Fundamental Research Corp.

Investment Analysis for Intelligent Investors

Siddharth Rajeev, B.Tech, MBA
Analyst

Martha Buckwalter-Davis, BA (Geology)
Senior Research Associate—Mining

Kevin Liu, BBA, BSc
Research Associate

May 15, 2008

Columbus Gold Corporation (TSX.V: CGT) – Preliminary Drilling Results at Bolo

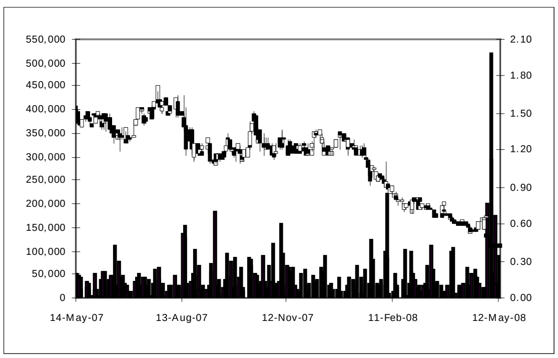
Sector/Industry: Junior Mining

www.columbusgoldcorp.com

Market Data (as of May 14, 2008)

Current Price	C$0.41
Fair Value	C$1.12 (↓)
Rating*	BUY
Risk*	5 (Highly Spec)
52 Week Range	C$0.40 - C$1.73
Shares O/S	22,861,887
Market Cap	C$9.37 million
Current Yield	N/A
P/E	N/A
P/B	1.24
YoY Return	-66.9%
YoY TSXV	-22.8%

*see back of report for rating and risk definitions



Investment Highlights

- The company holds 31 properties, 14 of which are joint ventured to major and/or junior mining companies, including Barrick Gold and Newmont.
- Columbus Gold's joint venture partners will spend a total of $6 million on exploration this year.
- The company has continued to joint venture its properties, and has established new agreements with Newmont Mining, Portage Minerals, Ventura Gold (TSXV: VGO), and Agnico-Eagle.
- The company is focused on gold prospecting and exploration in Nevada, but also holds silver and base metals properties in Utah and Arizona. Management has transferred the silver properties into a new company called Columbus Silver that is planning an IPO.
- The company is maintaining a 100% interest and conducting exploration on the Bolo and Awakening gold properties. A drilling program at Bolo in November 2007, uncovered anomalous-low grade gold mineralization over great widths. Further drilling is planned in June 2008.
- We lowered our fair value estimate on the company to $1.12 per share from $1.90 per share, primarily due to a drop in our valuation on the company's projects without resource estimates. We believe current price levels represent good entry points for investors with higher risk tolerance and a longer investment horizon.

Key Financial Data (FYE - September 30) (C $)	**2005**	**2006**	**2007**	**2008 Q1**
Cash + Term Deposits + Marketable Securities	1,526,061	3,709,494	2,335,515	2,691,117
Working Capital	1,568,717	3,655,967	2,439,900	2,738,646
Mineral Assets & PPE	1,290,852	2,717,115	4,124,435	4,513,724
Total Assets	3,100,833	6,789,811	6,960,628	7,620,447
Net Loss	(910,732)	(2,046,331)	(1,540,856)	(287,969)
Loss per Share	(0.08)	(0.13)	(0.07)	(0.01)

Columbus Gold and its exploration team, Cordilleran Exploration Company (Cordex), are focused on the generation and development of successful mining prospects in the western United States. They are largely focused on gold in Nevada, and are utilizing a joint venture model. To date, the company has successfully joint ventured 14 of its 31 properties to major and junior mining companies. They are maintaining 100% interest and conducting exploration on their Bolo and Awakening properties.

PLEASE READ THE IMPORTANT DISCLOSURES AT THE BACK OF THIS REPORT

Company Overview

Columbus is working exclusively with Cordilleran Exploration Company (Cordex), possibly the most successful exploration team in Nevada, to acquire 100% interests in gold properties in the western United States. The company is advancing the Bolo and Awakening properties, and has optioned 14 of its 31 properties to major and junior resource companies, including Barrick Gold (NYSE: ABX) and Newmont Mining (NYSE: NEM). The joint venture model allows the company to minimize risk and dilution, and maximize exploration, while advancing many properties.

Corporate Reorganization

In May 2008, Columbus Gold announced that it has transferred its Silver District, Silver Dome, Clanton Hills and Keg properties, all targeting silver, to a newly formed subsidiary, Columbus Silver Corporation. The company has now filed a preliminary prospectus for Columbus Silver to support an initial public offering. Columbus Silver plans to list on the TSX Venture Exchange. Management believes the spin-off is an effective way to maximize the company's investment in the silver properties, and provide them with the capital needed to advance them.

Through the IPO, Columbus Silver, through its agent Union Securities Ltd., intends to raise up to $5.25 million at $0.50 per unit. A unit will consist of a share and an 18 month warrant priced at $0.70 per share. Columbus Gold would retain a significant shareholder interest in Columbus Silver.

