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

Consolidated Financial Statements

For the Year Ended
September 30, 2018 and 2017

(Stated in Canadian Dollars)

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR’S REPORT

To the Shareholders of Columbus Gold Corp.

We have audited the accompanying consolidated financial statements of Columbus Gold Corp., which comprise the consolidated statements of financial position as at September 30, 2018 and 2017, and the consolidated statements of comprehensive income (loss), cash flows and shareholders’ equity 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 Corp. as at September 30, 2018 and 2017, 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.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
December 12, 2018

An independent firm associated with Moore Stephens International Limited
MOORE STEPHENS

(Expressed in thousands of Canadian Dollars)

	September 30, 2018 ($)	September 30, 2017 ($)
Assets		
Current assets		
Cash	809	1,357
Available-for-sale investments (notes 5 and 6)	2,084	7
Receivables (note 7 and 13)	310	356
Note receivable from Allegiant Gold Ltd. (note 13)	1,604	-
Prepaid expenses	309	192
	5,116	1,912
Non-current assets		
Investment in Compagnie Minière Montagne d'Or SAS (note 9)	36,538	36,701
Equipment (note 11)	38	16
Exploration and evaluation assets (note 10)	145	18,676
Reclamation bonds (note 8)	-	447
	41,837	**57,752**
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable (note 13)	210	149
Accrued liabilities (note 13)	219	372
	429	521
Shareholders' equity		
Share capital (note 12)	65,208	62,305
Reserves (note 12)	11,183	11,450
Deficit	(34,983)	(16,524)
	41,408	57,231
	41,837	**57,752**

Nature of operations and going concern (note 1)
Commitments (note 15)

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

Approved by the Board of Directors

"Robert Giustra"	*"Peter Gianulis"*
Robert Giustra – Director	Peter Gianulis - Director

Columbus Gold Corp.

Consolidated Statements of Comprehensive (Loss) Income
(Expressed in thousands of Canadian Dollars, except per share amounts)

	Year Ended	
	September 30, 2018 ($)	**September 30, 2017 ($)**
Operating expenses		
Administration and office (note 13)	1,362	1,282
Directors fees (note 13)	252	132
General exploration	159	187
Investor relations	309	414
Management fees (note 13)	263	350
Professional fees (note 13)	326	1,281
Share-based payments (note 12b)	1,006	628
Transfer agent and filing fees	252	154
Travel	83	130
Amortization (note 11)	16	37
Cost recoveries from Allegiant Gold Ltd. (note 13)	(351)	-
Loss before other items	(3,677)	(4,595)
Other items		
Interest income	17	28
Other income	133	261
Loss on spin-out of Allegiant Gold Ltd. (note 5)	(2,081)	-
Loss from equity accounted investment (note 9)	(457)	-
Gain from sale of available-for-sale investments	166	-
Foreign exchange loss	(11)	(5)
Gain from deconsolidation of Compagnie Minière Montagne d'Or (note 9)	-	14,116
Impairment of available-for-sale investments	-	(25)
Net (loss) income before taxes and net (loss) income for the year	(5,910)	9,780
Reclassified to net income or loss:		
Unrealized (gain) loss on available-for-sale investments	(166)	25
Items that may subsequently be reclassified to net income or loss:		
Unrealized gain (loss) on available-for-sale investments	291	(56)
Foreign currency translation	851	(429)
Comprehensive (loss) income for the year	(4,934)	9,320
(Loss) earnings per share (note 12d)		
Basic	(0.04)	0.07
Diluted	(0.04)	0.06

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

(Expressed in thousands of Canadian Dollars)

