No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or unless an exemption from such registration is available. This prospectus does not constitute an offer to sell or an offer to buy any of the securities offered hereby within the United States. See "Plan of Distribution".

This document is only being and may only be distributed to and directed at: (i) persons outside the United Kingdom; or (ii) persons in the United Kingdom who are: (a) "qualified investors" within the meaning of Section 86(7) of the United Kingdom Financial Services and Markets Act 2000, as amended (the "FSMA"); and (b) within the categories of persons referred to in Article 19 (investment professionals) or Article 49 (high net worth companies, unincorporated associations, etc.) of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons together being referred to as "relevant persons"). The securities being offered hereunder are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents. This document contains no offer of transferable securities to the public in the United Kingdom within the meaning of sections 85(1) and 102B of the FSMA. This document is not a prospectus for the purposes of Section 85(1) of the FSMA. Accordingly, this document has not been approved as a prospectus by the United Kingdom Financial Services Authority (the "FSA") under Section 87A of the FSMA and has not been filed with the FSA pursuant to the rules published by the FSA implementing the Prospectus Directive (2003/71/EC) nor has it been approved by a person authorized under the FSMA.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from Colossus Minerals Inc. at 1 University Avenue, Suite 401, Toronto, Ontario, Canada M5J 2P1 (Telephone: 416-643-7655), and are also available electronically at www.sedar.com.*

SHORT FORM PROSPECTUS

New Issue June 7, 2013

COLOSSUS
MINERALS INC.

COLOSSUS MINERALS INC.

$25,000,000

15,625,000 Common Shares

This short form prospectus qualifies the distribution (the "**Offering**") of 15,625,000 common shares (the "**Offered Shares**") of Colossus Minerals Inc. (the "**Company**") at a price of $1.60 per Offered Share (the "**Offering Price**"), pursuant to an underwriting agreement dated May 27, 2013 between the Company and GMP Securities L.P. ("**GMP**") and Dundee Securities Ltd. (together with GMP, the "**Co-Lead Underwriters**"), Canaccord Genuity Corp., Clarus Securities Inc. and TD Securities Inc. (together with the Co-Lead Underwriters, the "**Underwriters**"). The Offering Price was determined by arm's length negotiation between the Company and the Co-Lead Underwriters, on behalf of the Underwriters, with reference to the prevailing market price of the common shares of the Company (the "**Common Shares**"). See "Plan of Distribution".

	Price: $1.60 per Common Share		
	Price to the Public	**Underwriters' Commission**(1)	**Net Proceeds to the Company**(2)
Per Offered Share	$1.60	$0.08	$1.52
Total(3)	$25,000,000	$1,250,000	$23,750,000

Notes:

(1) In consideration for the services rendered by the Underwriters in connection with the Offering, the Company has agreed to pay the Underwriters a cash fee equal to 5.0% of the gross proceeds of the Offering (including in respect of any exercise of the Over-Allotment Option (as defined herein)) (the "**Underwriters' Commission**").

(2) After deducting the Underwriters' Commission but before deducting the expenses of the Offering, estimated to be $250,000 which shall be paid by the Company out of the proceeds of the Offering.

(3) The Company has also granted the Underwriters an over-allotment option (the "**Over-Allotment Option**"), exercisable in whole or in part at the sole discretion of the Underwriters for a period of 30 days from and including the Closing Date, to purchase an additional 2,343,750 Common Shares (the "**Over-Allotment Shares**"), to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public will be $28,750,000, the total Underwriters' Commission will be $1,437,500, and the net proceeds to the Company, after deducting the Underwriters' Commission but before deducting the estimated expenses of the Offering, will be $27,312,500. This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Shares upon exercise of the Over-Allotment Option. A purchaser who acquires securities forming part of the Underwriters' over-allocation position acquires those securities under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "CSI". The closing price of the Common Shares on the TSX on June 6, 2013, the last trading day before the date of this short form prospectus, was $1.84. The TSX has conditionally approved the listing of the Offered Shares (including the Over-Allotment Shares). Listing will be subject to the Company fulfilling all of the listing requirements of the TSX on or before August 26, 2013.

The following table sets forth the maximum number of securities that may be issued by the Company to the Underwriters pursuant to the Over-Allotment Option:

Underwriters' Position	Maximum Size	Exercise Period	Exercise Price
Over-Allotment Option	2,343,750 Over-Allotment Shares	For a period of 30 days from and including the Closing Date	$1.60 per Over-Allotment Share

Unless the context otherwise requires, all references to "Offered Shares" in this short form prospectus include the Over-Allotment Shares.

The Underwriters hereby conditionally offer the Offered Shares on behalf of the Company, as principals, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Company by Cassels Brock & Blackwell LLP and on behalf of the Underwriters by Wildeboer Dellelce LLP.

An investment in the Offered Shares is highly speculative due to various factors, including the nature of the Company's business and should only be made by persons who can afford the total loss of their investment. Prospective investors should consider the risk factors described under "Risk Factors" in this short form prospectus and in the Company's AIF (as defined herein) which is available under the Company's profile on SEDAR at www.sedar.com, before purchasing the Offered Shares.

The Company does not have a mineral resource estimate compliant with NI 43-101 (as defined herein) with respect to the Serra Pelada Mine (as defined herein). Furthermore, prospective investors should not rely on the terms of the Sandstorm Agreement (as defined herein) to establish the economics of the Serra Pelada Mine, including the existence of a mineral resource estimate compliant with NI 43-101.

Prospective investors should not rely on the Company's decision to go into production and commission a process plant and related infrastructure without a mineral resource estimate compliant with NI 43-101 as being indicative of the existence of such a mineral resource estimate. The Company cautions that the Serra Pelada deposit has not been shown to be economically viable or potentially economically viable, and that in the absence of a preliminary economic assessment or a preliminary feasibility study prospective investors should not rely on any other information, including project budgets and the projected rates of plant throughput, to draw conclusions about the economic viability of the Serra Pelada deposit.

The Company cautions that it believes its drill results and the related information it has disclosed are currently insufficient to estimate a mineral resource, and prospective investors should not rely on that information to draw conclusions about the quantity, grade, or metal or mineral content of the Serra Pelada deposit.

The Company cautions that prospective investors should not rely on information in its corporate presentations to draw conclusions about the quantity, grade, or metal or mineral content of the Serra Pelada deposit.

Moreover, prospective investors are cautioned not to rely on any third party analyst estimations or other information

regarding potential mineral resources on the Serra Pelada Mine. No such estimate has been verified or approved by the Company or a Qualified Person.

The Underwriters propose to offer the Offered Shares initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Offered Shares at the Offering Price, the Offering Price may be decreased and may be further changed from time to time to an amount not greater than the Offering Price, and the compensation realized by the Underwriters in respect of the Offered Shares will be decreased by the amount that the aggregate price paid by purchasers for the Offered Shares is less than the gross proceeds paid by the Underwriters to the Company. See ''Plan of Distribution''.

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Other than in respect of the Offered Shares offered or sold to purchasers in the United States, which will be represented by individual certificates, the Offered Shares will be delivered under the book based system through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and deposited in registered or electronic form with CDS on the Closing Date, which is expected to take place on or about June 12, 2013 (the "**Closing Date**"), or such other date as may be agreed upon by the Company and the Underwriters, but in any event no later than 42 days after the date of the final receipt for the short form prospectus. A purchaser of Offered Shares (other than a purchaser of Offered Shares in the United States or that was offered Offered Shares in the United States) will receive only a customer confirmation from the registered dealer through which the Offered Shares are purchased. Subject to applicable laws and in connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

Prospective investors should rely only on the information contained in this short form prospectus, including the documents incorporated by reference herein. The Company has not authorized anyone to provide prospective investors with information different from that contained in this short form prospectus. The information contained in this short form prospectus is accurate only as of the date of this short form prospectus, regardless of the time of delivery of this short form prospectus or any sale of the Offered Shares.

