

**COLOSSUS MINERALS INC.
(A DEVELOPMENT STAGE COMPANY)**

JANUARY 31, 2008

Unaudited – Prepared by Management

Not Reviewed by an Independent Auditor

Expressed in Canadian dollars

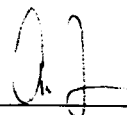
Colossus Minerals Inc.
(A Development Stage Company)
Consolidated Balance Sheets
(Unaudited)
 (Expressed in Canadian dollars)

	January 31, 2008	July 31, 2007
Assets		
Current assets		
Cash and cash equivalents	\$ 866,324	\$ 716,615
Short-term investment	-	1,000,000
Sundry receivables and prepaid expenses	307,297	68,623
Suscription receivable	-	200,000
	1,173,621	1,985,238
Furniture and equipment (Note 4)	115,155	41,848
Mining interests (Note 5)	3,542,874	1,275,015
	\$ 4,831,650	\$ 3,302,101
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 370,430	\$ 204,652
Shareholders' equity		
Share capital (Note 6)	4,152,998	2,351,148
Shares to be issued	-	200,000
Warrants (Note 7(b))	1,208,300	913,100
Contributed surplus (Note 7(c))	500,206	292,553
Accumulated deficit	(1,402,284)	(659,352)
	4,461,220	3,097,449
	\$ 4,831,650	\$ 3,302,101


The notes to these unaudited financial statements are an integral part of these statements.

Going concern (Note 1)

Approved by the Board



Director

 Director

Colossus Minerals Inc.

(A Development Stage Company)

Consolidated Statements of Operations and Deficit

(Unaudited)

(Expressed in Canadian dollars)

	Three months ended January 31, 2008	Three months ended January 31, 2007	Six months ended January 31, 2008	Six months ended January 31, 2007	Cumulative from the date of inception on February 9, 2006 to January 31, 2008
Expenses					
Stock-based compensation (Note 7(c))	\$107,262	\$ 45,601	\$ 263,453	\$ 45,601	\$ 452,182
Administrative and general	120,781	15,579	182,469	30,353	309,709
Foreign exchange loss (gain)	40,676	(13,185)	66,603	(15,102)	50,036
Wages and salaries	22,985	27,458	47,183	37,096	140,302
Professional fees	30,512	67,023	42,545	81,998	102,159
Accounting and corporate services	5,501	-	17,252	-	30,452
Consulting	105,445	-	114,380	-	167,017
Amortization (Note 4)	2,538	-	4,432	-	9,417
Transfer agent fees and expenses	14,149	-	14,263	-	40,640
Write-down of mining interests	-	-	-	-	108,060
Bank charges and interest	(8,894)	-	(11,648)	-	(9,690)
	440,955	142,476	740,932	179,946	1,400,284
Net loss and comprehensive loss for the period	\$ (440,955)	\$ (142,476)	\$ (740,932)	\$ (179,946)	\$ (1,400,284)
Deficit, beginning of period	(959,329)	(51,073)	(659,352)	(13,603)	-
Deficit, end of period	\$ (1,400,284)	\$ (193,549)	\$ (1,400,284)	\$ (193,549)	\$ (1,309,782)
Loss per share	\$ (0.02)	\$ (0.01)	\$ (0.03)	\$ (0.02)	
Weighted average – basic and diluted shares outstanding	22,474,388	12,199,534	21,257,744	11,224,767	

The notes to these unaudited financial statements are an integral part of these statements

Colossus Minerals Inc.

