

**COLOSSUS MINERALS INC.**  
**(A development stage company)**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**APRIL 30, 2009**

Unaudited- Prepared by Management

Expressed in Canadian dollars

## Management's Responsibility for Consolidated Financial Statements

June 15, 2009

To the Shareholders of Colossus Minerals Inc.

The accompanying unaudited interim consolidated financial statements of Colossus Minerals Inc. (the "Corporation") (A development stage company as defined by the Canadian Institute of Chartered Accountants Accounting Guideline 11) were prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP").

Management acknowledges responsibility for the preparation and presentation of the unaudited interim consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Corporation's circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited interim consolidated financial statements and (ii) the unaudited interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Corporation, as of the date of and for the periods presented by the unaudited interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited interim consolidated financial statements together with other financial information of the Corporation and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim consolidated financial statements together with other financial information of the Corporation. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim consolidated financial statements together with other financial information of the Corporation for issuance to the shareholders.

Management recognizes its responsibility for conducting the Corporation's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

### Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these unaudited interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Colossus Minerals Inc.

"Ari Sussman"

Ari Sussman  
Chief Executive Officer

"John Ross"

John Ross  
Chief Financial Officer

**Colossus Minerals Inc.**  
**(A development stage company)**  
**Consolidated Balance Sheets**  
(Expressed in Canadian dollars)

	April 30, 2009	July 31, 2008
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$27,523,944	\$16,702,933
Receivables and prepaid expenses	344,857	559,849
	27,868,801	17,262,782
<b>Vehicles, furniture and equipment</b> (Note 4)	391,096	199,566
<b>Mining interests</b> (Note 5)	20,430,880	9,831,964
	<b>\$48,690,777</b>	<b>\$27,294,312</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 758,750	\$ 685,397
Going concern (Note 1)		
<b>Shareholders' equity</b>		
Share capital (Note 6)	45,074,309	23,121,545
Warrants (Note 7(c))	7,575,159	4,876,936
Contributed surplus (Note 7(d))	2,708,801	1,588,291
Accumulated deficit	(7,426,242)	(2,977,857)
	47,932,027	26,608,915
	<b>\$48,690,777</b>	<b>\$27,294,312</b>

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

Approved by the Board "Ari Sussman" Director

"Douglas Reeson" Director

**Colossus Minerals Inc.**  
**(A development stage company)**  
**Consolidated Statements of Loss and Comprehensive Loss**  
(Expressed in Canadian dollars)

	Three months ended April 30, 2009	Three months ended April 30, 2008	Nine months ended April 30, 2009	Nine months ended April 30, 2008	Cumulative from the date of inception on February 9, 2006 to April 30, 2009
<b>Expenses</b>					
Administrative and general	\$ 667,075	\$ 272,141	\$ 1,135,604	\$ 454,610	\$ 2,077,716
Wages and salaries	76,762	51,581	242,513	98,764	516,887
Consulting fees	119,240	101,972	330,935	216,352	733,089
Professional fees	33,047	7,500	75,011	50,045	254,410
Directors fees	18,750	-	71,750	-	71,750
Accounting and corporate services	43,400	5,834	69,460	23,086	113,246
Transfer agent fees and expenses	6,544	13,385	30,820	27,648	88,969
Foreign exchange (gain) loss	(60,494)	(104,831)	(24,923)	(38,228)	3,483
Stock-based compensation	172,270	374,537	956,025	637,990	2,178,678
Amortization	26,197	2,641	31,304	7,073	46,353
Write-down of mining interests	-	-	1,738,167	-	1,846,227
<b>Net loss before other items</b>	<b>1,102,791</b>	<b>724,760</b>	<b>4,656,666</b>	<b>1,477,340</b>	<b>7,930,808</b>
Less: Interest income	(79,235)	(122,571)	(208,281)	(134,219)	(504,566)
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (1,023,556)</b>	<b>\$ (602,189)</b>	<b>\$ (4,448,385)</b>	<b>\$ (1,343,121)</b>	<b>\$ (7,426,242)</b>
<b>Basic and diluted loss per share (Note 6 (c))</b>	<b>\$ (0.02)</b>	<b>\$ (0.02)</b>	<b>\$ (0.10)</b>	<b>\$ (0.05)</b>	

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

**Colossus Minerals Inc.**  
**(A development stage company)**  
**Consolidated Statements of Changes in Shareholders' Equity**  
(Expressed in Canadian dollars)