The Offered Shares may only be sold in those jurisdictions where offers and sales are permitted. This short form prospectus is not an offer to sell or a solicitation of an offer to buy the Offered Shares in any jurisdiction in which it is unlawful. Prospective investors should be aware that the acquisition or disposition of the securities described in this short form prospectus may have tax consequences in Canada or elsewhere, depending on each particular existing or prospective investor's specific circumstances. Prospective investors should consult their own tax advisors with respect to such tax considerations.

The registered and head office of the Company is located at 1 University Avenue, Suite 401, Toronto, Ontario, Canada M5J 2P1.

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CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This short form prospectus, including the documents incorporated by reference herein, contains "forward-looking statements" which may include, but is not limited to, statements with respect to exploration and development plans, activities and intentions, the future financial or operating performance of the Company and its projects, the future price of gold or other metal prices, currency exchange rates, future effective tax rates, the estimation of mineral resources, the costs and timing of development, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, future royalties payable, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: general business, economic, competitive, political and social uncertainties; the actual results of current exploration and development activities; risks relating to title to properties; risks associated with obtaining necessary permits; risks associated with royalties, risks associated with insurance, risks associated with foreign operations, including government regulation and political stability risks; risks associated with legal proceedings, actual results of reclamation activities; conclusions of economic evaluations; fluctuations in the value of the Canadian dollar relative to the U.S. dollar or Brazilian real; fluctuation in interest rates, changes in project parameters as plans continue to be refined; changes in labour costs or other costs of production; future prices of gold; possible variations of mineral grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental hazards, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavourable operating conditions and losses, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, and the factors discussed in the section entitled "Risk Factors" in this short form prospectus and under the heading "Risk Factors" in the AIF incorporated herein by reference.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this short form prospectus and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

ELIGIBILITY FOR INVESTMENT

In the opinion of Cassels Brock & Blackwell LLP, counsel to the Company, and Wildeboer Dellelce LLP, counsel to the Underwriters, the Offered Shares, if issued on the date hereof, would be qualified investments under the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), deferred profit sharing plan, registered education savings plan, registered disability savings plan or tax-free savings account ("**TFSA**").

Notwithstanding the foregoing, if the Offered Shares are a "prohibited investment" (as that term is defined in the Tax Act) for an RRSP, RRIF or TFSA, an annuitant of the RRSP or the RRIF or a holder of the TFSA, as the case may be, (each a "**Plan Holder**") will be subject to a penalty tax as set out in the Tax Act. The Offered Shares will be a "prohibited investment" for an RRSP, RRIF or TFSA of a Plan Holder who has a "significant interest" (as defined in the Tax Act) in the Company or who does not deal at arm's length, within the meaning of the Tax Act, with the Company. Plan Holders should consult their own tax advisors to ensure the Offered Shares would not be a prohibited investment in their particular circumstances.

CURRENCY EXCHANGE RATES

Unless otherwise indicated, all currency amounts in this short form prospectus are stated in Canadian dollars ($). The following tables sets out the exchange rates for Canadian dollars per Brazilian Real in effect at the end of the following periods based on the Bank of Canada noon spot rate of exchange.

Brazilian Real	Three Months Ended March 31, 2013	Year Ended December 31		
		2012	2011	2010
Closing	0.5036	0.4859	0.5458	0.5993
High	0.5273	0.5856	0.6217	0.6115
Low	0.4823	0.4695	0.5438	0.5634
Average	0.5052	0.5141	0.5922	0.5853

On June 6, 2013, the noon spot rate for Canadian dollars per Brazilian Real reported by the Bank of Canada was R$1 = $0.4814.

The following table sets out the exchange rates for Canadian dollars per U.S. dollar in effect at the end of the following periods based on the Bank of Canada noon spot rate of exchange.

U.S. Dollar	Three Months Ended March 31, 2013	Year Ended December 31		
		2012	2011	2010
Closing	1.0156	0.9949	1.0170	0.9946
High	1.0314	1.0418	1.0604	1.0778
Low	0.9839	0.9710	0.9449	0.9946

U.S. Dollar	Three Months Ended March 31, 2013	Year Ended December 31		
		2012	2011	2010
Average	1.0083	0.9996	0.9891	1.0299

On June 6, 2013, the noon spot rate for Canadian dollars per U.S. dollar reported by the Bank of Canada was U.S.$1 = $1.0238.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in all of the Provinces of Canada except for Québec (the "Commissions"). Copies of the documents incorporated herein by reference may be obtained upon request without charge from the Company at 1 University Avenue, Suite 401, Toronto, Ontario, Canada M5J 2P1. These documents are also available under the Company's profile on SEDAR which can be accessed at www.sedar.com.

The following documents filed by the Company with the Commissions are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

(a) the annual information form dated March 27, 2013, in respect of the fiscal year ended December 31, 2012 (the "**AIF**");

(b) the audited consolidated financial statements and the notes thereto for the years ended December 31, 2012 and 2011, together with the auditors' report thereon;

(c) the management's discussion and analysis of financial condition and results of operation for the years ended December 31, 2012 and 2011;

(d) the unaudited condensed consolidated interim financial statements and the notes thereto for the three months ended March 31, 2013 (the "**Interim Financial Statements**");

(e) the management's discussion and analysis of financial condition and results of operation for the three months ended March 31, 2013;

(f) the material change report dated January 8, 2013 relating to the Company reaching mineralization in its secondary development;

(g) the material change report dated May 24, 2013 relating to the Company's development update on the Serra Pelada Mine (as defined herein);

(h) the material change report dated May 28, 2013 relating to the Offering; and

(i) the management information circular dated April 10, 2013, distributed in connection with the Company's annual and special meeting of shareholders held on May 21, 2013.

Any documents of the foregoing type, and all other documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, which may be filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this short form prospectus and before completion or withdrawal of the Offering will be deemed to be incorporated by reference into this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a

statement contained in this short form prospectus or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not constitute a part of this short form prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

THE COMPANY

Corporate Structure

Name, Address and Incorporation

Colossus Minerals Inc. was incorporated under the *Business Corporations Act* (Ontario) on February 9, 2006, as 2093688 Ontario Limited. The Company amended its articles of incorporation on May 10, 2006, to change its name to "Colossus Minerals Inc." and further amended its articles of incorporation on June 22, 2007, to remove the transfer restrictions on the Company's securities.

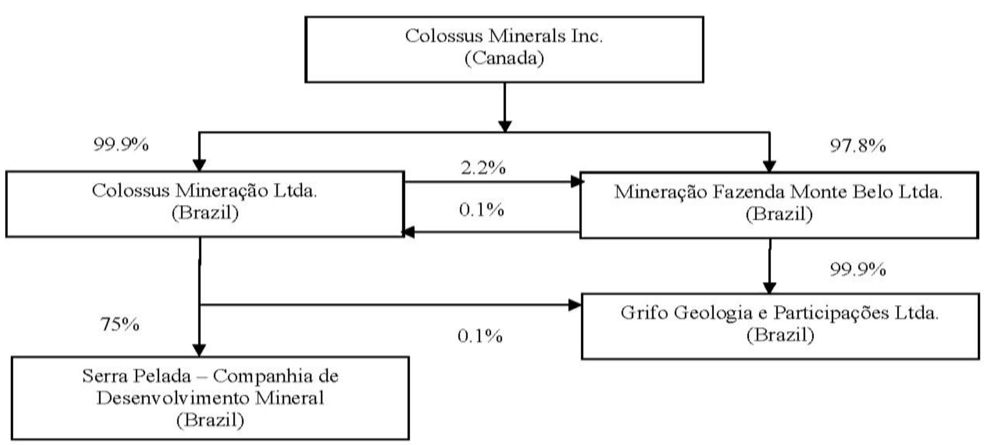
The registered and head office of the Company is located at One University Avenue, Suite 401, Toronto, Ontario, M5J 2P1.