(A Development Stage Company)

Consolidated Statements of Cash Flows

(Unaudited)
(Expressed in Canadian dollars)

	Three months ended January 31, 2008	Three months ended January 31, 2007	Six months ended January 31, 2008	Six months ended January 31, 2007	Cumulative from the date of inception on February 9, 2006 to January 31, 2008
Operating activities					
Net loss for the period	\$ (440,955)	\$ (142,476)	\$ (740,932)	\$ (179,946)	\$ (1,400,284)
Amortization	2,538	201	4,432	222	9,417
Stock-based compensation	107,262	45,601	263,453	45,601	452,182
Write-down of mining interests	-	-	-	-	108,060
Changes in non-cash working capital items:					
Sundry receivable and prepaid expenses	(183,392)	(64,234)	(238,674)	(74,586)	(307,297)
Accounts payable and accrued liabilities	150,207	64,676	165,778	106,522	370,430
Cash flows (used in) operating activities	(364,340)	(96,232)	(545,943)	(102,187)	(767,492)
Financing activities					
Shares issued for cash	1,453,050	757,000	1,621,050	757,000	4,300,150
Warrants issued for cash	263,200	-	295,200	-	1,208,300
Share issuance costs	-	-	-	-	(299,128)
Advances received for shares to be issued	-	(225,000)	-	-	-
Cash flows from financing activities	1,716,250	532,000	1,916,250	757,000	5,209,322
Investing activities					
Disposition of short-term investment	300,000	-	1,000,000	-	-
Loan receivable	-	-	-	50,490	-
Purchase of furniture and equipment	(68,335)	(3,880)	(77,739)	(4,738)	(124,572)
Acquisition of mining interests	(1,563,854)	(323,263)	(2,142,859)	(487,373)	(3,450,934)
Cash flows (used in) investing activities	(1,332,189)	(327,143)	(1,220,598)	(441,621)	(3,575,506)
Change in cash and cash equivalents during the period	19,721	108,625	149,709	213,192	866,324
Cash and cash equivalents, beginning of period	846,603	480,266	716,615	375,699	-
Cash and cash equivalents, end of period	\$ 866,324	\$ 588,891	\$ 866,324	\$ 588,891	\$ 866,324
Supplement schedule of non-cash transactions					
Shares issued on services rendered	-	-	-	-	75,000

The notes to these unaudited financial statements are an integral part of these statements

Colossus Minerals Inc.

(A Development Stage Company)

Notes to Consolidated Financial Statements

(Unaudited)
(Expressed in Canadian dollars)

1. Nature of operations and going concern

Colossus Minerals Inc. (the "Company") is a Canadian junior exploration company engaged in acquiring and exploring mineral properties for gold. Since inception ("February 9, 2006" and "date of incorporation"), the efforts of the Company have been devoted to the development of properties for production of gold in Brazil. To date, the Company has not earned any revenues from gold exploration and is considered to be in the development stage (as defined in accounting guideline AcG-11 of the CICA Handbook).

The unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and notes to the financial statements required by Canadian generally accepted accounting principles for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended January 31, 2008 may not necessarily be indicative of the results that may be expected for the year ending July 31, 2008.

The balance sheet at July 31, 2007 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by Canadian generally accepted accounting principles for complete financial statements. The interim financial statements have been prepared by management in accordance with the accounting policies described in the Corporation's annual consolidated financial statements for the year ended July 31, 2007. For further information, refer to the Company's annual consolidated financial statements and notes for the year ended July 31, 2007.

The exploration and development of gold mineral properties in Brazil involves significant financial risk. In the event these properties are determined to be commercially viable, additional financing will be required.

The Company has been dependant upon issuances of common shares to directors, officers, and shareholders to provide the funding necessary to meet its general operating expenses as they arise. The Company will require additional financing to continue to explore for gold in Brazil. There can be no assurance that such additional financing will be available.

These financial statements have been prepared on the basis that the Company is a going concern. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

2. Summary of significant accounting policies

The accounting policies of the Company are in accordance with Canadian generally accepted accounting principles and are prepared on a basis consistent with the prior period. Outlined below are those policies considered particularly significant.

(a) Basis of consolidation

These consolidated financial statements include the assets, liabilities, revenues and expenses of the Company and its wholly owned Brazilian subsidiaries, Colossus Geologia e Participacoes Ltda ("Colossus Brazil") and Mineracao Fazenda Monte Belo Ltda (MFMBL). All inter-company transactions and balances have been eliminated on consolidation.

Colossus Minerals Inc.