	Year Ended	
	September 30, 2018 ($)	**September 30, 2017 ($)**
Operating activities		
Net (loss) income for the year	(5,910)	9,780
Items not involving cash		
Loss on spin-out of Allegiant Gold Ltd.	2,081	-
Gain from sale of available-for-sale investments	(166)	-
Amortization	16	37
Share-based payments	1,006	628
Loss from equity accounted investment	457	-
Unrealized foreign exchange loss	10	135
Gain from deconsolidation of Compagnie Minière Montagne d'Or	-	(14,116)
Impairment of available-for-sale investments	-	25
	(2,506)	(3,511)
Changes in non-cash working capital		
Receivables and prepaid expenses	(161)	588
Accounts payable and accrued liabilities	(128)	(324)
Cash used in operating activities	(2,795)	(3,247)
Investing activities		
Proceeds from sale of available-for-sale investments	1,914	17
Reimbursements from Compagnie Minière Montagne d'Or	457	-
Note receivable from Allegiant Gold Ltd.	515	-
Purchase of available-for-sale investment	(565)	-
Cash deconsolidated from spin-out of Allegiant Gold Ltd. (note 5)	(4,261)	-
Exploration and evaluation assets	(552)	(4,949)
Reclamation bonds	(52)	(1)
Option payment received	-	266
Equipment	(38)	(6)
Exploration advances from Nord Gold SE	-	173
Interest received	17	28
Cash used in investing activities	(2,565)	(4,472)
Financing activities		
Proceeds from share options exercised	351	129
Proceeds from warrants exercised	303	-
Net proceeds from share offering	-	4,461
Net proceeds from Allegiant Gold Ltd. share offering (note 5)	4,196	-
Cash from financing activities	4,850	4,590
Effect of foreign exchange on cash	(38)	(22)
Decrease in cash	(548)	(3,151)
Cash, beginning of year	1,357	4,508
Cash, end of year	809	1,357

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

(Expressed in thousands of Canadian Dollars except for share amounts)

	Share Capital		Reserves				
	Number of Shares (000's)	Share Capital ($)	Share Options and Warrants ($)	Accumulated Other Comprehensive Income (Loss) ($)	Total ($)	Deficit ($)	Total ($)
Balance, October 1, 2016	142,940	56,116	8,719	2,447	11,166	(26,304)	40,978
Share offering net of share issuance costs (note 12(a))	8,000	4,274	187	-	187	-	4,461
Shares issued for acquisition of Castle gold project (note 12(a))	1,750	1,715	-	-	-	-	1,715
Share options exercised (note 12(a))	406	200	(71)	-	(71)	-	129
Share-based payments (note 12(b))	-	-	628	-	628	-	628
Comprehensive income (loss)	-	-	-	(460)	(460)	9,780	9,320
Balance, September 30, 2017	153,096	62,305	9,463	1,987	11,450	(16,524)	57,231
Share options exercised – cashless (note 12(a))	4,326	1,890	(1,890)	-	(1,890)	-	-
Share options exercised (note 12(a))	868	523	(172)	-	(172)	-	351
Warrants exercised (note 12(c))	480	490	(187)	-	(187)	-	303
Share-based payments (note 12(b))	-	-	1,006	-	1,006	-	1,006
Dividends (note 5)	-	-	-	-	-	(12,549)	(12,549)
Comprehensive income (loss)	-	-	-	976	976	(5,910)	(4,934)
Balance, September 30, 2018	**158,770**	**65,208**	**8,220**	**2,963**	**11,183**	**(34,983)**	**41,408**

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

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”) and the OTCQX International.

The Company’s principal business activities are the exploration and development of resource properties which are located in French Guiana. The Company is in the process of exploring and developing its resource properties. 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 its capital structure in light of changes in global 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.

All figures in these consolidated financial statements are expressed in thousands of Canadian Dollars except for share and per share amounts, or noted otherwise. References to “US$” are to thousands of US Dollars. At September 30, 2018, the Company has working capital of $4,687 (September 30, 2017 – $1,391) and an accumulated deficit of $34,983 (September 30, 2017 - $16,524). 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. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern.

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 December 12, 2018.

(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 as follows:

Entity
Columbus Gold Corp.
Columbus Gold (Luxembourg) S.à.r.l.
Columbus Guyane SAS
Columbus International (Luxembourg) S.à.r.l
Columbus Investments S.à.r.l
Allegiant Gold Ltd.[1]
Allegiant Gold Holding Ltd. (formerly Columbus Gold (US Property Holding) Corporation) [1]
Allegiant Gold (U.S.) Ltd. (formerly Columbus Gold (U.S.) Corporation) [1]

[1] Deconsolidated effective January 25, 2018.

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 statements 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 fair value of its equity investment, the recoverability of the carrying value of available-for-sale assets and 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) 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 Corp.	Canadian dollar
Columbus Gold (Luxembourg) S.à.r.l.	European euro
Columbus Guyane SAS	European euro
Columbus International (Luxembourg) S.à.r.l	European euro
Columbus Investments S.à.r.l	European euro
Allegiant Gold Ltd.[1]	Canadian dollar
Allegiant Gold Holding Ltd. (formerly Columbus Gold (US Property Holding) Corporation)[1]	Canadian dollar
Allegiant Gold (U.S.) Ltd. (formerly Columbus Gold (U.S.) Corporation)[1]	United States dollar

[1] Deconsolidated effective January 25, 2018.