Intercorporate Relationships

The following table sets forth the names of the material subsidiaries of the Company, the jurisdiction of incorporation and the direct or indirect percentage ownership by the Company of each such subsidiary.

Name of Subsidiary	Jurisdiction of Incorporation	Percentage Ownership
Colossus Mineração Ltda. (formerly Colossus Geologia e Participações Ltda.) ("**Colossus Brazil**")	Federative Republic of Brazil	100%
Serra Pelada - Companhia de Desenvolvimento Mineral (formerly Serra Pelada Empresa de Desenvolvimento Mineral Ltda. and prior to that Caicara Minerios e Participações Ltda.) ("**SPCDM**")	Federative Republic of Brazil	75%

The chart below outlines other interests the Company holds in its material subsidiaries as at the date of this short form prospectus.



Notes:

(1) In accordance with the terms of the joint venture agreement (the "**Serra Pelada Agreement**") dated July 16, 2007 between Colossus Brazil and Cooperativa de Mineração dos Garimpeiros de Serra Pelada ("**COOMIGASP**") in respect of the Serra Pelada Mine, COOMIGASP holds 25% of SPCDM.

(2) Brazilian law requires a limited liability company to have at least two quota holders. There is no trust agreement executed between the companies noted above.

Summary Description of Business

The Company is a development stage mining and exploration company focused on putting into production a high-grade gold and platinum group metals project in Brazil. The principal efforts of the Company have been devoted to the exploration and subsequent development of the Serra Pelada Mine in order to produce gold and other precious metals in Brazil.

Since inception, the Company has grown from a privately held junior exploration company to a publicly traded development stage mining company with interests in three mineral properties in Brazil: the property consisting of exploration license, 850.425/1990 covering 100 hectares located in Pará, Brazil, the 700 hectares referred to in the Vale Option Agreement (as defined in the AIF), and the 74 hectares referred to in the CC Agreement (as defined in the AIF) (collectively, the "**Serra Pelada Mine**"), the Rio Cristalino Property and the Cutia Property. The Serra Pelada Mine is the only material property of the Company.

A key milestone in the development of the current asset base of the Company was the acquisition of the Serra Pelada Mine through the Serra Pelada Agreement, as discussed below. The Serra Pelada Agreement provided for the creation of a joint venture company with COOMIGASP in which Colossus Brazil has earned a 75% interest in SPCDM, the joint venture company which holds the exploration license relating to the Serra Pelada Mine.

For further information on the business of the Company, see "Description of the Business" in the AIF.

Brazil Operations

The Company's books and records are located at the registered and head office of the Company at 1 University Avenue, Suite 401, Toronto, Ontario, Canada M5J 2P1. There are no restrictions on the Board of Directors access to these books and records either by way of personal inspection at the registered office, or by way of electronic transmission in the event that personal attendance is not possible. All of the minutes books and corporate records and documents of Colossus Brazil are filed at its headquarters located at Avenida Paulista, 1274 – 15th andar – Conjunto 37 – Bairro Bela Vista, Sao Paulo — SP, Brazil, 01.310-100 and with the São Paulo Board of Trade.

Management and Director Experience in Brazil

Certain of the directors and officers of the Company have extensive experience doing business in both Canada and Brazil. In particular, Claudio Mancuso, Alberto Arias, John Frostiak and John Turner are the directors of the Company that have experience in conducting business in Brazil and Claudio Mancuso (Chief Executive Officer), Dave Anthony (President & Chief Operating Officer), Alden Greenhouse (Chief Financial Officer), Luis Albano Tondo (Vice President, Operations and Country Manager, Brazil) are the officers of the Company that have experience in conducting business in Brazil. Moreover, Luis Albano Tondo and Alberto Arias are fluent in Portuguese. Each member of the management team located in Brazil speaks fluent Portuguese and all are proficient in English. Of the management team located in Toronto, Rosana Entler who is the Director, Community and Institutional Relations of the Issuer speaks fluent Portuguese and English. The primary language used in management and board meetings is English. The management team located in Brazil who deals directly with the operating staff and outside consultants communicate in Portuguese with such individuals as necessary. Both Colossus Brazil and the Company have translators on staff to assist with all communication requirements, as needed.

Knowledge of the local business, culture and practices is imparted by these individuals to other directors and officers of the Company, furthermore, several of the non-resident directors and officers visit Brazil on a regular basis in order to ensure effective control and management of the operations and as a result come into contact with other employees, personnel, government officials, business persons and customers who are locals in Brazil, which enable them to enhance their knowledge on these fronts.

All directors and executive officers of the Company have some familiarity with the legal and regulatory requirements of Brazil. Moreover, the Company's officers are required to attend internal meetings and presentations created by Brazilian legal counsel whereby they are apprised of new developments in the legal regime and new regulatory requirements that come into force from time to time, such that management is kept aware of relevant material legal developments in Brazil as they pertain to and affect the Company's business and operations. Any material developments are then discussed with the directors at the Board of Directors level. Material documents relating to the Company that are provided to the board are in English.

Other than as discussed herein, the Company does not currently have a formal communication plan or policy in place and has not, to date, experienced any communication-related issues due to the fact that the management team located in Brazil has proficiency in the English language. As the business continues to increase in size and complexity, the Company will, from time to time, re-evaluate whether a formal communication policy is necessary.

The Company hires and engages local experts and professionals (i.e. legal and tax consultants) to advise the Company with respect to current and new regulations in respect of banking, financial and tax matters. The Company utilizes large, established and well recognized financial institutions in both Canada and Brazil. The fact that the Company and Colossus Brazil have common directors and/or officers also facilitates the implementation of internal controls and knowledge sharing in these areas. The directors visit the Company's operations in Brazil annually and meet in person with the Chief Executive Officer a minimum of 5 times per year, the Chief Financial Officer a minimum of 5 times per year and with the President & Chief Operating Officer a minimum of 5 times per year. While the Company is continuing to work on establishing a more formal education program for its directors as the Company's business grows in size and complexity, the Company arranges for site visits to its projects as deemed appropriate. The last visit by the Board of Directors was in January 2013.

Additionally, directors and officers of the Company attend seminars and presentations from time to time provided by legal and accounting firms on developments in Brazil and South America. The directors and officers also work closely with Brazilian counsel and Brazilian employees of the Issuer to understand and subsequently adjust firm strategies and practices in connection with changes in Brazilian laws and regulatory regimes.

Property Ownership in Brazil

The government of Brazil regulates mining activities through the Ministry of Mines and Energy, and the National Department of Mineral Production (the Departamento Nacional da Produção Mineral, the "**DNPM**"), which are the regulatory authorities in charge of authorizing research and exploitation. In addition, the Federal and State environmental authorities regulate mining operations by licensing all steps of operations that have any environmental impact. All of the directors and officers receive updates from technical experts in this regard, allowing them to become familiarized with applicable regulations.