(A Development Stage Company)

Notes to Consolidated Financial Statements

(Unaudited)
(Expressed in Canadian dollars)

2. Summary of significant accounting policies (continued)

(b) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the related reported amounts of revenue and expense during the report period. The most significant estimates are related to the recoverability of exploration expenditures, stock-based compensation, and future tax assets and liabilities. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

(c) Interest in Mineral Properties and Deferred Exploration Expenditures

The Company accounts for exploration property costs in accordance with the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3061, "Property, plant and equipment" ("CICA 3061"), and abstract EIC 126, "Accounting by Mining Enterprises for Exploration Costs" ("EIC 126") of the Emerging Issues Committee. CICA 3061 provides for the capitalization of acquisition and exploration costs of an exploration property where such costs are considered to have the characteristics of property, plant and equipment.

Interest in mineral properties and deferred exploration expenditures are carried at cost until they are brought into production, at which time they are depleted on a unit-of production method based on proven and probable reserves. If a property is subsequently determined not to be economic, the property and related deferred costs are written down to net realizable value. Other general exploration expenses are charged to operations as incurred. The cost of exploration properties abandoned or sold and their related deferred exploration costs are charged to operations in the current period.

Costs include the cash consideration and the fair market value of the shares issued for the acquisition of exploration properties. The carrying value is reduced by option proceeds received until such time as the property cost and deferred expenditures are reduced to nominal amounts. Properties acquired under option agreements or by joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at the time of payment.

EIC 126 provides that an exploration stage enterprise with initially capitalized exploration costs that has not objectively established mineral reserves and therefore does not have a basis for preparing a projection of the estimated future cash flow from a property, is not obliged to conclude that the capitalized costs have been impaired. However, EIC 126 references certain conditions that should be considered in determining subsequent write downs, such as changes or abandonment of a work program or poor exploration results, and management reviews such conditions to determine whether a write down of capitalized costs is required. When the carrying value of a property exceeds its net recoverable amount, provision is made for the impairment in value.

(d) Asset Retirement Obligations

The Company is following the recommendations of the Canadian Institute of Chartered Accountants in accounting for asset retirement obligations. Under this standard, the fair values of asset retirement obligations are recorded as liabilities on a discounted basis when they are incurred. Amounts recorded for the related assets are increased by the amount of these obligations. Over time, the liabilities will be accreted for the change in their present value and the initial capitalized costs will be depleted and amortized over the useful lives of the related assets. The impact of adopting this accounting standard has no effect on these statements as of July 31, 2007 and 2006.

Colossus Minerals Inc.

(A Development Stage Company)

Notes to Consolidated Financial Statements

(Unaudited)
(Expressed in Canadian dollars)

2. Summary of significant accounting policies (continued)

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and money market investments with original maturities of three months or less and which are readily convertible into cash.

(f) Stock-based Compensation Plan

The Company recognizes stock compensation expense for grants of options to officers, directors and employees in the financial statements based on the estimated fair value at the grant date. Stock based payments are recorded as an expense over the vesting period or when the awards or rights are granted, with a corresponding increase to stock options under shareholders' equity. When stock options are exercised, the corresponding fair value is transferred from stock options to capital stock.

(g) Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method of tax allocation, future income taxes are determined based on the differences between the financial reporting and tax bases of assets and liabilities. These income tax assets and liabilities are measured using the substantially enacted tax rates in which the income tax assets or liabilities are expected to be settled or realized. A valuation allowance is provided to the extent that it is more likely than not that future income tax assets will not be realized.

(h) Loss per Common Share

Basic loss per share is calculated using the weighted average number of shares outstanding. Diluted loss per share is calculated using the treasury stock method. In order to determine diluted loss per share, the treasury stock method assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share.

(i) Furniture and equipment

Furniture and equipment is recorded at cost less accumulated amortization. Amortization is provided using the declining balance method using the following rates:

Computer equipment	30%
Furniture and equipment	20%

Amortization is at one-half of indicated rates in the year of acquisition.