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.

(b) 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*

(c) 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

(d) 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 statement of comprehensive 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.

(e) Investment

The Company accounts for its investment, in which the Company has significant influence, using the equity method. Under the equity method, the Company's investment is initially recognized at fair value and subsequently increased or decreased to recognize the Company's share of net earnings and losses, after any adjustments necessary to give effect to uniform accounting policies, and for impairment losses after the initial recognition date. The Company's share of earnings and losses of the investee are recognized in net earnings during the year. Dividends and repayment of capital received from the investee company are accounted for as a reduction in the carrying amount of the Company's investment.

The Company has determined that it has significant influence over Compagnie Minière Montagne d'Or SAS ("COMMOR") (Note 9).

3. Significant Accounting Policies - *continued*

(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.

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 probable 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 taxes relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive loss.

(i) Earnings per share

Earnings 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

3. Significant Accounting Policies - *continued*

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.

(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 12(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

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended September 30, 2018, 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 will not have a significant impact on the Company's financial statements. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

(b) IFRS 16 – *Leases* ("IFRS 16")

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The Company does not expect IFRS 16 to have a significant impact on the Company's financial statements. IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019.

(c) 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.

5. Spin-Out of Allegiant Gold Ltd.

On September 27, 2017, the Company announced the signing of an arrangement agreement (the "Arrangement") providing for the spin-out of its subsidiary Allegiant Gold Ltd. ("Allegiant"), with the intent of listing Allegiant on the TSX Venture Exchange ("TSX-V"). Allegiant indirectly held the Company's United States based exploration and evaluation assets.

On December 8, 2017, the Company completed Allegiant's brokered and non-brokered private placements of subscription receipts for combined gross proceeds of $4,196.

Allegiant was spun-out of Columbus Gold on January 25, 2018, with the Company holding 7,933,496 shares of Allegiant, with a fair value of $3,135, representing approximately 16.7% of Allegiant's issued and outstanding common shares at the time. Assets and liabilities of Allegiant, including exploration and evaluation assets of $19,206, cash of $4,261 and reclamation bonds of $501 have been deconsolidated from the Company's consolidated financial statements.

In accordance with IFRS, the Company recorded a dividend of $12,549 and a loss on the spin-out of Allegiant of $2,081.

As at September 30, 2018, the Company held 5,150,580 shares of Allegiant, with a fair value of $2,084 (Note 6).

(Expressed in thousands of Canadian Dollars, except where noted)

6. Available-for-Sale Investments

	September 30, 2018 ($)	September 30, 2017 ($)
Allegiant Gold Ltd.	2,084	-
Roscan Minerals Corporation	-	7
	2,084	**7**

7. Receivables

	September 30, 2018 ($)	September 30, 2017 ($)
Due from Organto Foods Inc. ("Organto") (note 13)	301	264
Other receivables	9	92
	310	**356**

8. Reclamation Bonds

The Company previously posted refundable reclamation bonds with the USA Forest Service and US Bureau of Land Management for the Big Lime, Bolo, Brown's Canyon, Eastside, Hugh's Canyon and Monitor Hills properties with an aggregate value of $501 as at January 25, 2018 (September 30, 2017 - $447), which were required for the applicable drilling permits. In connection with the Arrangement (note 5), all reclamation bonds have been deconsolidated from the Company effective January 25, 2018.

9. Investment in Compagnie Minière Montagne d'Or SAS

The Company entered into an agreement with major gold producer Nord Gold SE ("Nordgold") on March 13, 2014 (the "Option Agreement"), under which Nordgold was granted the right to acquire a 50.01% interest in the Paul Isnard mining concessions and the exploration permits (the "Paul Isnard Gold Project"), held by the Company's subsidiary at the time, Compagnie Minière Montagne d'Or SAS ("COMMOR").

On January 12, 2016, the Company entered into an agreement with Nordgold to sell a 5% minority interest in the Paul Isnard Gold Project (the "5% Sale") for $7,870 (US$6,000) (received). The formal acquisition and transfer of the 5% interest would not occur until Nordgold earned the initial 50.01% interest in the Paul Isnard Gold Project under the Option Agreement.