The Company is satisfied as to its ownership of its property interests in the Serra Pelada project through: (a) the receipt and review of title opinions regarding the Company's mineral rights to the Serra Pelada project provided by the Company's Brazilian legal counsel which is a law firm recognized as having expertise in mining law matters; (b) searches conducted in the registry of the DNPM, in which all applications, grants, transfers and assignments of exploration permits, mining concessions and other evidence of mineral rights to conduct exploration activities are registered and recorded; (c) correspondence with the DNPM pursuant to which exploration plans and detailed reports of work performed and geological and technological studies are required to be submitted; (d) payment to the DNPM in respect of government fees, charges, taxes and annual exploration fees payable on the mineral titles held; (e) review, negotiation and execution of various asset purchase agreements relating to the acquisition/transfer of certain mining titles; and (f) the entering into of agreements with certain possessors of surface land covering the majority of the area used in Serra Pelada project.

The material permits and business licenses required for the Company to be able to carry out business operations in Brazil are: (a) register at the São Paulo Board of Trade; (b) register at the Federal, Municipal and State Revenue in the cities of São Paulo, Parauapebas and Curionópolis and in the States of São Paulo and Pará (where applicable);

(c) obtain a Functioning Permit issued by City Hall; (d) obtain an Installation Permit (prior to starting mining construction, which has already been obtained by SPCDM) and an Operation Permit (to be obtained by SPCDM prior to beginning production) issued by the State Environmental Agency of Pará; and (e) obtain exploration licenses and mining concessions, as the case may be, to be granted by the DNPM.

The Company conducts an internal review of its paperwork, registrations and legal requirements on a quarterly basis to ensure that it has all required permits, business licenses and other regulatory approvals to carry out its business in Brazil.

The Company is not currently aware of any restrictions or conditions that have been imposed by the government of Brazil on the Company's ability to operate in Brazil. In connection with the Serra Pelada project, the Ministry of Mines and DNPM required Colossus Brazil to enter into a Commitment Agreement (the "**Commitment Agreement**") with SPCDM and COOMIGASP in order to grant the Operation Permit. The Commitment Agreement established that Colossus Brazil should comply with certain obligations, which were or have been complied with by Colossus Brazil. The Company does not anticipate any change to be implemented by the Brazilian government that would affect its ability to operate in Brazil.

Control over Brazilian Subsidiaries

As a limited liability company Colossus Brazil does not require a Board of Directors and is controlled by its shareholder. The management of the Company has control over Colossus Brazil by virtue of common management and by virtue of being (directly and indirectly) the sole shareholder. Therefore, the management of the Company can effectively (i) appoint and dismiss at any time any and all of Colossus Brazil's officers, (ii) instruct Colossus Brazil's officers to pursue Company's business activities, and (iii) has legal rights as a shareholder to require the officers of Colossus Brazil to comply with their fiduciary obligations and can also enforce its rights by way of the shareholder remedies available to it. As a result, the management of the Company can effectively align the Issuer's business objectives and effect the implementation of same at the level of Colossus Brazil.

The Company, as the sole shareholder (directly and indirectly) of Colossus Brazil can remove and appoint officers by way of simple communication that such officer is being removed from his/her position and the subsequent filing of same with the Board of Trade. The Board of Directors of the Company, through its corporate governance practices and in particular the activities of the Health, Safety, Environmental & Community Committee and Compensation, Corporate Governance and Nominating Committee, regularly receives management and technical updates and progress reports in connection with Colossus Brazil and its subsidiaries, and in so doing, maintains effective oversight of the operations and project development activities of Colossus Brazil. The opening and closing of bank accounts of Colossus Brazil and/or its subsidiaries is also controlled and approved by the Company's Chief Financial Officer.

Colossus Brazil's 75% ownership of SPCDM provides the Company with effective control over SPCDM in accordance with Brazilian law, according to which Colossus Brazil has the right to appoint the majority of SPCDM's Board of Directors, and that Board of Directors has the right to appoint all officers by majority of votes. SPCDM's Board of Directors is currently composed of three officers or employees of the Company – being the Chief Executive Officer, Vice President, Operations and Country Manager, Brazil and Director, Community and Institutional Relations. COOMIGASP appointed one member to SPCDM's Board of Directors that failed to take office and is not currently on the Board of SPCDM.

Until Colossus Brazil goes into production and generates revenue, all transfers of funds have been and will continue to be from the Company to Colossus Brazil (for example, certain proceeds from the Offering will be advanced down from the Company to Colossus Brazil) pursuant to an inter-company credit facility. Once Colossus Brazil generates revenues, the Board of Directors of the Company will be able to cause Colossus Brazil to transfer funds and accomplish the various operating aspects of the business by way of its ability to exert effective control over Colossus Brazil as discussed herein.

Internal Control over Financial Reporting

The Company maintains internal control over financial reporting with respect to its operations in Brazil by taking various measures.

Differences in banking systems and controls between Canada and Brazil are addressed by having stringent controls over cash in both locations; especially over access to cash, cash disbursements, appropriate authorization levels, performing and reviewing bank reconciliations on a monthly basis and the segregation of duties.

Additionally, the Company implemented the SAP Enterprise Resource Planning system to electronically track authorizations according to the board-approved Authorization Policy and to ensure better control over cost allocation. Before cash is transferred to Brazil, a list of payments to be made is reviewed by management in Toronto. Cash balances in Brazil are limited to funds sufficient for near-term expenditures and every month cash balances in Brazil are reconciled to the original payment list provided. Daily and weekly cash balances are provided to management in Toronto. In addition, every month a random sampling of invoices is selected for internal auditing of approvals, payments, and cost coding. Brazilian management personnel deliver monthly reports on actual versus budget spending, and any variance is explained by local management to head office and verified against approved over-budget authorizations. Finally, both management and the external auditors conduct quarterly reviews on the external financial statements.

The difference in cultures and practices between the two countries is addressed by employing competent staff in both countries who are familiar with the local laws, business culture and standard practices, have local language proficiency, are experienced in working in the respective foreign jurisdiction and dealing with the respective government authorities; and have experience and knowledge of the local banking systems and treasury requirements.

The flow of funds between Canada and Brazil is ensured to function as intended by appointing common directors and officers as between the Operating Entity and the Issuer, involving the Company's Chief Financial Officer, located in Toronto, in hiring key finance personnel in Brazil, closely monitoring the Brazil finance department, and by personal visits by the Chief Financial Officer to Brazil on a regular basis.

The Financial Controller and the Mine Controller have the relevant language proficiency (Brazilian Portuguese), cultural background and relevant Brazilian work experience to enable a better understanding and oversight of the Brazilian operations in the context of internal controls over financial reporting.

Pursuant to the requirements of NI 52-109, the Company assesses the design of internal controls over financial reporting on an annual basis. Furthermore, key controls for the accounts in scope are tested across the Company on an annual basis and the working papers of these tests performed at all the locations are reviewed at the head office level.

Recent Developments

In 2011, multi-stage gravity separation tests were conducted at Met-Solve Laboratories (Langley, BC) on samples from the Central Mineralized Zone ("**CMZ**") on the Serra Pelada project. This test work confirmed previous test results with gravity recoverable gold values observed in the 76% to 88% range. These gravity tests, using Falcon and Knelson concentrators, purposely targeted lower-grade composites and averaged 82.1% gravity recovery of gold.