	Nine months ended April 30, 2009	Nine months ended April 30, 2008	Cumulative from the date of inception on February 9, 2006 to April 30, 2009
<b>Share Capital</b>			
Balance, beginning of period	\$ 23,121,545	\$ 2,351,148	\$ -
Issued for services	-	-	75,000
Private placements	-	1,645,000	5,437,200
Share issue costs	(2,252,951)	(1,924,353)	(4,982,135)
Valuation of warrants issued	(2,746,144)	(3,992,620)	(7,651,864)
Shares issued at IPO and underwriters option	24,725,000	24,725,000	49,450,000
Shares issued on exercise of warrants	814,804	31,550	992,813
Shares issued on exercise of stock options	996,145	127,050	1,129,830
Shares issued for property purchases	415,910	125,000	540,910
Shares issued for agent commission	-	-	82,555
Balance, end of period	45,074,309	23,087,775	45,074,309
<b>Shares to be issued</b>			
Balance, beginning of period	-	-	-
Shares issued	-	200,000	-
Balance, end of period	-	200,000	-
Balance, end of period	45,074,309	\$ 23,287,775	45,074,309
<b>Warrants</b>			
Balance, beginning of period	4,876,936	913,100	-
Valuation of warrants issued	2,884,024	3,992,620	7,789,544
Valuation of warrants exercised	(185,801)	(5,675)	(214,585)
Balance, end of period	7,575,159	4,900,045	7,575,159
<b>Contributed Surplus</b>			
Balance, beginning of period	1,588,291	292,553	-
Stock-based compensation	956,025	637,990	2,178,678
Valuation of stock options exercised	(252,275)	(55,800)	(309,710)
Issue of broker's units	416,760	-	839,833
Balance, end of period	2,708,801	874,743	2,708,801
<b>Deficit</b>			
Balance, beginning of period	(2,977,857)	(659,352)	-
Net loss for the period	(4,448,385)	(1,343,121)	(7,426,242)
Balance, end of period	(7,426,242)	(2,002,473)	(7,426,242)
Total shareholders' equity, end of period	\$47,932,027	\$ 27,060,090	\$47,932,027

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

**Colossus Minerals Inc.**  
**(A development stage company)**  
**Consolidated Statements of Cash Flows**  
(Expressed in Canadian dollars)

	Three months ended April 30, 2009	Three months ended April 30, 2008	Nine months ended April 30, 2009	Nine months ended April 30, 2008	Cumulative from the date of inception on February 9, 2006 to April 30, 2009
<b>Operating activities</b>					
Net loss for the period	\$ (1,023,556)	\$ (602,189)	\$ (4,448,385)	\$ (1,343,121)	\$ (7,426,242)
Amortization	26,197	2,641	31,304	7,073	46,353
Stock-based compensation	172,270	374,537	956,025	637,990	2,178,678
Write-down of mining interests	-	-	1,502,772	-	1,610,832
Changes in non-cash working capital items:					
Receivables and prepaid expenses	49,212	(126,229)	214,992	(364,903)	(344,857)
Accounts payable and accrued liabilities	474,541	(27,888)	(73,353)	137,890	758,750
<b>Cash flows (used in) operating activities</b>	<b>(301,336)</b>	<b>(379,128)</b>	<b>(1,669,939)</b>	<b>(925,071)</b>	<b>(3,176,486)</b>
<b>Financing activities</b>					
Shares issued for cash	23,321,109	21,059,130	23,489,609	22,680,180	48,971,564
Warrants issued for cash	2,746,144	3,691,745	2,746,144	3,986,945	7,651,864
Share issuance costs	(1,834,691)	(1,924,353)	(1,836,191)	(1,937,738)	(4,059,747)
<b>Cash flows from financing activities</b>	<b>24,232,562</b>	<b>22,826,522</b>	<b>24,399,562</b>	<b>24,742,772</b>	<b>52,563,681</b>
<b>Investing activities</b>					
Short-term investment	-	-	-	1,000,000	-
Purchase of vehicles, furniture and equipment	(32,691)	(62,967)	(222,834)	(140,706)	(437,449)
Expenditures of mining interests	(5,115,206)	(2,301,910)	(11,685,778)	(4,444,769)	(21,425,802)
<b>Cash flows (used in) investing activities</b>	<b>(5,147,897)</b>	<b>(2,364,877)</b>	<b>(11,908,612)</b>	<b>(3,585,475)</b>	<b>(21,863,251)</b>
Change in cash and cash equivalents during the period	18,783,329	20,082,517	10,821,011	20,232,226	27,523,944
Cash and cash equivalents, beginning of period	8,740,615	866,324	16,702,933	716,615	-
<b>Cash and cash equivalents, end of period</b>	<b>\$ 27,523,944</b>	<b>\$ 20,948,841</b>	<b>\$ 27,523,944</b>	<b>\$ 20,948,841</b>	<b>\$ 27,523,944</b>
<b>Supplement information</b>					
Taxes paid	\$ -	\$ -	\$ -	\$ -	\$ -
Interest paid	-	-	-	-	-
Shares issued for property acquisition	-	-	415,910	-	540,910
Shares issued for services rendered	-	-	-	-	75,000

The notes to these unaudited consolidated 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)

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#### **1. Nature of operations and going concern**

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

The Company is dependent upon issuances of common shares 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.