(Expressed in thousands of Canadian Dollars, except where noted)

9. Investment in Compagnie Minière Montagne d'Or SAS - *continued*

On September 14, 2017, the Company's interest in COMMOR was diluted to 49.99% through Nordgold's successful Option Agreement earn-in, and an additional 5% interest in COMMOR was transferred to Nordgold to complete the 5% Sale. A Shareholders' Agreement was signed between the Company and Nordgold, with the Company retaining a 44.99% interest in COMMOR, and Nordgold owning the remaining 55.01% interest. As a result, COMMOR is no longer accounted for on a consolidated basis, and instead, as an equity accounted investment.

Upon recognition of the above transaction, the Company recorded the carrying value of its investment in COMMOR at its fair value of $36,701, resulting in a gain on deconsolidation of $14,116. The fair value of the Company's investment in COMMOR was determined using the consideration it received for an aggregate interest of 55.01%, which was $44,875 (US$36,000).

	($)
Aggregate investment in COMMOR	22,585
Fair value gain from deconsolidation of COMMOR	14,116
Balance, September 30, 2017	**36,701**
Proportionate share of losses	(457)
Reimbursements from COMMOR to the Company	(457)
Foreign exchange gain	751
Balance, September 30, 2018	**36,538**

10. Exploration and Evaluation Assets

A summary of exploration and evaluation assets by property for the year ended September 30, 2018 is set out below:

Property	Balance at October 1, 2017 ($)	Additions ($)	Foreign exchange ($)	Effect of the Arrangement ($)	Balance at September 30, 2018 ($)
French Guiana					
Maripa	-	145	-	-	145
USA					
Big Lime	1	0	1	(2)	-
Bolo	3,969	67	27	(4,063)	-
Clanton Hills	33	14	1	(48)	-
Eastside	14,078	211	92	(14,381)	-
Four Metals	14	0	0	(14)	-
Hugh's Canyon	43	6	0	(49)	-
Mogollon	195	-	1	(196)	-
Monitor Hills	62	1	0	(63)	-
North Brown	14	11	0	(25)	-
Overland Pass	40	3	0	(43)	-
Red Hills	25	31	1	(57)	-
Silver Dome	18	0	0	(18)	-
West Goldfield	151	2	1	(154)	-
White Canyon	0	-	-	(0)	-
White Horse Flats	12	38	0	(50)	-
White Horse Flats North	21	23	(1)	(43)	-
	18,676	**552**	**123**	**(19,206)**	**145**

10. Exploration and Evaluation Assets - *continued*

French Guiana

On July 19, 2018, the Company entered into an agreement (the “Maripa Option”) with a subsidiary of IAMGOLD Corporation (“IAMGOLD”) to acquire up to a 70% interest in the Maripa Gold Project (“Maripa”), located in French Guiana, France. The terms of the Maripa Option are as follows:

- Two-stage option to earn up to a 70% interest in Maripa:
  - Initial option (the “First Option”) to acquire a 50% interest by incurring $6,447 (US$5,000) in expenditures within 5 years from the date of deemed non-objection of the French Government of the Maripa Option (the “Effective Date”), with Columbus Gold acting as Operator:
    - Firm spending commitment of $257 (US$200) by December 31, 2018;
    - $1,934 (US$1,500) firm cumulative spending commitment by the 2nd anniversary of the Effective Date;
    - $3,546 (US$2,750) cumulative spending by the 3rd anniversary of the Effective Date;
    - $5,158 (US$4,000) cumulative spending by the 4th anniversary of the Effective Date; and
    - $6,447 (US$5,000) cumulative spending and the completion of an internal scoping study by the 5th anniversary of the Effective Date.
  - Election to acquire an additional 20% interest:
    - Following exercise of the First Option, the parties may form a 50/50 joint-venture (“JV”), or if IAMGOLD elects not to participate in the 50/50 JV, then Columbus Gold may provide notice to IAMGOLD that it will aim to earn an additional 20% interest by completing a Preliminary Feasibility Study (“PFS”) in an additional 3 years;
    - A 70:30 JV will be formed upon completion of a PFS by Columbus Gold; and
    - If any party’s interest in a JV falls below 10% it will convert to a 2% NSR, of which 1% can be purchased by the other party for $3,868 (US$3,000).