In early 2012, over thirty flotation tests were conducted at Blue Coast Research (Nanaimo, BC) on a blend of tailings from the previous gravity test work. This work examined various separation strategies and combinations of reagents. This sample was flotation tested and achieved gold, platinum and palladium recoveries of 76.8%, 77.6% and 68.7%, respectively, into a clean, low grade rougher concentrate after only six minutes of flotation. This was achieved using conventional methods and a straightforward combination of reagents. Subsequent tests illustrate the improvement in flotation recovery rates compared with previous work.

Concentrations of deleterious elements such as arsenic, bismuth, cadmium, chromium and magnesium oxide are very low and uniformly below penalty thresholds. A notable feature was the relatively high concentration of carbon (graphite) which will be reduced substantially, by the removal of carbon from a simple calcining step.

Concurrent with the Blue Coast flotation tests, a program of intensive cyanidation and electrowinning testing was completed at Gekko Systems (Australia) on gravity concentrates from the 2011 Met-Solve gravity program that were blended to produce a master composite, suitable for leaching by cyanidation.. This test work demonstrated the amenability of Serra Pelada gravity concentrates to this modern and efficient gold processing technique. The pregnant leach solutions resulting from this cyanidation work were tested for amenability to electrowinning and were found to be suitable for this final upgrading stage.

Throughout the first half of 2012, further flotation test work focused on a series of new metallurgical composites. These were compiled from samples of higher grade sections of mineralization. This work program was designed to test the response of variability samples to the baseline flotation process. Results from these tests on a higher grade master composite verified the anticipated improvement in metallurgical performance.

As with previous testing, this master composite was subjected to gravity recovery prior to flotation testing. Gravity test results determined a gravity recovery of 76.2% gold. As with all previous test work, gravity recovery of PGM's was low with 4.8% Pt and 9.5% Pd recovery to the gravity concentrate.

A sub-sample of gravity tails from the above work was subsequently tested using the Serra Pelada baseline flotation flowsheet. The results evidence a significant improvement in grade and recovery over previous work conducted on lower grade samples. This initial flotation test was subsequently repeated on a second, larger sample of the master composite. The results of this second test were very similar.

Taken together, all the test work conducted to date indicates that overall recoveries of 92-96% gold, 74-78% platinum and 67-71% palladium will be achievable from a gravity plus flotation process. On September 18, 2012, the Company, Colossus Brazil and Sandstorm Gold Ltd. ("**Sandstorm**") entered into a purchase agreement (the "**Sandstorm Agreement**") whereby Sandstorm agreed to purchase certain amounts of refined gold, platinum and palladium from the Company in accordance with the terms of the Sandstorm Agreement. The Sandstorm Agreement requires that if the Company has sold and delivered payable metals to Sandstorm sufficient to repay the upfront deposit of $75.0 million, the Company remains liable for and must continue to deliver metals to Sandstorm in accordance with the terms of the Sandstorm Agreement until expiry or termination of the Sandstorm Agreement.

On May 15, 2013, the Company announced that construction of the Serra Pelada Mine and infrastructure was approximately 80% complete and on schedule for first production in the third quarter of 2013.

The Company's efforts are currently focused on (i) underground development and the collection of bulk sample materials, (ii) process plant construction, (iii) the completion of mine site infrastructure and facilities.

Underground Development

As of May 15, 2013, the Company had completed approximately 1,950 metres of total development; 1,250 primary and 700 metres of secondary development. Development within the mineralized zone is ongoing with the addition of 1,250 metres of underground development planned for completion between August and the end of November. This additional development is to be accomplished through the ramping up from one to four crews and sets of equipment with a targeted development rate of 2.5 metres per day from each development crew, compared with the average of 3.1 metres per day realized in April and May 2013. Development within the mineralized zone is ongoing and is currently sufficient to sustain a processing rate of 250 tonnes per day.
To achieve the development discussed above, the ventilation system requires expansion to provide sufficient air to support four crews and sets of equipment. The expansion work includes widening and concrete lining the artisanal shaft which will be used as a ventilation raise and development of a drift to tie the ramp to this ventilation raise at depth. Development of this drift towards the ventilation raise is entirely in red siltstone and development rates have been as expected. The Company has completed approximately 60 metres or 40% of this drift with approximately 90 metres of development remaining.

Due to better than expected ground conditions, the Company has commenced a comprehensive internal evaluation of a number of different mining methods. Preliminary results from the geotechnical evaluation indicate that a more cost effective alternative to underhand-cut-and-fill may be achievable in certain sections of the mineralization. The Company is evaluating alternatives such as overhand-cut-and-fill and other methods and a final determination will be made ahead of the commencement of production. This evaluation has led to the procurement of new equipment and ground support tools which are now on site and being used to assist management in determining whether an alternative mining method will be viable.

The bulk sample has been changed in scope as a result of the recognition of additional mineralization during the course of development. The Company encountered mineralization 30 to 40 metres ahead of the CMZ (as that zone is interpreted from surface drilling) and is currently planning to expand the bulk sample in order to incorporate the collection and geological interpretation of this additional mineralization. Preliminary assays have been received indicating previously unmodelled mineralization. While still in early stages, the preliminary results suggest a halo of lower-grade mineralization which has the potential to be incorporated into the Company's mine plan. The Company will release the full results of these assays once they are all available. As a result, management now expects to complete collection of the bulk sample prior to the end of the second quarter or beginning of the third quarter. The bulk sample excavation will be extended to become the first mining level and approximately 10,000 tonnes of material will be stockpiled during June and July, in advance of commissioning the process plant.

Results from the expanded bulk sample program will be incorporated into the initial National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") compliant resource report for the Serra Pelada Mine which the Company intends to complete after the processing of the bulk sample and the subsequent analysis of the results. Given the Company will have the ability to process material on site commencing in August, management, in conjunction with its consultants, has decided to treat the entire bulk sample through the process plant. Given the new information, and projected turnaround times for overseas shipping, processing and receiving results, management believes the grade of the bulk sample can be ascertained more efficiently, and at lower costs, by keeping it on site rather than sending it to a test lab outside of Brazil. Management expects the results from the initial months of mining and processing, inclusive of the results from the on-site processing of the bulk sample, to enable the Company to better project grades and tonnage for production through to the end of December 2014.

Process Plant

As of May 15, 2013, the Company has completed approximately 95% of the concrete placement and civil contractors have been approximately 50% demobilized. Civil construction work is currently focused primarily on the gold room. The Company is well advanced with structural, mechanical, piping and electrical installations in various areas of the project including the primary crusher, transfer tower, conveyors, reagents building, mill feed bin, thickener and gold room. Of the approximately 570 tonnes of structural steel to be erected, approximately 70% has been fabricated and approximately 35% has been erected. The thickener fitting and welding is substantially complete and the bridge has been installed. Several pieces of major equipment have been placed (including pumps, tailings sampler, primary and secondary crushers and apron feeder) and preparations to install others are advanced.

Infrastructure

Surface construction activities are focused on the power house and tailings dam. Construction of the power house is approximately 90% complete with the generators now installed. Commissioning of the power house commenced in May and 100% capacity is expected by the time the process plant commences operation. It is important to note that 50% power generation capacity is sufficient to operate all current mine services and infrastructure. The power house design was modified to allow connection with a 34.5 kV transmission line constructed by Equatorial Energia SA ("**Equatorial Energia**") (formerly Centrais Eléctricas do Parà SA or CELPA). The power supplied by Equatorial Energia will be lower cost and will be backed up by power from the diesel generators, which are being commissioned. Equatorial Energia has advised the Company that connection to the grid is now scheduled by the end of June 2013. Tailings' dam construction was approximately 20% complete as at May 15, 2013 and remains slightly ahead of schedule. Earthworks are well underway and the completion of the tailings dam is on track to be completed in the third quarter of 2013.

