vesting schedule where 50% vests every 12 months. The remainder of share options granted all vest immediately.

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.

### (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
<b>Balance, September 30, 2015 and June 30, 2016</b>	<b>-</b>	<b>-</b>

There are no warrants outstanding as at June 30, 2016.

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**7. Share capital - continued**

(d) Loss per share

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>June 30, 2016 (\$)</b>	<b>June 30, 2015 (\$)</b>	<b>June 30, 2016 (\$)</b>	<b>June 30, 2015 (\$)</b>
Basic loss per share	(0.00)	(0.01)	(0.02)	(0.03)
Diluted loss per share	(0.00)	(0.01)	(0.02)	(0.03)
Net loss for the period	<b>(301,720)</b>	<b>(951,834)</b>	<b>(2,735,632)</b>	<b>(3,437,704)</b>

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>June 30, 2016</b>	<b>June 30, 2015</b>	<b>June 30, 2016</b>	<b>June 30, 2015</b>
Shares outstanding, beginning of period	141,665,086	136,605,086	141,665,086	135,807,586
Effect of private placement	-	2,692,308	-	897,436
Effect of share options exercised	220,220	37,582	73,139	536,502
<b>Basic weighted average number of shares outstanding</b>	<b>141,885,306</b>	<b>139,334,976</b>	<b>141,738,225</b>	<b>137,241,524</b>
Effect of dilutive share options	-	-	-	-
<b>Diluted weighted average number of shares outstanding</b>	<b>141,885,306</b>	<b>139,334,976</b>	<b>141,738,225</b>	<b>137,241,524</b>

During the three and nine months ended June 30, 2016, there were 12,020,000 (2015 – 12,590,000) share options and nil (2015 – 804,000) warrants that were potentially dilutive but not included in the diluted earnings per share calculation as the effect would be anti-dilutive.

**8. Related party transactions**

The Company has a “Services Agreement” with Organto, 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. The Company previously had an additional Services Agreement with EnerGulf Resources Inc. (“EnerGulf”), a company which had certain directors and officers in common, which has been terminated effective April 30, 2016.

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 \$443,429. The Mogollon Project has been formally transferred to Organto during the fiscal 2016 year, and corresponding debt cancelled.

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**8. Related party transactions - continued**

The following is a summary of related party transactions:

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>June 30, 2016 (\$)</b>	<b>June 30, 2015 (\$)</b>	<b>June 30, 2016 (\$)</b>	<b>June 30, 2015 (\$)</b>
Management fees paid to a company controlled by the CEO and Chairman of the Company	75,000	75,000	275,000	255,000
Accounting fees paid to the CFO of the Company	25,890	-	25,890	-
Accounting fees paid to the former CFO of the Company	41,603	29,025	104,490	96,750
Consulting fees paid or accrued to Cordex Exploration LLC (note 10)	64,425	61,470	199,800	182,230
Directors fees paid or accrued	36,000	36,000	108,000	96,000
Administration fees received or accrued from Organto and EnerGulf	(25,750)	(9,000)	(98,750)	(27,000)
	<b>217,168</b>	<b>192,495</b>	<b>614,430</b>	<b>602,980</b>

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

	<b>June 30, 2016 (\$)</b>	<b>September 30, 2015 (\$)</b>
Advances to a Company controlled by the CEO and Chairman of the Company	25,000	50,000
Advances to the CEO of the Company	-	25,467
Receivable from Columbus Exploration to be settled for Mogollon Project	-	447,739
Trade receivables from Organto	73,500	257,882
Directors fees payable	(58,000)	(31,000)
	<b>40,500</b>	<b>750,088</b>



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**9. Segmented information**

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

	<b>June 30, 2016 (\$)</b>	<b>September 30, 2015 (\$)</b>
Current assets		
Canada	4,050,354	1,283,997
USA	1,353,034	277,386
France (French Guiana)	1,026,077	847,142
	<b>6,429,465</b>	<b>2,408,525</b>
Non-current assets		
Canada	62,456	555,892
USA	14,078,286	10,780,551
France (French Guiana)	28,102,374	30,902,358
	<b>42,243,116</b>	<b>42,238,801</b>
Total assets		
Canada	4,112,810	1,839,889
USA	15,431,320	11,057,937
France (French Guiana)	29,128,451	31,749,500
	<b>48,672,581</b>	<b>44,647,326</b>

**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:

	<b>1 year (\$)</b>	<b>2-3 years (\$)</b>	<b>4-5 years (\$)</b>	<b>Total (\$)</b>
Office lease payments	164,636	335,386	202,948	702,970

**11. Subsequent event**

On July 21 2016, the Company granted incentive stock options to an employee providing investor relations services for the purchase of up to an aggregate of 75,000 common shares at an exercise price of \$0.70 per share for a period of 5 years. The options vest on October 28, 2016.