USA

In connection with the Arrangement (note 5), all of the Company’s exploration and evaluation assets in the USA have been deconsolidated effective January 25, 2018.

(Expressed in thousands of Canadian Dollars, except where noted)

10. Exploration and Evaluation Assets - *continued*

A summary of exploration and evaluation assets by property for the year ended September 30, 2017 is set out below:

Property	Balance at October 1, 2016 ($)	Additions ($)	Other ($)	Foreign Exchange ($)	Balance at September 30, 2017 ($)
French Guiana					
Paul Isnard	28,590	5,833	(34,452)[1]	29	-
Nevada					
Big Lime	1	0	-	(0)	1
Bolo	3,525	653	-	(209)	3,969
Clanton Hills	31	4	-	(2)	33
Eastside	11,351	3,424	-	(697)	14,078
Four Metals	7	7	-	(0)	14
Hugh's Canyon	19	26	-	(2)	43
Mogollon	467	-	(266)[2]	(6)	195
Monitor Hills	28	37	-	(3)	62
North Brown	7	8	-	(1)	14
Overland Pass	21	21	-	(2)	40
Red Hills	14	13	-	(2)	25
Silver Dome	-	19	-	(1)	18
Weepah	16	-	(16)[3]	0	-
West Goldfield	-	159	-	(8)	151
White Canyon	0	-	-	-	0
White Horse Flats	4	9	-	(1)	12
White Horse Flats North	9	13	-	(1)	21
	44,090	**10,226**	**(34,734)**	**(906)**	**18,676**

[1] Consists of $3,249 exploration and evaluation funded by Nordgold, and $31,203 reclassified to *Investment in Compagnie Minière Montagne d'Or SAS* upon transition to equity accounting.
[2] Option payments received.
[3] Exchanged for eliminating certain Bolo underlying royalties.

Paul Isnard

The Paul Isnard Gold Project consists of eight mining and two exclusive exploration permits located in French Guiana.

On September 14, 2017, the Company's interest in COMMOR (the entity with the rights to the Paul Isnard Gold Project) was diluted from 100% to 49.99% through Nordgold's successful Option Agreement earn-in, and an additional 5% interest in COMMOR was transferred to Nordgold to complete the 5% Sale. A Shareholders' Agreement was signed between the Company and Nordgold, with the Company retaining a 44.99% interest of COMMOR, and Nordgold having the remaining 55.01% interest. As a result, and in accordance with IFRS, COMMOR is no longer accounted for on a consolidated basis, and instead, as an equity accounted investment (note 9).

Bolo

The Bolo property is located near Tonopah, Nevada. The Company held a 100% interest in Bolo, subject to underlying royalties.

On October 31, 2016, the Company completed a transaction to eliminate an underlying NSR royalty that ranged from 1% to 3% on the Bolo property. In consideration for the elimination of the royalty, the Company transferred ownership of its Weepah property to the royalty holders.

(Expressed in thousands of Canadian Dollars, except where noted)

10. Exploration and Evaluation Assets - *continued*

Eastside

The Eastside property is located near Tonopah, Nevada. The Company held a 100% interest in Eastside, subject to underlying royalties.

On February 21, 2017, the Company acquired the Castle gold project. The Castle gold project adjoins the south end of the Company's Eastside gold project and covers an area of 9.6 km^2. As consideration for the acquisition, the Company issued 1,500,000 common shares to Seabridge Gold Inc. and 250,000 common shares to Platoro West Incorporated ("Platoro") (such shares collectively, the "Consideration Shares"). The annual lease payment to Platoro is $32 (US$25) per year and the term of the lease is 99 years. Platoro has also agreed to reduce the existing 3.5% NSR royalty to 2%, subject to the Company's right to buy back 1% for a onetime payment of $3,244 (US$2,500).

Other

The Company had additional exploration and evaluation assets located in Nevada, USA, comprised of the following properties: Big Lime, Clanton Hills, Four Metals, Mogollon, Hugh's Canyon, Monitor Hills, North Brown, Overland Pass, Silver Dome, Red Hills, West Goldfield, White Canyon, White Horse Flats, and White Horse Flats North.