THE SERRA PELADA MINE

The Serra Pelada Mine is located near Marabá in Pará, Brazil. The Company holds its interest in the Serra Pelada Mine pursuant to its 75% interest in a joint venture company SPCDM. The other 25% is held by COOMIGASP.

The Serra Pelada Mine is described in greater detail in the technical report entitled "Technical Report on Recent Exploration at the Serra Pelada Gold-Platinum-Palladium Project in Pará State, Brazil, for Colossus Minerals", dated January 31, 2010 prepared by David G. Jones., BSc., MSc., FAusIMM, FIMMM, MAIME, MGSA of Vidoro Pty Ltd. (the "**Technical Report**"). A summary of the Serra Pelada Mine can be found in the AIF which is incorporated by reference into, and forms an integral part of, this short form prospectus.

USE OF PROCEEDS

The net proceeds to the Company from the Offering (not including any exercise of the Over-Allotment Option) is estimated to be $23,500,000, after deducting the Underwriters' Commission in the amount of $1,250,000 and the estimated expenses of the Offering, of $250,000, which will be paid out of the proceeds of the Offering. The following table sets out the anticipated use of the proceeds of the Offering:

Use of Net Proceeds	Amount(1)
Development Program(2)	
Completion and commissioning of the Serra Pelada process plant	$8,500,000
Funding of operating losses during initial period of ramp-up	$7,500,000
Total Development Program Spending..	**$16,000,000**
General Working Capital..	$7,500,000
Total Net Proceeds..	**$23,500,000**
Offering Costs	$1,500,000
Total Gross Proceeds..	**$25,000,000**

Note:

(1) Numbers have been rounded.

(2) Graham Long, BSc., P. Geo. is the Qualified Person under NI 43-101 who has supervised the preparation of the development program numbers in this table.

The Company will use a portion of the net proceeds, along with existing cash balances, to complete and commission the Serra Pelada process plant. The Company anticipates commissioning the process plant and other surface facilities in the third quarter of 2013. Initially, the Company will process the material from the bulk sample, the results of which are to be included in the NI 43-101 resource estimate expected for completion in the first quarter of 2014. The Company is currently extracting this bulk sample and storing the mineralized material on site as it completes the construction of the process plant. To achieve this phase the Company must complete the construction of the process plant. The remaining construction activities required to complete the process plant include the completion of: (i) civil construction by the end of the second quarter of 2013; (ii) structural steel fabrication by the end of July 2013; and (iii) structural, mechanical, piping and electrical installation by the middle of the third quarter of 2013. The remainder of the proceeds will be used to fund working capital and expected operating losses during the initial period of ramp-up.

The above-noted allocation represents the Company's intention with respect to its use of proceeds, based on current knowledge and planning by management of the Company. Although the Company intends to expend the net proceeds of the Offering as set out above, the amounts actually expended and the allocation of those amounts could vary significantly depending on, among other things, the progress of the Company's development programs, unforeseen events and the Company's future operating and capital needs from time to time. The scale of the expected operating losses are dependent on the speed of ramp up and underground development, grade delivered to the mill, and precious metals prices at the time of delivery to global markets. As such, the Company may require additional capital in 2013 or 2014, which will depend on the Company's ability to obtain such capital through debt financing, equity financing, or other means. Any unallocated funds from the net proceeds of the Offering will be used to continue to fund the Company's operating activities or added to the general working capital of the Company. See "Risk Factors – Use of Proceeds". Until required for the Company's purposes, the Company may invest any funds in short-term deposits at various call levels.

The Company has limited financial resources and has earned nominal income related solely to interest on financial assets since commencing operations. During the fiscal year ended December 31, 2012 and the three-month period ended March 31, 2013, the Company had negative cash flow from operating activities. The Company anticipates it will have negative cash flows from operating activities in future periods until commercial production is achieved at the Serra Pelada Mine. See "Risk Factors – Negative Operating Cash Flow". To the extent that negative cash flows from operating activities persist for a longer period than anticipated, the Company may need to deploy a portion of its working capital to fund such negative cash flows or seek additional sources of funding.

If the Over-Allotment Option is exercised in full, the Company will receive additional net proceeds of $3,562,500 after deducting the Underwriters' Commission, but before deducting the estimated expenses of the Offering, in connection with the Over-Allotment Option. The net proceeds from the exercise of the Over-Allotment Option, if any, will likely be applied to general working capital.

PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement dated May 27, 2013 (the "**Underwriting Agreement**") between the Company and the Underwriters, the Company has agreed to sell, and the Underwriters have severally (and not jointly, nor jointly and severally) agreed to purchase, as principals, 15,625,000 Offered Shares at the Offering Price for aggregate gross proceeds of $25,000,000 payable in cash to the Company against delivery of the Offered Shares, subject to compliance with all necessary legal requirements and the terms and conditions of the Underwriting Agreement. The Offering Price was determined by arm's length negotiations between the Company and the Co-Lead Underwriters on behalf of the Underwriters, with reference to the prevailing market price of the Common Shares.

The Company has also granted the Underwriters the Over-Allotment Option, exercisable in whole or in part in the sole discretion of the Underwriters for a period of 30 days from and including the Closing Date, to purchase up to an additional 2,343,750 Over-Allotment Shares at the Offering Price, to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public will be $28,750,000, the total Underwriters' Commission will be $1,437,500, and the net proceeds to the Company, before deducting the estimated expenses of the Offering, will be $27,312,500. This short form prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Shares issuable on the exercise of the Over-Allotment Option. A purchaser who acquires securities forming part of the Underwriters' over-allocation position acquires those securities under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. All references to "Offered Shares" in this short form prospectus include the Over-Allotment Shares as the context permits or requires.

The obligations of the Underwriters under the Underwriting Agreement are several and not joint (nor joint and several) and may be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated, to take up and pay for all of the Offered Shares if any of the Offered Shares are purchased under the Underwriting Agreement. In consideration for the services provided by the Underwriters in connection with the Offering and pursuant to the terms of the Underwriting Agreement, the Company has agreed to pay the Underwriters the Underwriters' Commission, equal to 5.0% of the aggregate gross proceeds of the Offering (including in respect of any exercise of the Over-Allotment Option). The Underwriters may offer selling group participation to other registered dealers, including, without limitation, PowerOne Capital Markets Limited, with compensation to be negotiated between the Underwriters and such selling group participants, but at no additional cost to the Company. Pursuant to the terms of the Underwriting Agreement, the Company has agreed to pay certain expenses incurred by the Underwriters in connection with the Offering. The Company has also agreed pursuant to the terms of the Underwriting Agreement to indemnify the Underwriters, their affiliates and their respective partners, directors, officers and employees against certain liabilities and expenses and to contribute to payments that the Underwriters may be required to make in respect thereof.

The Underwriters propose to offer the Offered Shares to the public initially at the Offering Price. Without affecting the firm obligation of the Underwriters to purchase the Offered Shares in accordance with the Underwriting Agreement, the Underwriters may decrease the Offering Price of the Offered Shares which they sell under this short form prospectus after they have made a reasonable effort to sell all such Offered Shares at the Offering Price. The sale by the Underwriters of Offered Shares at a price of less than the Offering Price will have the effect of reducing the compensation realized by the Underwriters by the amount that the aggregate price paid by the purchasers for Offered Shares is less than the gross proceeds paid by the Underwriters for the Offered Shares.