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Notes to Consolidated Financial Statements

(Unaudited)
(Expressed in Canadian dollars)

2. Summary of significant accounting policies (continued)

(j) Foreign currency translation

Foreign currency transactions are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue or expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the period end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date and the resulting foreign exchange gains and losses are included in operations in the current period.

Colossus Brazil and MFMBL are considered integrated foreign operations therefore monetary items are translated into Canadian dollars at exchange rates in effect at the balance sheet date and non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at rates in effect at the time of the transaction. Foreign exchange gains and losses are included in operations in the current period.

(k) Financial instruments, Comprehensive Income (Loss) and Hedges

In January 2005, the CICA issued Handbook Sections 3855, "Financial Instruments Recognition and Measurement", 1530, "Comprehensive Income", 3861, "Financial Instruments - Disclosure and Presentation" and 3865, "Hedges". These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis; accordingly, comparative amounts for prior periods have not been restated. The Company has adopted these new standards effective August 1, 2007.

(a) Financial instruments - recognition and measurement

Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This Section requires that:

- All financial assets be measured at fair value on initial recognition and certain financial assets to be measured at fair value subsequent to initial recognition;
- All financial liabilities be measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method; and
- All derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

(b) Comprehensive income (loss)

Section 1530 introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in the currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations.

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(A Development Stage Company)

Notes to Consolidated Financial Statements

(Unaudited)
(Expressed in Canadian dollars)

2. Summary of significant accounting policies (continued)

(k) Financial instruments, Comprehensive Income (Loss) and Hedges (continued)

(c) Financial instruments - disclosure and presentation

Section 3861 establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. Under the new standards, policies followed for periods prior to the effective date generally are not reversed and therefore, the comparative figures have not been restated except for the requirement to restate currency translation adjustments as part of other comprehensive income.

(d) Hedges

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline 13 "Hedging Relationships", and the hedging guidance in Section 1650 "Foreign Currency Translation" by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

(e) Impact upon adoption of Sections 1530, 3855, 3861 and 3865

The Company has evaluated the impact of sections 1530, 3855, 3861 and 3865 on its financial statements and determined that no adjustments are currently required.

The adoption of these handbook Sections had no impact on opening deficit.

(l) New accounting pronouncements

Capital Disclosures and Financial Instruments – Disclosures and Presentation:

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. These new standards are effective for interim and annual consolidated financial statements for the Company's reporting period beginning on January 1, 2008.

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments — Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

The Company is currently assessing the impact of these new accounting standards on its consolidated financial statements.

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(A Development Stage Company)

Notes to Consolidated Financial Statements

(Unaudited)
 (Expressed in Canadian dollars)

3.

(a) Acquisition of Colossus Brazil

On August 1, 2006, the Company acquired 399,999 common shares of Colossus Brazil. As a result, Colossus Brazil became a wholly-owned subsidiary of the Company. The purchase price has been allocated based on the net assets of Colossus Brazil acquired as follows:

Net asset acquired

Cash and short term investments	\$ 50,746
Loans receivable	155,535
	\$ 206,281

	# of shares	Amount
Consideration		
Assigned by Mr. Demian Miranda Feitosa	1	\$ -
Assigned by Mr. Persio Mandetta	998	-
Paid by conversion of loans receivable R\$1,423,043	98,100	50,746
Loans payable R\$300,900	300,900	155,535
	399,999	\$ 206,281

(b) Acquisition of Mineracao Fazenda Monte Belo Ltda

On November 5, 2007, the Company entered into an Exchange Agreement with Maple Minerals Development and Exploration Inc. ("Maple") a 100% wholly owned subsidiary of Mega Uranium Ltd ("Mega"). As per the agreement, Maple transferred its 100% interest in Mineracao Fazenda Monte Belo Ltda (MFMBL) (a company duly incorporated and existing under Brazilian laws) to the Company and the Company issued 125,000 of its common shares to Mega.