Properties

Source: Columbus Gold Corporation

Properties Overview

Property	State	Location	Commodity	Status
Bolo	Nevada	Between Walker Lane and BME* Trend	Gold	Under Exploration by Columbus Gold
Awakening	Nevada	Northern extension of BME Trend	Gold	
Silver Dome	Utah	East of Carlin Trend	Silver	**Columbus Silver**
Summit	Nevada	East of Carlin Trend	Gold	JV Agnico-Eagle
Crestview	Nevada	BME Trend	Gold	JV Barrick Gold
Utah Clipper	Nevada	BME Trend	Gold	JV Barrick Gold
Scraper Springs	Nevada	Northern extension of Carlin Trend	Gold	JV Newmont
Del Oro	Nevada	West of BME Trend	Gold	JV Ventura Gold
Dutch Flat	Nevada	Northern extension of BME Trend	Gold	JV Piedmont Mining
Chert Cliff	Nevada	BME Trend	Gold	Leased to Platte River Gold
White Canyon	Nevada	Between BME and Carlin Trends	Gold	Leased to Allied Nevada
Linka	Nevada	Between Walker Lane and BME Trend	Gold	JV Sniper Resources
Pete's Summit	Nevada	Between Walker Lane and BME Trend	Gold	JV Sniper Resources
Guild	Nevada		Gold	JV Sniper Resources
Overland Pass	Nevada	Southern extension of Carlin Trend	Gold	JV Sniper Resources
Four Metals	Arizona	South of Phoenix	Cu, Mo	Optioned to Black Pearl
Golden Mile	Nevada	Walker Lane Trend	Gold	Optioned to Portage Minerals (private)
Laura	Nevada	BME Trend	Gold	Pending JV
Winnemuca Mountain	Nevada	Northern extension of BME Trend	Gold	Pending JV
Spring	Nevada	Walker Lane Trend	Gold	Pending JV
Red Hills	Nevada	East of Carlin Trend	Gold	Pending JV
White Horse Flats	Nevada	East of Carlin Trend	Gold	Pending JV
Clanton Hills	Arizona	Southwest of Phoenix	Silver	**Columbus Silver**
Silver District	Arizona	West of Phoenix	Silver	**Columbus Silver**
Burnt Well	Arizona	Northwest of Phoenix	Gold	Pending JV
Keg	Utah		Silver	**Columbus Silver**
Mill Canyon	Nevada	BME Trend	Gold	Pending JV
Stage	Nevada	Southern extension of Carlin Trend	Gold	Pending JV
Grulla	Nevada		Gold	Pending JV
Clara Moro	*Arizona*	*Northwest of Phoenix*		*1% NSR royalty*

*Battle Mountain-Eureka (BME) Trend

Utah Clipper, and Crestview Properties

Properties Overview: The Utah Clipper and Crestview properties total 2,048 hectares (5,058 acres) and were returned from option by Agnico-Eagle (NYSE; AEM) in June 2007. The properties have now been optioned to Barrick Gold. Barrick is the owner of the adjacent Pipeline-Gold Acres Complex, which is one of Nevada's most prolific gold mines. This makes them ideal partners to explore for potential new resources to expand the life of the mine.

Ownership: Under the terms of the agreement, Barrick can earn 60% interest by spending US$6 million over six years. They can increase their interest to 70% by spending another US$2.5 million on the properties in the seventh year. Barrick can increase their interest to 75% interest by carrying Columbus Gold to a production decision and arranging financing for Columbus Gold's share of mine construction costs.

Current Work: These properties will be incorporated into the Cortez Joint Venture exploration program that is ongoing. According to management, Barrick plans to spend about $1 million on exploration in the 2008 field season.

Resource Estimate: These properties do not have any historic or NI 43-101 compliant resource estimates at this time.

Bolo Gold Property

Property Overview: The 100% owned Bolo property is one of the company's flagship properties. It was of special interest to the Cordex team as it is a property with excellent surface gold grades that was underexplored when acquired by the company.

Geology and Mineralization: The exploration target at Bolo is a window into the underlying Robert Mountain Formation, which hosts the best Carlin-style gold deposits in Nevada. Surface gold mineralization between anomalous to 5 g/t gold has been identified on two north-south structurally controlled faults. These faults, known as the Mine Fault Zone and the East Fault Zone, have a cumulative mapped strike length of 4.9 kilometers (3 miles) and dip 70 degrees to the east. The company believes the property may be amenable to open pit mining.

Current Work: The company drilled 3,000 meters in 19 holes in November 2007. Results were announced in February 2008. 15 holes intersected anomalous gold, but the grades were low. These results definitely indicate a mineralizing event, and show that the structures widen at depth. The best three results were: **60 feet of 1.086 g/t Au** from 200 feet to 260 feet, **85 feet of 0.431 g/t Au** from 25 feet to 110 feet, and **55 feet of 0.611 g/t Au** from 390 feet to 445 feet. Several holes hit low grade silver mineralization. This gave the company important insight in the geology and structure of mineralization, which will guide further exploration. Further geophysics and mapping have been completed. **If the company can prove up better grades with these kind of widths, this will make Bolo an attractive Carlin style project.**

Phase 2 drilling will start in June 2008. The company is planning to drill 6,000 feet in 12 holes. Results from the geophysical survey are being interpreted to guide this drilling program. Further drilling is planned for 2008, following the Phase 2 program.

