

FORM 51-102F3

Material Change Report

ITEM 1. NAME AND ADDRESS OF COMPANY

COLUMBUS SILVER CORPORATION

Suite 307, 475 Howe Street
Vancouver, British Columbia V6C 2B3
Tel: 604-634-0970
Fax: 604-634-0971

ITEM 2. DATE OF MATERIAL CHANGE

December 15, 2011

ITEM 3. NEWS RELEASE

Issued on December 15, 2011 and disseminated by Marketwire.

ITEM 4. SUMMARY OF MATERIAL CHANGE

Columbus Silver Corporation has entered into definitive agreements governing the proposed plan of arrangement under which Santa Fe Gold Corporation has conditionally agreed to acquire all of the common shares of Columbus Silver Corporation for CDN\$0.20 per share in cash (the “**Acquisition**”). Under the definitive Acquisition agreement, the parties have agreed to use commercially reasonable efforts to complete the Acquisition on or before March 31, 2012, and in any event prior to May 31, 2012.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

Please see the attached news release.

ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTIONS

Not applicable.

ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable.

ITEM 7. OMITTED INFORMATION

No information has been omitted on the basis that it is confidential information.

ITEM 8. EXECUTIVE OFFICER

Contact: Robert F. Giustra, President & CEO, Director
Telephone: 604-634-0970

ITEM 9. DATE OF REPORT

DATED December 16, 2011.



Columbus Silver Corporation
Suite 307 - 475 Howe Street
Vancouver, B.C. V6C 2B3
Canada

Phone: +1 604 634-0970
Fax: +1 604 634-0971
Toll Free: 1 888 818-1364

info@columbussilvercorp.com
www.columbussilvercorp.com

NEWS RELEASE

Santa Fe Gold Corporation Merger Update – Definitive Agreements Signed

Vancouver, BC, Canada; December 15, 2011 – Columbus Silver Corporation (**CSC: TSX-V**) (“**Columbus Silver**”) is pleased to announce that it has entered into definitive agreements governing the proposed plan of arrangement under which Santa Fe Gold Corporation (**OTCBB: SFEG**) (“**Santa Fe**”) has conditionally agreed to acquire all of the common shares (the “**Shares**”) of Columbus Silver for CDN\$0.20 per share in cash (the “**Acquisition**”). Under the definitive Acquisition agreement, the parties have agreed to use commercially reasonable efforts to complete the Acquisition on or before March 31, 2012, and in any event prior to May 31, 2012. For additional details of the Acquisition, please see Columbus Silver’s September 7, 2011 news release.

The Acquisition remains subject to conditions, including: (a) Santa Fe obtaining financing in a sufficient amount to consummate the Acquisition; (b) Columbus Silver obtaining shareholder approval for the Acquisition; and (c) all necessary court and regulatory approvals of the Acquisition being obtained, including the approval of the TSX Venture Exchange. Santa Fe must notify Columbus Silver by December 31, 2011 that it has completed the required financing or obtained a firm commitment regarding same, otherwise Columbus Silver will have the option to terminate the Acquisition.

Santa Fe has also now advanced US\$300,000 to Columbus Silver under a bridge financing agreement between the parties. As previously disclosed, Santa Fe has agreed to provide bridge financing to Columbus Silver on an as needed and ongoing basis until closing or other termination of the Acquisition.

ON BEHALF OF THE BOARD,

Robert F. Giustra
President & CEO, Director

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For more information contact:

Investor Relations
604-634-0970
1-888-818-1364
info@columbussilvercorp.com

This release contains forward-looking information and statements, as defined by law including without limitation Canadian securities laws and the "safe harbor" provisions of the US Private Securities Litigation Reform Act of 1995 ("forward-looking statements"), respecting the proposed Acquisition, proposed date of completion thereof, and transactions ancillary thereto. Forward-looking statements involve risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by the forward-looking statements, including without limitation the ability to acquire necessary authorizations; Santa Fe's ability to raise necessary financing to complete the Acquisition and in a timely fashion; obtaining approval of the TSX Venture Exchange; obtaining approval of shareholders; obtaining court approval; obtaining applicable US approvals; cost increases; possibility of a competing offer arising; unforeseen circumstances; risks associated with the exploration projects or title thereto held by Columbus Silver; mineral reserve and

resource estimates (including the risk of assumption and methodology errors); dependence on third parties for services; non-performance by contractual counterparties; title risks; and general business and economic conditions. Forward-looking statements are based on a number of assumptions that may prove to be incorrect, including without limitation assumptions about: that the required approvals mentioned above will occur; that Santa Fe will be able to obtain required financing in a timely fashion; the timing and receipt of required approvals; that shareholders will vote in favor of the Acquisition; that required service providers will be available to assist with the transaction; that items required for mandated disclosure are available; general business and economic conditions; availability of financing; and ongoing relations with employees, partners and joint venturers. The foregoing list is not exhaustive and we undertake no obligation to update any of the foregoing except as required by law.