The TSX has conditionally approved the listing of the Offered Shares (including the Over-Allotment Shares). Listing will be subject to the Company fulfilling all of the listing requirements of the TSX on or before August 26, 2013.

Pursuant to the rules and policy statements of certain Canadian securities regulators, the Underwriters may not, throughout the period of distribution under this short form prospectus, bid for or purchase Common Shares for their own account or for accounts over which they exercise control or discretion. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Common Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for or on behalf of a client where the client’s order was not solicited during the period of distribution. Subject to applicable laws and in connection with the Offering, the Underwriters may over-allot or effect transactions in connection with the Offering intended to stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Offered Shares will be offered in all the provinces of Canada other than Québec through the Underwriters or their affiliates who are registered to offer the Offered Shares for sale in such provinces and such other registered dealers as may be designated by the Underwriters.

The Company has agreed in the Underwriting Agreement not to, directly or indirectly, sell or issue, or negotiate or enter into any agreement to sell or issue, any securities of the Company, except pursuant to: (i) the exercise of currently outstanding rights or agreements, including options, warrants and other convertible securities and any rights which have been granted or issued, which are subject to any necessary regulatory approval; (ii) the exercise of currently outstanding options granted to officers, directors, employees or consultants of the Company or any subsidiary thereof pursuant to the Company’s stock option plan (the “**Option Plan**”); (iii) the grant of options issued pursuant to and in accordance with the Option Plan, provided that the number of Common Shares issuable pursuant to stock option grants does not exceeds 10% of the basic shares outstanding of the Company immediately following the completion of the Offering; (iv) the issuance of Common Shares or other convertible securities pursuant to the terms of any existing loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability; or (v) in connection with any bona fide arm’s length (A) acquisition of a business or property, whether by purchase of shares or assets, merger, plan of arrangement, amalgamation or otherwise which does not exceed 10%, or (B) other transaction which does not exceed 5%, in each case, of the basic shares outstanding of the Company immediately following the completion of the Offering, for a period commencing on the date hereof and ending 90 days from the Closing Date without the prior written consent of the Co-Lead Underwriters, on behalf of the Underwriters, such consent not to be unreasonably withheld, except pursuant to the Offering, including the exercise of the Over-Allotment Option.

The Company shall use its commercially reasonable best efforts to cause each of its insiders, directors and officers and their respective associates to execute agreements, in favour of the Underwriters, agreeing not to, directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap, or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any Common Shares or other securities of the Company held by them, directly or indirectly, on the Closing Date, for a period ending 90 days from the Closing Date unless (among other exceptions) (a) they first obtain the prior written consent of the Co-Lead Underwriters, on behalf of the Underwriters, such consent not to be unreasonably withheld or delayed, or (b) there occurs a take-over bid or similar transaction involving a change of control of the Company.

Subscriptions for Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Other than pursuant to certain exceptions, the Offered Shares will be delivered under the book based system through CDS or its nominee and deposited in registered or electronic form with CDS on the Closing Date, or such other date as may be agreed upon by the Company and the Underwriters but in any event no later than 42 days after the date of the final receipt for the short form prospectus. A purchaser of Offered Shares will receive only a customer confirmation from the registered dealer through which the Offered Shares are purchased.

CONSOLIDATED CAPITALIZATION

As at the date of this short form prospectus, assuming completion of the Offering, there would be an aggregate of 122,603,401 Common Shares issued and outstanding (124,947,151 if the Over-Allotment Option is exercised in full).

The following table shows, in U.S. dollars, the consolidated capitalization of the Company as at March 31, 2013, the date of the Company's most recent financial statements, and as at March 31, 2013 after giving effect to the Offering (assuming no exercise of the Over-Allotment Option) as if it had occurred on such date. The following should be reviewed in conjunction with the Interim Financial Statements which were prepared in accordance with International Financial Reporting Standards.

Description of Securities	As at March 31, 2013 Before Giving Effect to the Offering	As at March 31, 2013 After Giving Effect to the Offering(1)
Cash and Cash Equivalents	$32,080,000	$55,219,000
Share Capital	$233,346,000	$256,485,000
(Number of Common Shares)	(106,953,401)	(122,578,401)(2)
Warrants	$4,813,000	$4,813,000
(Number of Warrants)	(5,175,000)	(5,175,000)
Gold Linked Notes(3)	$65,277,000	$65,277,000
Equipment Financing	1,116,000	$1,116,000

Notes:

(1) After deducting the Underwriters' Commission of $1,250,000 and the expenses of the Offering, estimated to be $250,000.
(2) 124,922,151 Common Shares if the Over-Allotment Option is exercised in full.
(3) Represents the fair value at March 31, 2013 of 86,250 issued and outstanding gold linked notes.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

The Company is authorized to issue an unlimited number of Common Shares. As of June 6, 2013, 106,978,401 Common Shares were issued and outstanding as fully paid and non-assessable.

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company.

PRIOR SALES

For the 12 month period before the date of this short form prospectus the Company issued the following Common Shares and securities convertible into Common Shares:

Date of Issuance	Number and Class of Securities	Purchase/Exercise/Deemed Price per Common Share
May 25, 2012	800,000 options	$3.71
June 27, 2012	65,000 options	$4.03
July 10, 2012	75,000 options	$3.66
July 24, 2012	185,000 options	$3.30
August 29, 2012	470,000 options	$4.49
September 11, 2012	160,000 options	$4.92
September 27, 2012	240,000 options	$5.72
October 24, 2012	280,000 options	$5.53
November 20, 2012	170,000 options	$4.47
December 3, 2012	250,000 options	$4.31
December 7, 2012	80,000 options	$4.10
December 10, 2012	5,000 options	$4.07
December 13, 2012	200,000 options	$4.04
December 21, 2012	500,000 options	$4.14
January 9, 2013	1,285,000 options	$4.73
February 19, 2013	195,000 options	$3.66
February 26, 2013	155,000 options	$3.10
April 8, 2013	165,000 options	$2.92
April 22, 2013	70,000 options	$1.92

TRADING PRICE AND VOLUME

The Common Shares trade on the TSX under the symbol "CSI". The following table sets out the high and low trading prices, as well as the trading volume for the Common Shares on the TSX for the 12 month period indicated.

Month	Price Range ($)		Total Volume
	High	Low	
June, 1 – 6, 2013	$1.92	$1.77	2,031,408
May 2013	$2.33	$1.52	22,499,308
April 2013	$3.19	$1.73	26,094,723
March 2013	$3.40	$2.33	25,729,584
February 2013	$4.32	$2.86	14,320,079
January 2013	$5.06	$4.06	9,053,593
December 2012	$4.68	$3.90	15,134,508
November 2012	$5.72	$4.07	9,913,843
October 2012	$5.85	$5.13	7,908,980
September 2012	$6.03	$4.41	10,800,801
August 2012	$4.69	$3.29	11,733,795
July 2012	$3.92	$3.09	12,166,672
June 2012	$4.80	$3.50	8,168,163

RISK FACTORS

The business of the Company and an investment in the Offered Shares is subject to a number of risks and uncertainties. Purchasers of the Offered Shares should carefully consider all the information included or incorporated by reference in this short form prospectus before making an investment decision concerning the Company's securities. There are various risks, including those disclosed in the AIF, which is incorporated herein by reference, that could have a material adverse effect on, among other things, the properties, business and condition (financial or otherwise) of the Company. In addition to the risk factors set forth in the AIF under the heading "Risk Factors", the following risk factors should be considered.