Resource Estimate: This property does not have any historic or NI 43-101 compliant resource estimates at this time.

Awakening Property

Property Overview: The company announced the acquisition of the Awakening property in April 2008. This property is located in the northern extension of the Battle Mountain Eureka Trend 72 kilometers northwest of Winnemuca, Nevada. The details of the lease agreement have not been announced.

Historic Exploration/Production: The Awakening District produced 26,262 ounces of gold from 1914-1963, largely from the Jumbo Mine. Mines in the east side of the Awakening District are usually very small but very high grade. Several major mining companies are active in the area. Xcal (XCL.TO) is drilling at the Sleeper Mine to the northwest, Evolving Gold (EVG.V) is planning a drill program to the west, and Newmont is earning into Fronteer's (FRG.TO) Sandman Project to the east-southeast.

2008 Exploration Program: The company completed a six hole drilling program in January 2008. The results are reproduced in the table below.

Drill Hole	Depth	From	To	Interval	Au
	(m)	(m)	(m)	(m)	(g/t)
ABZD	164.6	27.4	36.6	9.1	1.04
		51.8	70.1	18.3	0.37
		73.2	76.2	3.0	1.06
		76.2	83.8	7.6	0.54
		111.3	128.0	16.8	1.68
		128.0	132.6	4.6	0.42
		152.4	157.0	4.6	0.39
		161.6	164.6	3.0	0.39
ABV	100.6	44.2	54.9	10.7	1.45
		59.5	73.2	13.7	0.70
		93.0	96.0	3.0	0.35
ABZN	67.1	29.0	30.5	1.5	24.1
		53.4	54.9	1.5	0.50
		57.9	59.5	1.5	3.31
AMB	54.9	1.5	3.0	1.5	0.44
		9.1	10.7	1.5	0.90
		19.8	21.3	1.5	0.43
		32.0	35.1	3.0	0.50
		39.6	41.2	1.5	1.22
ABZ	51.8	47.3	48.8	1.5	2.44
APB	24.4	19.8	22.9	3.0	0.75

**Hole bottoms in subgrade but highly anomalous values.*

Geology and Mineralization: The Awakening District is known for high grade narrow quartz veins hosted by sedimentary rocks. The company has identified the potential for broad zones of low grade gold mineralization in quartz stockworks, preferably near surface and amenable to open pit extraction.

Current Status: Columbus Gold has secured permitting for 24 drill sites. Geologic mapping and geophysics are underway. Drilling is planned for June 2008, depending on drill availability.

Resource Estimates: This property does not have any historic or NI 43-101 compliant resource estimates at this time.

Silver Dome Property, Utah

Property Overview: The 760 hectare (1,876 acre) Silver Dome property is located 72 kilometers (45 miles) northwest of Delta, Utah within one of the company's primary prospecting areas. According to management, the company is planning to spin out Silver Dome and other silver properties held by Columbus Gold into a new public company, Columbus Silver. This has delayed proposed drilling on the project until this IPO is completed, which is expected by the end of Q2-2008.

Ownership: Columbus Gold acquired 100% interest in the property in January 2007. Under the terms of the lease agreement, the company must make annual payments totaling approximately US$183,300 over 10 years. The company can purchase the claims during the 10 year lease for US$2 million. The underlying owners hold a production royalty.

Geology and Mineralization: The target at Silver Dome is disseminated silver mineralization associated with fine grained galena within calcareous sandstones. There is very little outcrop exposure, but sampling identified disseminated mineralization from 15-100 g/t silver within a 1 kilometer by 100 meter zone. The company is aiming for bulk mineable silver mineralization amenable to open pit mining, similar to the Rochester Mine owned by Couer d'Alene Mines (TSX: CDM) located in northwestern Nevada. The Rochester Silver Mine is the world's seventh largest primary silver mine. It has an average grade of 18-30 g/t silver (0.66-1.03 ounces/ton).

Metallurgy: The company has completed preliminary work that indicates the ore has favorable metallurgy and is amenable to heap leach or conventional cyanide recovery. Recovery rates averaged 71% for the 16 metallurgical samples tested. This indicates a low cost production possibility. Open pit, heap leach operations are usually very low cost. We believe due to the low-grade nature of the ore, a large tonnage of ore will have to be identified for an economically viable mining operation.

Current Work: The property has never been drilled. The company has completed mapping, sampling, and geophysics. Drilling is permitted and will begin on completion of the IPO.

Resource Estimate: This property does not have any historic or NI 43-101 compliant resource estimates at this time.

The company has three properties with historic resource estimates.

Golden Mile Property

Property Overview: The 158 hectare (392 acre) Golden Mile property is located in the Walker Mountain Gold Belt of southwestern Nevada, along the border with California. The company has advanced the Golden Mile property through two drilling programs and the results have indicated mineralization in the 0.5-3.0 g/t gold range. This property is a historic producer, having produced 10,000 tonnes of ore grading 12 g/t gold in the 1930s. The property has been optioned to Portage Minerals Inc., a private company based in Toronto. Portage expects to complete their initial public offering in the first half of 2008.