The purchase price has been allocated based on the net assets of Colossus Brazil acquired as follows:

Net asset acquired

Cash and short term investments	\$ -
Rio Cristalino exploration property	125,000
	\$ 125,000

	# of shares	Amount
Consideration		
Shares issued	125,000	\$ 125,000

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(A Development Stage Company)
Notes to Consolidated Financial Statements
(Unaudited)
(Expressed in Canadian dollars)

4. Furniture and equipment

	January 31, 2008		July 31, 2007	
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 8,756	\$1,667	\$ 7,089	\$ 5,134
Furniture and equipment	115,816	7,750	108,066	36,714
	\$124,572	\$9,417	\$115,155	\$ 41,848

5. Mining interests

	January 31 2008	January 31 2007
Sumidouro (a)	\$ 1,292,380	\$ 536,998
Natividade (b)	315,934	147,060
Serra Pelada (c)	1,803,424	-
Rio Cristalino (d)	131,136	-
Tapajos (e)	-	-
Total	\$3,542,874	\$ 684,058

(a) Sumidouro project, Brazil

	Three months ended January 31, 2008	Three months ended January 31, 2007	Cumulative from the date of inception on February 9, 2006 to January 31, 2008
Balance, beginning of period	\$ 1,198,800	\$ 324,711	\$ -
Property evaluation	42,063	80,288	478,034
Option payments	-	-	136,963
Consulting	37,524	71,663	319,938
Transportation	7,743	18,971	119,868
Legal services	6,250	23,557	165,903
Mobilization	-	7,056	5,027
Assays	-	10,752	66,646
Total	\$ 1,292,380	\$ 536,998	\$ 1,292,379

On July 3, 2006 the Company entered into a letter of intent with Ouro Preto Mineracao Ltda, a wholly owned subsidiary of Hidefield Gold Plc ("Hidefield") to acquire a 51% interest in its Sumidouro Gold Project ("Sumidouro"), located in Minas Gerais, Brazil.

Colossus Minerals Inc.

(A Development Stage Company)

Notes to Consolidated Financial Statements

(Unaudited)
(Expressed in Canadian dollars)

5. Mining interests (continued)

(a) Sumidouro project, Brazil (continued)

The terms of the transaction between the Company and Hidefield for the acquisition of Sumidouro are as follows:

- (i) The Company must pay Hidefield a non-refundable payment of US\$30,000 (CDN\$ 33,687 - paid);
- (ii) Pay a further US\$30,000 upon the completion of the intended initial public offering ("IPO") of the Company's shares on the Toronto Stock Exchange Venture Exchange("TSX-V")
- (iii) Incur expenditures of US\$250,000 within 12 months of the date of execution of the definitive formal option agreement ("Formal Agreement");
- (iv) Complete aggregate expenditures of US\$1,250,000 on exploration and development of Sumidouro within 3 years of the date of the execution of the Definite Agreement in order to earn a 51% interest.

On September 29, 2006 the Company signed an extension of the Letter of Intent to extend the date to complete the Formal Agreement until December 31, 2006. The Formal Agreement was signed by the parties on January 5, 2007.

(b) Natividade project, Brazil

	Three months ended January 31, 2008	Three months ended January 31, 2007	Cumulative from the date of inception on February 9, 2006 to January 31, 2008
Balance, beginning of period	\$ 246,857	\$ 36,084	\$ -
Property evaluation	67,589	44,615	196,817
Option payments	-	60,636	85,631
Legal services	1,488	5,725	33,486
Total	\$ 315,934	\$ 147,060	\$ 315,934

On August 15, 2006, the subsidiary of the Company, Colossus Brazil, entered into a Letter of Intent with Terra Goyana Mineradora Ltda ("TGM") to acquire up to a 70% interest in its two gold concessions, ("Natividade"), located in Brazil.