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

	($)
Balance at October 1, 2016	44,090
Acquisition and land	1,830
Camp costs and other	655
Drilling	3,659
Geology, trenching and geophysics	1,010
Management and administration	2,462
Technical studies	457
Travel	153
Amounts funded by Nordgold	(3,249)
Option payments received	(266)
Disposition of Weepah	(16)
Reclassified to *Investment in Compagnie Minière Montagne d'Or SAS*	(31,203)
Foreign exchange	(906)
Balance at September 30, 2017	**18,676**
Drilling	32
Geology, trenching and geophysics	215
Management and administration	262
Technical studies	14
Travel	29
Foreign exchange	123
Effect of the Arrangement	(19,206)
Balance at September 30, 2018	**145**

(Expressed in thousands of Canadian Dollars, except where noted)

11. Equipment

	Furniture ($)	Leasehold improvements ($)	Equipment ($)	Total ($)
Cost				
Balance, September 30, 2016	59	190	40	289
Additions	-	-	5	5
Balance, September 30, 2017	59	190	45	294
Additions	14	-	24	38
Balance, September 30, 2018	73	190	69	332
Accumulated amortization				
Balance, September 30, 2016	(41)	(173)	(27)	(241)
Amortization	(10)	(17)	(10)	(37)
Balance, September 30, 2017	(51)	(190)	(37)	(278)
Amortization	(8)	-	(8)	(16)
Balance, September 30, 2018	(59)	(190)	(45)	(294)
Net book value, September 30, 2017	**8**	**-**	**8**	**16**
Net book value, September 30, 2018	**14**	**-**	**24**	**38**

12. Share Capital

(a) Common shares

Authorized - unlimited common shares without par value.

At September 30, 2018, the Company had 158,769,132 (September 30, 2017 – 153,096,086) common shares issued and outstanding.

Year ended September 30, 2018:

The Company issued 4,325,546 (2017 – nil) common shares to settle the cashless exercise of 8,659,000 (2017 – nil) share options with exercise prices ranging from $0.30 to $0.65.

Further, 867,500 (2017 – 406,000) share options were exercised between $0.30 and $0.70 (2017 - $0.30 to $0.50) per share for proceeds of $351 (2017 - $129) and 480,000 (2017 – nil) warrants were exercised at $0.63 per share for proceeds of $303 (2017 - $nil).

Year ended September 30, 2017:

On February 21, 2017, the Company issued 1,500,000 common shares to Seabridge Gold Inc. and 250,000 common shares to Platoro as consideration for the acquisition of the Castle gold project.

On February 15, 2017, the Company closed a share offering of 8,000,000 common shares of the Company at a price of $0.63 per share for gross proceeds of $5,040 (the "Offering"). In connection with the Offering, the Company paid a commission equal to 6% of the gross proceeds of the Offering and issued to the Underwriter 480,000 compensation warrants, equal to 6% of the shares sold under the Offering for total share issuance costs of $766.

(Expressed in thousands of Canadian Dollars, except where noted)

12. Share Capital - *continued*

(b) Share options

The Company has a share option plan 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, September 30, 2016	11,675,000	0.42
Granted	1,975,000	0.67
Expired	(985,000)	0.78
Exercised	(406,000)	0.32
Cancelled	(25,000)	0.30
Balance, September 30, 2017	**12,234,000**	**0.43**
Granted	5,000,000	0.48
Exercised	(9,526,500)	0.44
Forfeited	(200,000)	0.48
Expired	(200,000)	0.46
Cancelled	(50,000)	0.90
Balance, September 30, 2018	**7,257,500**	**0.45**

A summary of the Company's options at September 30, 2018 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	100,000	4.53	100,000	4.53
0.30	1,150,000	4.93	1,150,000	4.93
0.40	250,000	2.37	250,000	2.37
0.40	432,500	2.43	432,500	2.43
0.45	150,000	0.98	150,000	0.98
0.48	4,800,000	4.38	4,800,000	4.38
0.65	125,000	3.28	125,000	3.28
0.75	250,000	3.88	250,000	3.88
0.30-0.75	**7,257,500**	**4.18**	**7,257,500**	**4.18**

The fair value of share options recognized as an expense during the year ended September 30, 2018 was $1,006 (2017 - $628).