Ownership: This property has been optioned to Portage Minerals Inc. Portage has an option to earn an initial 60% interest in the property by paying 500,000 in shares to Columbus Gold and spending US$2.5 million on exploration over five years. Upon earning 60% interest, Portage can earn an additional 10% interest by completing a positive feasibility study.

Resource Estimate: The Golden Mile property has a historic resource estimate calculated by Battle Mountain Exploration in 1989. This resource is not NI 43-101 compliant, but was calculated on the same level as the present inferred resource. Based on drilling in the Main Zone, a resource of 156,000 tons of ore at 0.2 ounces/ton gold was estimated.

Four Metals Property

Property Overview: The 355 hectare (826 acre) Four Metals property has been significantly advanced to a historic resource estimate and mine plan. It was also a historic copper producer. The primary focus is copper and molybdenum, with secondary gold and silver. The property was optioned to Black Pearl Minerals Consolidated Inc. (TSXV: BLK). Black Pearl can earn 100% interest over the next 5 years by paying US$250,000, expending US$1.25 million on exploration, and issuing 1 million shares. Columbus Gold maintains a 3% NSR, of which 1.5% can be purchased for US$3 million.

Current Work: Black Pearl is awaiting an NI 43-101 compliant resource estimate on the property. They have not announced any news since our last update.

Resource Estimate: This property has a historic resource estimate calculated in 1996 by Metallic Ventures. This resource, although not NI 43-101 compliant because it was calculated before NI 43-101's inception, was calculated using stringent guidelines. This resource is 21.41 million tons grading 0.58% Cu (at 0.29% Cu cut-off) that is believed to be amenable to open pit development with a stripping ratio (waste:ore) of 0.93. Within this open pit zone was a supergene zone of 7.84 million tons grading 1.20% copper, 0.066% molybdenum, 0.009oz/ton gold and 0.08 oz/ton silver.

Silver District Property

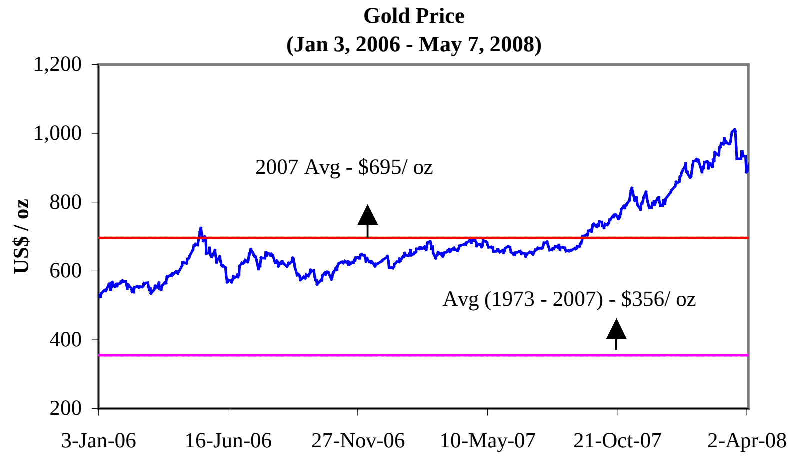
Property Overview: The 1,118 hectare (2,763 acre) Silver District property in southwestern Arizona has not been joint ventured at this time. Although new to Columbus Gold, the Silver District property is at a more advanced stage, as it was explored to the level of a historic resource and scoping study/prefeasibility work in the 1970s, 80s, and 90s.

Current Work: This forms part of the Columbus Silver portfolio.

Resource Estimate: The Silver District property has a historic resource estimate of 16 million ounces silver. The total resource calculated by New Jersey Zinc and Orbex Minerals is 3.82 million tons grading 4.60 ounces per ton silver for a total resource of 17.5 million ounces silver. Columbus Gold believes approximately 16 million ounces of this resource is found on their properties.

Outlook for Gold

The chart below shows gold prices since January 2006. Gold is currently trading at about US$868/oz.



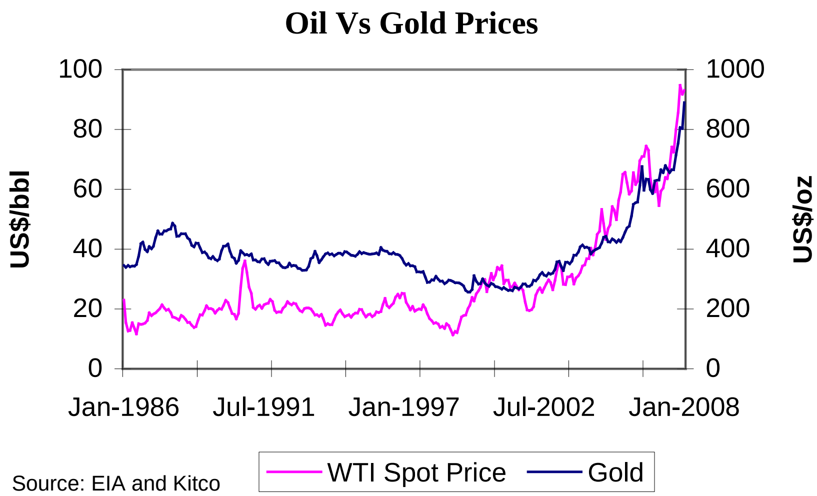
Source: KITCO

Although gold prices have risen considerably in the second half of 2007, and early 2008, and have achieved record highs, we have maintained our positive outlook on gold due to the following macro economic conditions:

a) The US$ is expected to continue to depreciate with respect to other global currencies, based on an expected slow down in the U.S. economy, relatively lower real interest rates in the U.S., and persisting inflationary expectations.