Limited Operating History

The Company has a limited history of operations, is in the early stage of development and could be considered a start-up. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

No History of Earnings

The Company has limited financial resources, has earned nominal income related solely to interest on financial assets since commencing operations, has no source of operating cash flow and there is no assurance that additional funding will be available to it for exploration and development of its mineral properties or for required future property payments.

Uncertainty of Requirement for and Sources of Additional Funding

While the Company believes that, following the completion of the Offering, it has sufficient funding to achieve commissioning of the Serra Pelada process plant, the Company continues to assess the size and scope of its expected operating losses during ramp up to full production. The scale of these operating losses are dependent on the speed of ramp up and underground development, grade delivered to the mill, and precious metals prices at the time of delivery to global markets. As such, the Company may require additional capital in 2013 or 2014, which will depend on the Company's ability to obtain such capital through debt financing, equity financing, or other means. There is no assurance that the Company will be successful in obtaining the required financing or that such financing will be available on terms acceptable to the Company. In addition, any future financing may also be dilutive to existing shareholders of the Company.

Market Price of Common Shares

There can be no assurance that an active market for the Common Shares will be sustained after the Offering. Securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Common Shares will be subject to market trends generally and the value of the Common Shares on the TSX may be affected by such volatility in response to numerous factors. Factors unrelated to the financial performance or prospects of the Company including the unprecedented events in global financial markets in 2008 and 2009 and the Eurozone sovereign debt crisis have had a profound impact on the global economy. Many industries, including the gold mining industry, were and continue to be impacted by these market conditions. Some of the key impacts of the financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. While many economies around the world have been slowly improving, there can be no assurance that the global economy will continue to improve or another financial or economic crisis will not occur in the future. A slowdown or crisis in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability. There can be no assurance that continued fluctuations in commodity prices will not occur. As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the long term value of the Company.

Use of Proceeds

The Company currently intends to allocate the net proceeds received from the Offering as described under "Use of Proceeds". However, management will have discretion in the actual application of the net proceeds, and may elect to allocate net proceeds differently from that described under "Use of Proceeds" if they believe it would be in the Company's best interests to do so. Shareholders may not agree with the manner in which management chooses to allocate and spend the net proceeds. The failure by management to apply these funds effectively could have a material adverse effect on the Company's business.

Dilution

Additional financing needed to continue funding the development and operation of the Serra Pelada Mine and other properties of the Company may require the issuance of additional securities of the Company. The issuance of additional securities and the exercise of common share purchase warrants, stock options and other convertible securities will result in dilution of the equity interests of any persons who are or may become holders of Common Shares.

Restrictions on Surface Right Acquisitions

Pursuant to the Brazilian Constitution and the Civil Code, as a general rule foreign and domestic persons are equally able to own property in Brazil. As a result, ownership of property will be impacted equally whether held directly by domestic persons or indirectly by foreign persons as a result of any changes to the political climate, laws, regulations, taxes, or other factors affecting land ownership in Brazil. Certain exceptions, however, apply. For the purposes of the Company's activities, it should be noted that a foreign person or legal entity cannot hold mineral rights in Brazil, but a Brazilian subsidiary of a foreign person or entity can have ownership of mineral rights and other assets related to a mine (see the restrictions on real property below), except if such mineral right is located in the border region.

Notwithstanding the foregoing, restrictions apply to ownership of land by foreign persons or entities or by Brazilian subsidiaries controlled by foreign persons or entities. Such restrictions were established by Law n. 5.709, of October 7th, 1971, and relate to the maximum areas that may be owned by a foreign person, legal entity or a Brazilian subsidiary, and the need to obtain prior authorization of INCRA (the Brazilian agency that regulates ownership and use of rural lands) for acquiring or leasing rural lands. Such maximum areas vary in accordance with the region and the municipality. Until 2010, such restrictions applied only to foreign persons or legal entities. However, in 2010, the Attorney General's Office reinterpreted the Brazilian legislation of land acquisition, and understood that restrictions were also applicable to Brazilian subsidiaries of foreign persons or legal entities. However, on June 13, 2012, the Committee of Agriculture of the Brazilian Congress approved a report of a proposal to allow Brazilian companies controlled by foreigners to acquire large quantities of rural lands. The report has been approved and the proposal will consider whether Brazilian companies with foreign capital can be considered national companies without limitations on land acquisition.

Canadian Foreign Affiliate Dumping Rules

Certain adverse tax considerations may be applicable to a purchaser of Offered Shares that is a corporation resident in Canada and is, or becomes, controlled by a non-resident corporation for the purposes of the proposed "foreign affiliate dumping" rules in the Tax Act. Such shareholders should consult their tax advisors with respect to the consequences of acquiring Offered Shares.

OTHER MATERIAL FACTS

Shareholder Rights Plan

The Company's shareholder rights plan dated October 1, 2009 was not reapproved in accordance with its terms and therefore is no longer in force.

AUDITORS AND TRANSFER AGENT

The auditors of the Company are KPMG LLP, Chartered Accountants, 333 Bay Street, Suite 4600, Bay Adelaide Centre Toronto, Ontario M5H 2S5. KPMG LLP is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

The transfer agent and registrar of the Common Shares is Equity Financial Trust Company, with its principal office at 200 University Avenue, Suite 400, Toronto ON M5H 4H1.

INTEREST OF EXPERTS

The matters referred to under "Eligibility for Investment" and certain legal matters in connection with this Offering will be passed upon by Cassels Brock & Blackwell LLP, on behalf of the Company, and by Wildeboer Dellelce LLP, on behalf of the Underwriters. As at the date hereof, the designated professionals of Cassels Brock & Blackwell LLP, as a group, and the designated professionals of Wildeboer Dellelce LLP, as a group, each beneficially own, directly or indirectly, less than one percent of the securities of the Company.

David G. Jones., BSc., MSc., FAusIMM, FIMMM, MAIME, MGSA of Vidoro Pty Ltd is the qualified person who prepared the Technical Report. Neither Mr. Jones or his firm received a direct or indirect interest in the property of the Company or of any associate or affiliate of the Company. As at the date hereof, Mr. Jones and his firm beneficially own, directly or indirectly, less than one percent of the securities of the Company.

Graham Long, BSc., P. Geo. is a qualified person under NI 43-101 and has approved the technical and scientific disclosure in this short form prospectus, except in the Technical Report. Mr. Long did not receive a direct or indirect interest in the property of the Company or of any associate or affiliate of the Company. As at the date hereof, Mr. Long beneficially owns, directly or indirectly, less than one percent of the securities of the Company.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some provinces, revisions of the price or damages if the short form prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF THE COMPANY

Dated: June 7, 2013

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the Provinces of Canada other than the Province of Québec.

(Signed) CLAUDIO MANCUSO Chief Executive Officer	(Signed) ALDEN GREENHOUSE Chief Financial Officer

On behalf of the Board of Directors

(Signed) JOHN FROSTIAK Director	(Signed) DOUGLAS REESON Director

CERTIFICATE OF THE UNDERWRITERS

Dated: June 7, 2013

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the Provinces of Canada other than the Province of Québec.

GMP SECURITIES L.P.	**DUNDEE SECURITIES LTD.**
By: (Signed) RON D'AMBROSIO	By: (Signed) SANDEEP SINGH

CANACCORD GENUITY CORP.	**CLARUS SECURITIES INC.**	**TD SECURITIES INC.**
By: (Signed) ALI PEJMAN	By: (Signed) JOHN JENTZ	By: (Signed) MICHAEL FARALLA