(Expressed in thousands of Canadian Dollars, except where noted)

12. Share Capital - *continued*

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 below. 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. Assumptions used for share options granted during 2018 and 2017 are as follows:

Grant Date	Number of Share Options	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Fair Value Per Option ($)	Total Fair Value ($)
January 9, 2017	1,675,000	72%	1.01%	3.28	-	0.31	515
February 15, 2017	50,000	74%	1.07%	3.28	-	0.46	23
August 15, 2017	250,000	69%	1.42%	3.28	-	0.32	80
February 16, 2018	5,000,000	71%	2.03%	2.96	-	0.19	956

(c) Warrants

On February 15, 2017, the Company issued 480,000 warrants exercisable at $0.63 per warrant, to a third party as commission in connection with an offering of the Company's common shares.

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

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, September 30, 2016	-	-
Granted	480,000	0.63
Balance, September 30, 2017	**480,000**	**0.63**
Exercised	(480,000)	0.63
Balance, September 30, 2018	**-**	**-**

The fair value of each warrant is estimated on the date of grant using the Black-Scholes Option Pricing Model that uses the assumptions noted in the table below. Expected volatilities are based on historical volatility of the Company's shares, and other factors. The expected term of warrants issued represents the period of time which those warrants are expected to be outstanding.

The risk-free rate of periods within the contractual life of the warrants is based on the Canadian government bond rate. Assumptions used for warrants issued during 2017 are as follows:

Issue Date	Number of Warrants	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Fair Value per Warrant ($)	Total Fair Value ($)
February 15, 2017	480,000	77%	0.78%	1.00	-	0.39	187

12. Share Capital - *continued*

(d) Loss per share

	Year Ended	
	September 30, 2018 ($)	**September 30, 2017 ($)**
Basic loss per share	(0.04)	0.07
Diluted loss per share	(0.04)	0.06
Net (loss) income for the year	**(5,910)**	**9,780**

(in thousands)	Year Ended	
	September 30, 2018	**September 30, 2017**
Shares outstanding, beginning of period	153,096	142,940
Effect of share options exercised	4,358	95
Effect of warrants exercised	384	-
Effect of share offering	-	4,998
Effect of acquisition of Castle gold project	-	1,064
Basic weighted average number of shares outstanding	**157,838**	**149,097**
Effect of dilutive share options	-	5,129
Effect of dilutive warrants	-	73
Diluted weighted average number of shares outstanding	**157,838**	**154,299**

As at September 30, 2018, there were no (September 30, 2017 – 300,000) share options that were potentially dilutive but not included in the diluted earnings per share calculation as the effect would be anti-dilutive.

(e) Reserves

Share options and warrants

The share options and warrants reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Accumulated other comprehensive income (loss)

The accumulated other comprehensive income (loss) reserve records unrealized gains and losses arising on available-for-sale financial assets, except for impairment losses and foreign exchange gains and losses on monetary items. The reserve also records unrealized exchange differences arising on translation of foreign operations that have a functional currency other than the Company's reporting currency.

(Expressed in thousands of Canadian Dollars, except where noted)

13. Related Party Transactions

The Company has an agreement (the "Cost Sharing Agreement") with Allegiant, whereby certain overhead and administration costs are shared, which Allegiant reimburses to the Company on a periodic basis and is included in cost recoveries. The Cost Sharing Agreement is in effect until December 31, 2018 and may be terminated by either party with three months' notice. The Company and Allegiant have certain directors and officers in common.

The Company has a note receivable of $1,604 from Allegiant (the "Grid Note") due on the later of March 1, 2019 or when Allegiant has completed one or more equity financings with collective proceeds of a minimum of $4,000 subsequent to the date on which Allegiant lists on the TSX-V.

The Company had an agreement (the "Services Agreement") with Organto, whereby the Company provided certain administration and management services for a fixed monthly fee and is included in other income. The Services Agreement expired on May 30, 2018. The Company and Organto have certain directors and/or officers in common.