The International Monetary Fund (IMF) expects U.S. GDP to grow at 1.5% in 2008, versus 2.2% in 2007, and the Federal Reserve predicts unemployment rates to increase YOY from 4.6% to 5.2% in 2008. The U.S. Fed cut interest rates from 5.25% to 2.25% in their last seven meetings. These rate cuts imply that there is a possibility that real interest rates in the U.S. could go negative, which is very unfavorable for the US$. The rate cuts in turn, we believe, will add to inflationary pressures and simultaneously depreciate the value of the U.S.$. The Fed recently raised their forecasts for inflation in 2008 up from 1.8 – 2.1% to 2.1 – 2.4%.

b) High Oil Prices: We have also noticed a positive correlation between gold and oil prices in times of high oil prices. High oil prices create inflationary expectations among investors and lead them to drift towards gold. The chart below shows oil and gold prices since 1986. We noticed that the positive correlation between monthly log changes in oil and gold prices increased during January 2006 – January 2008, when oil prices were high, from the historic correlation (1986 – 2006) of 0.18 to 0.53, which is a significant jump.



Source: EIA and Kitco

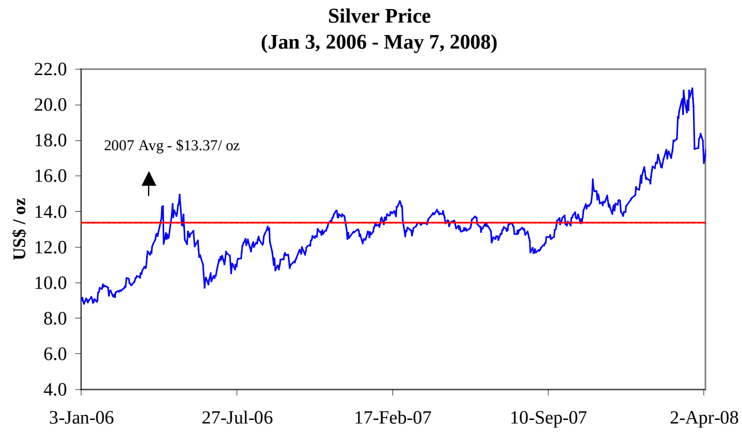
Oil is currently trading close to US$123/bbl, and prices are expected to stay above $80/bbl through at least 2010, which we believe will also have a positive effect on the demand for gold.

c) Investment demand continue to stay strong: As of April 17, 2008, total ETG (exchange traded gold) assets held by the NEW York Stock Exchange (NYSE), and the London Stock Exchange (LSE), were up 28% YOY. We believe continued strength in investment demand reflects the fact that gold continues to hold its status as a 'capital preservation asset'.

Therefore, based on a depreciating U.S dollar, high oil prices and strong investment demand, we continue to be bullish on gold prices. The average consensus forecasts for gold prices are US$960/oz in 2008, and US$915/oz in 2009.

Outlook for Silver

The chart below shows silver prices since January 2006. As of May 7, 2008, silver was trading at US$16.7/oz, which reflects a YOY increase of 24%.

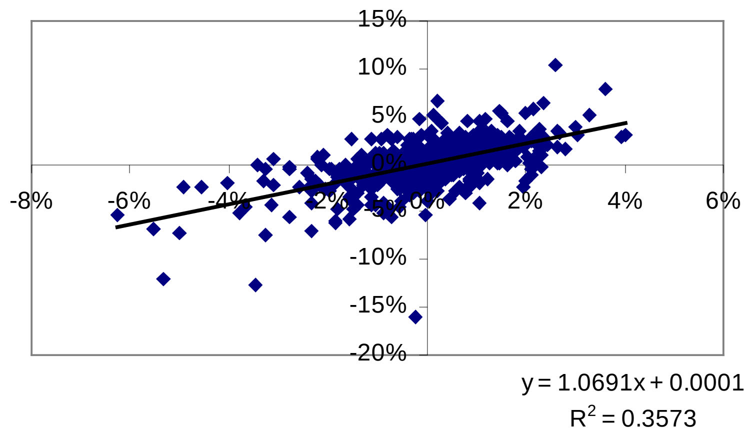


Source: KITCO

Silver prices have moved in tandem with gold prices in the past (as shown in the chart below), and we believe that they will continue to do so going forward in 2008 and 2009.

Relationship b/w daily log changes in Gold & Silver prices

(Jan 3, 2006 - May 7, 2008)



Our study shows a statistically significant coefficient of correlation (0.60) and R^2 (36%) existed between daily log changes of gold and silver prices.

As mentioned earlier, we have a positive outlook on gold based on a forecasted depreciation in the U.S. dollar, higher inflationary expectations, relatively lower U.S. real interest rates, and high oil prices. Also, we believe that strong investment demand for silver (as of May 6, 2008, iShares Silver Trust assets were 190.59 million oz, which reflects an increase of 808% since the introduction of the ETF in April 2006, and 13% YTD), amidst decreasing physical demand, will also help prices stay high. The average forecasts for silver prices are US$18/oz in 2008, and US$16.80/oz in 2009.