The Company has agreed to pay TGM amounts totalling US\$1,500,000 and incur expenditures on the property totalling US\$2,000,000 as follows:

- (i) Pay a non-refundable deposit to TGM of US\$20,000 (paid in August 2006);
- (ii) Pay a US\$50,000 (paid in October 2006) to TGM within 3 business days of the date of the definitive formal option agreement ("Formal Agreement") is executed;
- (iii) Pay US\$130,000, US\$150,000 and US\$1,150,000 on the 1st, 2nd and 3rd anniversary of the execution of the Formal Agreement, respectively; and
- (iv) Incur expenditures of US\$150,000, US\$500,000 and US\$1,350,000 by the 1st, 2nd and 3rd anniversary of the

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Notes to Consolidated Financial Statements

(Unaudited)
(Expressed in Canadian dollars)

5. Mining interests (continued)

execution of the Formal Agreement, respectively. Excess expenditures incurred in the any given year will be credited to expenditures in the following year's periods.

(c) Serra Pelada project, Brazil

	Three months ended January 31, 2008	Three months ended January 31, 2007	Cumulative from the date of inception on February 9, 2006 to January 31, 2008
Balance, beginning of period	\$ 408,363	\$ -	\$ -
Consulting	1,042,737	-	1,267,276
Legal services	3,786	-	36,457
Option payments	326,376	-	435,711
Mobilization	4,670	-	13,823
Assays	17,492	-	50,157
Total	\$ 1,803,424	\$ -	\$ 1,803,424

On July 16, 2007 the Company entered into a contract of partnership with Cooperativa De Mineracao Dos Garimpeiros De Serra Pelada ("COOMIGASP") to acquire a 51% interest in the underground ore of its Serra Pelada gold project, located in Minas Gerais, Brazil, for an exploration investment of R\$6,000,000 (US\$3,468,000). The Company can increase its interest in the project to 75% with a further investment of R\$12,000,000 (US\$6,935,000).

Further payments to COOMIGASP are contingent on the Company's share of the proven gold reserve accepted and approved by the Departamento Nacional de Produção Mineral ("DNPM") of Brazil. Payments commence at R\$80,000,000 (US\$42,235,000) for 20 tons of proven reserves and reach the maximum payout of R\$1,090,000,000 (US\$629,956,000) for 550 tons or greater of proven reserves. COOMIGASP will continue to assume both ownership and reclamation liability of the existing surface and flooded tailings.

The Company has agreed to fund R\$200,000 (US\$116,000) of consulting toward evaluating the potential of mining these existing tailings.

The Company and Phoenix Gems Do Brasil Ltda. ("Phoenix") entered into an agreement with respect to the Company's interest in Serra Pelada where Phoenix can earn up to a 15% net profit interest in the Company's potential future earnings from Serra Pelada. The Company must fund the first US\$1,000,000 of work on Serra Pelada. Thereafter, the companies must each fund their share of work or suffer dilution of their ownership share in Serra Pelada.

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(Unaudited)
(Expressed in Canadian dollars)

5. Mining interests (continued)

(d) Rio Cristalino project, Brazil

	Three months ended January 31, 2008	Three months ended January 31, 2007	Cumulative from the date of inception on February 9, 2006 to January 31, 2008
Balance, beginning of period	\$ -	\$ -	\$ -
Consulting	6,136	-	6,136
Acquisition	125,000	-	125,000
Total	\$ 131,136	\$ -	\$ 131,136

Rio Cristalino is an early stage molybdenum property. Exploration efforts are anticipated to commence in 2009.

(e) Tapajos project, Brazil

	Three months ended January 31, 2008	Three months ended January 31, 2007	Cumulative from the date of inception on February 9, 2006 to January 31, 2008
Balance, beginning of period	\$ -	\$ -	\$ -
Consulting	-	-	16,626
Legal services	-	-	56,145
Mobilization	-	-	33,375
Other projects	-	-	1,914
Write-off mining interest	-	-	(108,060)
Total	\$ -	\$ -	\$ -

The Company's Qualified Persons as defined by National Instrument 43-101 routinely evaluates new properties and provides to Company's management an opinion to whether or not an investment should be made. If the Company subsequently invests in a particular new property then the costs are reclassified from this account and capitalized to the new property. If the Company decides not to invest in that property, then the associated costs are written-off. During the prior year management has decided not to continue investing in certain properties. The costs associated with these properties have been written-off.