The following is a summary of related party transactions:

	Year Ended	
	September 30, 2018 ($)	**September 30, 2017 ($)**
Management fees paid to a company controlled by the Chairman of the Company	263	350
Management fees paid to the President and COO of the Company	240	226
Accounting fees paid to the CFO of the Company	168	125
Consulting fees paid or accrued to Cordex Exploration LLC, a company controlled by an officer of a former subsidiary of the Company	-	262
Directors fees paid or accrued	252	132
Administration cost recoveries received or accrued from Allegiant	(351)	-
Administration fees received or accrued from Organto	(127)	(260)
	445	**835**

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

	September 30, 2018 ($)	**September 30, 2017 ($)**
Advances to a company controlled by the Chairman of the Company	25	25
Advances to the Chairman of the Company	9	7
Receivables from Organto	301	264
Note receivable from Allegiant	1,604	-
Directors fees payable	(157)	(103)
	1,782	**193**

(Expressed in thousands of Canadian Dollars, except where noted)

14. Segmented Disclosure

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

	September 30, 2018 ($)	September 30, 2017 ($)
Current assets		
Canada	4,774	1,765
Luxembourg	167	62
France (French Guiana)	175	-
USA	-	85
	5,116	1,912
Non-current assets		
Canada	10	16
France (French Guiana)	36,711	36,701
USA	-	19,123
	36,721	55,840
Total assets		
Canada	4,784	1,781
Luxembourg	167	62
France (French Guiana)	36,886	36,701
USA	-	19,208
	41,837	**57,752**

15. Commitments

The Company has commitments as follows:

	1 year ($)	2-3 years ($)	4-5 years ($)	Total ($)
Office lease payments	137	72	-	209

16. 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, 2018 are summarized below. The Board of Directors periodically 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 statements of financial position. Cash is held as cash deposits with creditworthy banks and an investment firm. The Company has receivables consisting of goods and services tax due from the Federal Government of Canada and trade receivables. The Company's note receivable from Allegiant is unsecured. Management believes that the credit risk with respect to cash and receivables as it relates to goods and services tax are low, and medium as it relates to receivables and the note receivable from Allegiant.

16. Financial Risk and Capital Management - *continued*

(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, 2018, the Company has working capital of $4,687 (September 30, 2017 – $1,391).

(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 French subsidiary, Columbus Guyane SAS. The Company also has assets and liabilities denominated 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 does not have any interest-bearing debt and is therefore not exposed to interest rate risk.

Sensitivity analysis

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

The Company has certain cash balances, receivables and accounts payables 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 $35 to profit or loss.

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 and development stage, its principal source of funds is from the issuance of common shares.

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.

(Expressed in thousands of Canadian Dollars, except where noted)

16. Financial Risk and Capital Management - *continued*

Fair value

The fair value of the Company's financial instruments including cash, receivables, note receivable from Allegiant and accounts payable approximates their carrying value due to the immediate or short-term maturity of these financial instruments.

The fair value of available-for-sale investments is 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, 2018, there were no financial assets or liabilities measured and recognized in the statement of position that would be categorized as Level 2 or Level 3 in the fair value hierarchy above.

17. 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, 2018 ($)	**September 30, 2017 ($)**
(Loss) income before taxes	(5,910)	9,780
Canadian federal and provincial income tax rates	27.00%	26.00%
Expected income tax (recovery) expense	(1,595)	2,543
Foreign tax differences, rate changes and foreign exchange	201	122
Non-taxable items	4,627	(3,750)
Share issue costs	-	(151)
True up prior year timing differences	(4)	(127)
Unrealized changes in available-for-sale investments	(702)	(15)
Non deductible equity loss in affiliate	152	-
Impact of deconsolidation	1,038	-
Change in valuation of deferred tax assets	(3,717)	1,378
Income tax expense	**-**	**-**

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

(Expressed in thousands of Canadian Dollars, except where noted)

17. Income Taxes – *continued*

	September 30, 2018 ($)	September 30, 2017 ($)
Net operating losses carried forward	3,082	13,897
Share issuance costs	130	155
Equipment and other	70	62
Investments	1,003	353
Capital losses carried forward	1,135	342
Resource properties costs	-	(5,671)
Valuation allowance	(5,420)	(9,138)
	-	-

As of September 30, 2018, the Company has Canadian tax loss carry-forwards of approximately $9,999 (2017 - $8,582) 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$)	French Guiana (Euro)	Luxembourg (Euro)
September 30, 2026	765	-	-
September 30, 2027	982	-	-
September 30, 2028	814	-	-
September 30, 2029	543	-	-
September 30, 2030	450	-	-
September 30, 2031	94	-	-
September 30, 2032	861	-	18
September 30, 2033	452	-	19
September 30, 2034	945	-	9
September 30, 2035	169	-	79
September 30, 2036	492	-	119
September 30, 2037	1,936	-	74
September 30, 2038	1,496	493	84
	9,999	**493**	**402**

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.