Financials

At the end of Q1-2008 (quarter ended December 31, 2007), the company had $2.69 million in cash and term deposits versus $2.34 million at the end of FY2007 (ended September 30, 2007). We estimate the company had a burn rate (including exploration expenses) of $0.18

million per month in Q1-2008, versus $0.25 million per month in FY2007. The table below shows the company's cash and liquidity position.

(C$)	2005	2006	2007	2008-Q1
Working Capital	1,568,717	3,655,967	2,439,900	2,738,646
Current Ratio	25.0	18.3	31.5	37.6
LT Debts/ Assets	-	-	-	-
Monthly Burn Rate (incl exploration costs)	(240,308)	(376,014)	(248,429)	(177,531)
Cash from financing activities	2,742,523	4,599,298	1,466,989	796,425

Stock Options and Warrants: At the end of February 2008, the company had 2.21 million stock options outstanding, with exercise prices ranging between $0.85 and $1.68, and maturity periods between May 2011 and November 2012. None of the options are currently in the money. The company had no outstanding warrants at the end of February 2008.

Recent Financing: In March 2008, the company closed a non-brokered private placement with Carrelton Asset Management and raised $0.64 million by issuing 0.80 million units at a unit price of $0.80. Each unit consists of one common share and one share purchase warrant (exercise price of $0.90 for a period of 18 months). Carrelton now holds approximately 5% of the outstanding shares of CGT.

Conclusion: As of May 5, 2008, the company had working capital of $2.34 million. Based on the company's capital budget of $1.5 million in the next 12 months, we believe the company is in a sound cash position to fund their capital expenditures and working capital.

Valuation

We have continued to use a sum-of-parts approach to value the company. We have valued projects with resource estimates, namely the Silver District Project and the Four Metals Project. For the other projects with no resource estimates, we have used a comparables analysis.

Valuation of the Silver District Project: We have lowered our real options valuation on the project from $0.53 per share to $0.46 per share as shown in the table below.

We have made the following changes in our real options valuation model.

- We now use a lower silver price of US$11/oz (long-term forecast) in our real options model instead of US$12/oz
- Increased our estimate of the annualized standard deviation of silver prices from 37% to 38%.
- Increased our long-term forecasts on the C$/US$ from $1.10 to $1.15.
- Lowered risk-free rate from 4.2% to 3.6%.

Silver District - Real Options Valuation Model						
	Resources (in tonnes)	Category	Grade (oz/tonne)	Contained Metal (in troy oz)	Price (US$/oz)	Value (C$)
Silver	3,200,000	historic	5.04	16,128,000	11.00	173,416,320
Operating Costs ($/tonne)	$25.00			Total Value (C$)		$173,416,320
Recovery (Ag)	85%			Operating Costs (C$)		$84,000,000
C$/US$	1.15			**Net Value (C$)**		**$89,416,320**

Inputs relating to the underlying asset				
Estd. Mineral Resources (in tons)				3,200,000
Estd.Value of Minerals if extracted today				$71,099,348
Annualized Standard Deviation of Mineral prices				38%
Capital Investment				$50,000,000
Estd. Mine Life (years)				11.0
Riskfree Rate				3.63%
Output				
Stock Price	$71,099,348		T.Bond rate	3.63%
Strike Price	$50,000,000		Variance	0.14
Expiration (in years)	11.0		Annualized div yield	9.13%
d1 =	0.421			
N(d1) =	0.663		Value of Option	$10,455,458
d2 =	-0.823		No of outstanding shares (diluted)	22,861,887
N(d2) =	0.205		**Value per share**	**$0.46**

Valuation of the Four Metals Project: We have made the following changes in our Discounted Cash Flow (DCF) valuation model to value the company's 0.75% NSR interest in the project.

- Lowered our long-term copper price forecast from US$2.25/lb to US$1.75/oz.
- Increased our long-term forecasts (2011+) on C$/US$ from $1.10 to $1.15. We have used C$/US$ of $1.03, $1.07 and $1.1 for 2008, 2009 and 2010, respectively.

We have maintained all other inputs and assumptions in our valuation model. Our revised valuation on the company's 0.75% NSR is $1.37 million, or $0.06 per share (previous valuation - $1.34 million, or $0.06 per share).