6. Share capital

- (a) Authorized - Unlimited number of common shares
- (b) Common shares issued

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Notes to Consolidated Financial Statements

(Unaudited)
(Expressed in Canadian dollars)

6. Share capital (continued)

	Number of common shares		Stated value
Balance, July 31, 2007	19,979,388	\$	2,351,148
Shares issued after year end (i)	500,000		200,000
Warrants valuation-private placement (i)	-		(32,000)
Shares issued to Maple Minerals (ii)	125,000		125,000
Shares issued-private placement (iii)	1,645,000		1,645,000
Warrants valuation-private placement (iii)	-		(263,200)
Balance, January 31, 2008	22,474,388	\$	4,152,998

(i) On July 7, 2007, the Company closed a private placement with a total of 6,238,000 units being issued at a price of \$0.40 per unit for total gross proceeds of \$2,495,200. Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable for one common share at a price of \$0.55 and expires in 2 years following the Company's going public date. The net proceeds were allocated proportionately to the amounts recorded as share capital. These fees are included in issuance costs.

Of the 6,238,000 units issued, 500,000 were issued on September 13, 2007 upon receipt of payment.

(ii) On November 5, 2007, the Company entered into an Exchange Agreement with Maple Minerals Development and Exploration Inc. ("Maple") a 100% wholly owned subsidiary of Mega Uranium Ltd ("Mega"). As per the agreement, Maple transferred the 499,100 common shares (or 100%) it holds of Mineracao Fazenda Monte Belo Ltda (a company duly incorporated and existing under Brazilian laws) to the Company and the Company issued 125,000 of its common shares to Mega.

(iii) On November 7, 2007, the Company closed a private placement with a total of 1,645,000 units issued at a price of \$1.00 per unit for total gross proceeds of \$1,645,000. Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable for one common share at a price of \$1.50 and expires in 2 years following the Company's going public date.

The Company's management has determined that the warrants have an estimated fair value of \$263,200.

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7. Stock options, warrants and contributed surplus

(a) Stock options

The following summarizes the stock options that have been granted, exercised, forfeited, cancelled, or expired during the period ended January 31, 2008:

	Number of Stock Options	Weighted Average Exercise Price (\$)
Balance October 31, 2007	2,432,050	0.39
Issued (i)	100,000	1.00
Cancelled	(25,000)	0.40
Exercised	(125,000)	0.25
Exercised	(100,000)	0.40
Balance January 31, 2008	2,282,050	0.42

As of January 31, 2008, the following stock options were outstanding:

7. Stock options, warrants and contributed surplus (continued)

Expiry date	<u>Options Outstanding</u>			<u>Options Exercisable</u>	
	Number of options	Weighted average remaining contractual life (years)	Weighted Average Exercise Price (\$)	Number of options	Weighted Average Exercise Price (\$)
June 7, 2011	100,000	3.35	0.15	100,000	0.15
December 15, 2011	800,000	3.87	0.25	800,000	0.25
June 29, 2012	625,000	4.41	0.40	212,352	0.40
June 25, 2009	353,300	1.40	0.40	353,300	0.40
July 6, 2009	68,750	1.43	0.40	68,750	0.40
September 7, 2012	235,000	4.61	1.00	52,280	1.00
December 10, 2012	100,000	4.86	1.00	9,523	1.00
	2,282,050	3.45	0.42	1,596,2040	0.33

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(a) Stock options (continued)

(i) During the period, the Company granted 100,000 stock options to the directors, officers and consultants of the Company. The exercise price of the options is \$1.00 per share and the expiry date is September 7, 2012.

The options have an estimated value of \$32,700 which will be expensed as they vest (1/4 in three months, 1/4 in six months, 1/4 in nine months and 1/4 in twelve months from the date of grant). The fair value was estimated using the Black-Scholes option pricing model based on the following assumptions: dividend yield - 0%; expected volatility - 136%; risk-free interest rate - 4.2%; and expected life - 5 years. During the period ended January 31, 2008, \$9,523 was expensed and charged to contributed surplus.