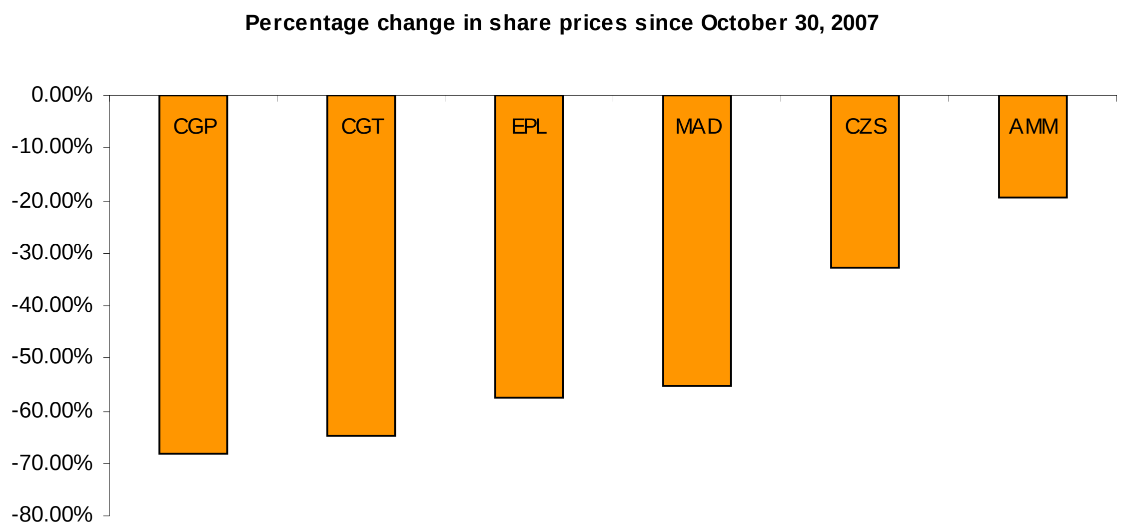
Valuation of all other projects: We have continued to value all the projects that do not have resource estimates based on comparables analysis. The following table presents our comparables valuation model.

Comparables Valuation Model						
	Company	SYM	Price[1]	Enterprise Value	Mineral Assets	EV / Mineral Assets
1	Miranda Gold Corp.	MAD	$1.02	$33,878,717	$311,952	108.6
2	Almaden Minerals Ltd.	AMM	$2.52	$98,541,758	$7,434,528	13.3
3	Cornerstone Capital Resources Inc.	CGP	$0.54	$27,036,247	$7,968,640	3.4
4	Eagle Plains Resources	EPL	$0.62	$31,047,920	$9,791,193	3.2
5	Consolidated Spire Ventures Ltd.	CZS	$0.20	$8,459,884	$6,031,117	1.4
					Average[2] {excluding (1) and (2)}	**2.7**
			Fair Value of CGT's Properties			**$0.49**

1. 12-month average
2. The EV/Mineral Assets ratios of MAD and AMM are outliers.

- *We have added Consolidated Spire Ventures Ltd. (CZS) to our analysis.*

Please note the share prices of all comparables has declined significantly since our previous report. The percentage drop in share prices ranges from - 68.2% for CGP to - 19.3% for AMM as shown in the chart below.



Since we believe the recent decline in share prices does not reflect the true underlying fundamentals of the companies, we have decided to use the average prices for the last 12 months in our comparables analysis. Our revised comparables valuation model gave a fair value estimate on the company's projects without resource estimates of $0.49 per share versus $1.15 per share in our previous report (valuation dropped as the average EV/Mineral Assets ratio dropped from 7.9 to 2.7.

Due to the significant drop in our valuation on the company's projects without resource estimates, our revised valuation of the company decreased to $1.12 per share versus $1.90

per share in our previous report. The following table presents a summary of our revised valuation on the company.

Valuation Summary	Value	VPS
Silver District Property	$10,455,458	$0.46
Four Metals Property	$1,369,784	$0.06
Other Properties	$11,148,357	$0.49
Working Capital	$2,579,758	$0.11
Debt	-	-
Fair Value	**$25,553,356**	**$1.12**

Conclusions & Rating

Based on our revised valuation models and review of the company's progress since our previous report, we reiterate our BUY rating, but lower our fair value estimate on the company to $1.12 per share from $1.90 per share. Our fair value estimate represents an upside potential of 173% above the current price levels. We believe current price levels represent a good entry point for investors with higher risk tolerance and a longer investment horizon.

Risks

The following risks, though not exhaustive, may cause our estimates to differ from actual results:

- The company has not defined any NI 43-101 compliant resource estimates and does not currently have any operating mines.
- The success of drilling, expansion and determination of favorable resource estimates are important long-term success factors for the company.
- The value of the company depends on commodity prices, primarily gold and silver.

We consider Columbus Gold a high-risk investment opportunity as the company is still in its exploration stage. At this stage, we therefore rate the shares a **RISK of 5 (Highly Speculative).**

Fundamental Research Corp. Equity Rating Scale:
Buy – Annual expected rate of return exceeds 12% or the expected return is commensurate with risk
Hold – Annual expected rate of return is between 5% and 12%
Sell – Annual expected rate of return is below 5% or the expected return is not commensurate with risk
Suspended or Rating N/A— Coverage and ratings suspended until more information can be obtained from the company regarding recent events.

Fundamental Research Corp. Risk Rating Scale:
1 (Low Risk) - The company operates in an industry where it has a strong position (for example a monopoly, high market share etc.) or operates in a regulated industry. The future outlook is stable or positive for the industry. The company generates positive free cash flow and has a history of profitability. The capital structure is conservative with little or no debt.

2 (Below Average Risk) - The company operates in an industry where the fundamentals and outlook are positive. The industry and company are relatively less sensitive to systematic risk than companies with a Risk Rating of 3. The company has a history of profitability and has demonstrated its ability to generate positive free cash flows (though current free cash flow may be negative due to capital investment). The company's capital structure is conservative with little to modest use of debt.

3 (Average Risk) - The company operates in an industry that has average sensitivity to systematic risk. The industry may be cyclical. Profits and cash flow are sensitive to economic factors although the company has demonstrated its ability to generate positive earnings and cash flow. Debt use is in line with industry averages, and coverage ratios are sufficient.

4 (Speculative) - The company has little or no history of generating earnings or cash flow. Debt use is higher. These companies may be in start-up mode or in a turnaround situation. These companies should be considered speculative.

5 (Highly Speculative) - The company has no history of generating earnings or cash flow. They may operate in a new industry with new, and unproven products. Products may be at the development stage, testing, or seeking regulatory approval. These companies may run into liquidity issues, and may rely on external funding. These stocks are considered highly speculative.

Disclaimers and Disclosure
The opinions expressed in this report are the true opinions of the analyst about this company and industry. Any "forward looking statements" are our best estimates and opinions based upon information that is publicly available and that we believe to be correct, but we have not independently verified with respect to truth or correctness. There is no guarantee that our forecasts will materialize. Actual results will likely vary. The analyst and Fundamental Research Corp. "FRC" does not own any shares of the subject company, does not make a market or offer shares for sale of the subject company, and does not have any investment banking business with the subject company. Fees of less than $30,000 have been paid by CGT to FRC. The purpose of the fee is to subsidize the high costs of research and monitoring. FRC takes steps to ensure independence including setting fees in advance and utilizing analysts who must abide by CFA Institute Code of Ethics and Standards of Professional Conduct. Additionally, analysts may not trade in any security under coverage. Our full editorial control of all research, timing of release of the reports, and release of liability for negative reports are protected contractually. To further ensure independence, CGT has agreed to a minimum coverage term including an initial report and three updates starting with this report. Coverage can not be unilaterally terminated. Distribution procedure: our reports are distributed first to our web-based subscribers on the date shown on this report then made available to delayed access users through various other channels for a limited time. The performance of FRC's research is ranked by Investars. Full rankings and are available at www.investars.com.

The distribution of FRC's ratings are as follows: BUY (81%), HOLD (6%), SELL (4%), SUSPEND (9%).
To subscribe for real-time access to research, visit http://www.researchfrc.com/subscription.htm for subscription options.

This report contains "forward looking" statements. Forward-looking statements regarding the Company and/or stock's performance inherently involve risks and uncertainties that could cause actual results to differ from such forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, continued acceptance of the Company's products/services in the marketplace; acceptance in the marketplace of the Company's new product lines/services; competitive factors; new product/service introductions by others; technological changes; dependence on suppliers; systematic market risks and other risks discussed in the Company's periodic report filings, including interim reports, annual reports, and annual information forms filed with the various securities regulators. By making these forward looking statements, Fundamental Research Corp. and the analyst/author of this report undertakes no obligation to update these statements for revisions or changes after the date of this report. A report initiating coverage will most often be updated quarterly while a report issuing a rating may have no further or less frequent updates because the subject company is likely to be in earlier stages where nothing material may occur quarter to quarter.
Fundamental Research Corp DOES NOT MAKE ANY WARRANTIES, EXPRESSED OR IMPLIED, AS TO RESULTS TO BE OBTAINED FROM USING THIS INFORMATION AND MAKES NO EXPRESS OR IMPLIED WARRANTIES OR FITNESS FOR A PARTICULAR USE. ANYONE USING THIS REPORT ASSUMES FULL RESPONSIBILITY FOR WHATEVER RESULTS THEY OBTAIN FROM WHATEVER USE THE INFORMATION WAS PUT TO. ALWAYS TALK TO YOUR FINANCIAL ADVISOR BEFORE YOU INVEST. WHETHER A STOCK SHOULD BE INCLUDED IN A PORTFOLIO DEPENDS ON ONE'S RISK TOLERANCE, OBJECTIVES, SITUATION, RETURN ON OTHER ASSETS, ETC. ONLY YOUR INVESTMENT ADVISOR WHO KNOWS YOUR UNIQUE CIRCUMSTANCES CAN MAKE A PROPER RECOMMENDATION AS TO THE MERIT OF ANY PARTICULAR SECURITY FOR INCLUSION IN YOUR PORTFOLIO. This REPORT is solely for informative purposes and is not a solicitation or an offer to buy or sell any security. It is not intended as being a complete description of the company, industry, securities or developments referred to in the material. Any forecasts contained in this report were independently prepared unless otherwise stated, and HAVE NOT BEEN endorsed by the Management of the company which is the subject of this report. Additional information is available upon request. THIS REPORT IS COPYRIGHTED. YOU MAY NOT REDISTRIBUTE THIS REPORT WITHOUT OUR PERMISSION. Please give proper credit, including citing Fundamental Research Corp and/or the analyst, when quoting information from this report.

Fundamental Research Corp is registered with the British Columbia Securities Commission as a Securities Adviser which is not in any way an endorsement from the BCSC. The information contained in this report is intended to be viewed only in jurisdictions where it may be legally viewed and is not intended for use by any person or entity in any jurisdiction where such use would be contrary to local regulations or which would require any registration requirement within such jurisdiction.