(b) Warrants

As at January 31, 2008, the Company had the following warrants issued and outstanding:

	BLACK-SCHOLES VALUE (\$)	EXERCISE PRICE (\$)	NUMBER OF WARRANTS	EXPIRY DATE
Balance October 31, 2007	945,100		7,007,192	
Issued (Note 6(b)(iii))	263,200	0.55	822,500	Two years after date of IPO
Balance July 31, 2008	1,208,300		7,829,692	

7. Stock options, warrants and contributed surplus (continued)

(c) Contributed surplus

The total of contributed surplus summarized as follows:

Balance October 31, 2007	\$	448,744
Stock-based compensation		107,262
Exercising of options		(55,800)
Balance July 31, 2008	\$	500,206

8. Related party transactions not disclosed elsewhere

The Company entered into the following transactions with related parties:

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(i) The Company paid consulting fees in the amount of \$19,800 (2006 - \$Nil) which were capitalized in mining interests to a company whose owner was appointed the Vice-President of Exploration and a director of the Company on December 15, 2006.

8. Related party transactions not disclosed elsewhere (continued)

(ii) The Company paid consulting fees in the amount of \$91,350 (2006 - \$Nil) to a company owned by the President and director of the Company.

(iii) The Company paid consulting fees in the amount of \$12,393 (2006 - \$Nil) to a company owned by the manager of the Brazilian subsidiary.

(iv) The Company has entered into an employment agreement with the CEO and the director of the Company at \$3,000 per month, which was amended to \$4,000 per month on December 1, 2006. During the period, an amount of \$12,000 (2006 - \$11,000) was charged and included in wages and salaries.

(v) The Company paid consulting fees in the amount of \$1,875 (2006 - \$2,250) to a company whose owner was appointed Executive Vice-President and director of the Company on December 15, 2006 and resigned on December 2007

(vi) The Company paid consulting fees in the amount of \$4,500 (2006 - \$Nil) to the CFO.

These transactions are in the normal course of operations and are measured at the exchange value (the amount established and agreed to by the related parties), which approximates the arm's length equivalent value.

9. Income taxes

The estimated taxable income for the period is \$nil. Based upon the level of historical taxable income, it cannot be reasonably determined if the Corporation will realize the benefits from future income tax assets or the amount owing from future income tax liabilities. Consequently, the future recoveries or losses arising from differences in tax values and accounting values have been reduced by an equivalent estimated taxable temporary difference valuation allowance. This estimated taxable temporary difference valuation allowance will be adjusted in the period that it can be determined that it is more likely than not that some or all of the future tax assets or future tax liabilities will be realized.

10. Segmented information

The Company operates primarily in one reportable operating segment, being the development of properties for production of gold in Brazil. Segmented assets on a geographic basis are as follows:

	January 31 2008	January 31 2007
Canada	\$ 1,208,302	\$ 670,249
Brazil	3,623,348	684,058
Balance	\$ 4,831,650	\$ 1,354,307

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11. Financial instruments

(i) Fair value

Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying values for short-term investment, sundry receivables and prepaid expenses, subscription receivable, and accounts payable and accrued liabilities on the balance sheet approximate fair value because of the limited term of these instruments.

(ii) Commodity price risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of gold.

12. Subsequent events

(iii) On February 13, 2008 the Company closed its initial public offering ("IPO") of 17.2 million units at an offering price of C\$1.25 per unit, for total gross proceeds of C\$21.5 million. Each unit is comprised of one common share (each a "Unit Share") in the capital of Colossus and one-half of one common share purchase warrant (each a "Warrant"). Each whole Warrant entitles the holder thereof to acquire one common share in the capital of Colossus (each a "Warrant Share") at an exercise price of \$2.00 expiring thirty-six months following issuance. On February 25, the Company closed the underwriter over-allotment option of 2,580,000 additional Unit Shares and 1,290,000 additional Warrants, increasing the gross proceeds of the offering to C\$24.7 million