The ability of the Company to continue as a going concern and the recoverability of amounts shown for mineral properties are dependent upon the discovery of economically recoverable reserves, confirmation of the Company's ownership in the underlying mineral claims, the acquisition of required permits to mine, and the ability of the Company to obtain necessary financing to complete exploration and development; and the future profitable production or proceeds from disposition of such properties. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. All of these outcomes are uncertain and taken together cast doubt over the ability of the Company to continue as a going concern.

The unaudited interim 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 considered necessary for a fair presentation have been included. Operating results for the three and nine months ended April 30, 2009 may not necessarily be indicative of the results that may be expected for the year ending July 31, 2009.

The balance sheet at July 31, 2008 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by Canadian generally accepted accounting principles for annual financial statements. The interim financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual audited financial statements for the year ended July 31, 2008, except as noted below. For further information, refer to the audited financial statements and notes thereto for the year ended July 31, 2008.

#### **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 Brazilian subsidiary, Colossus Geologia e Participacoes Ltda ("Colossus Brazil") and its wholly owned Brazilian subsidiary, Mineracao Fazenda Monte Belo Ltda (MFMBL). All inter-company transactions and balances have been eliminated on consolidation.

##### **(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

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

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#### 2. Summary of significant accounting policies (continued)

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 mining interests, fair value of stock-based securities, and valuation of 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 when abandoned or sold.

Acquisition costs include the cash consideration and the fair market value of the shares issued for the acquisition of exploration properties. The carrying value of mining interests is reduced by any option proceeds or government grants 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 CICA Handbook Section 3110 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 Company has no asset retirement obligations as at April 30, 2009.

##### (e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and bank guaranteed investments with original

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

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#### 2. Summary of significant accounting policies (continued)

maturities of three months or less and which are readily convertible into cash.

##### (f) Stock-based Compensation

The Company recognizes stock-based compensation expense for grants of options to officers, directors, employees and consultants 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, if any, with a corresponding increase to contributed surplus under shareholders' equity. When stock options are exercised, the corresponding fair value is transferred from contributed surplus 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 substantively 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) Vehicles, furniture and equipment

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

Vehicles	20%
Computer equipment	30%
Furniture and equipment	20%

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

##### (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 Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

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#### 2. Summary of significant accounting policies (continued)

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 during the period of the transaction. Foreign exchange gains and losses are included in operations in the current period.

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

On August 1, 2007, the Company adopted prospectively the Canadian Institute of Chartered Accountants ("CICA") Handbook Sections 1530, *Comprehensive Income*; Section 3251, *Equity*; Section 3855, *Financial Instruments - Recognition and Measurement*; Section 3861, *Financial Instruments - Disclosure and Presentation*; and Section 3865, *Hedges*.

Section 1530 establishes standards for reporting and presenting comprehensive income. Comprehensive income, composed of net income and other comprehensive income, is defined as the change in shareholders' equity from transactions and other events from non-owner sources. Other comprehensive income for the Company includes unrealized gains and losses on available-for-sale securities and changes in the fair market value of derivatives designated as cash flow hedges, all net of related income taxes. The components of comprehensive income are disclosed in the consolidated statement of operations, comprehensive loss and deficit. Cumulative changes in other comprehensive income are included in accumulated other comprehensive income ("AOCI") which is presented as a new category in shareholders' equity.

All financial instruments are classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables, held to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net earnings; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net earnings.

The Company has made the following classifications:

Cash and cash equivalents	- Held-for-trading
Marketable security	- Available-for-sale
Accounts receivable	- Loans and receivables
Accounts payable and accrued liabilities	- Other financial liabilities

Transaction costs are expensed as incurred for all financial instruments.

Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. As at and during the year ended December 31, 2008, the Company had no hedges. At August 1, 2007, there was no effect on the Company's consolidated balance sheet of adopting these standards.

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

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

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## 2. Summary of significant accounting policies (continued)

### Amendments To Section 1400 – General Standards of Financial Statement Presentation

In June 2007, the CICA amended Handbook Section 1400, Going Concern, to include additional requirements to assess and disclose an entity's ability to continue as a going concern. Section 1400 is effective for interim and annual reporting periods beginning on or after January 1, 2008. The adoption of this standard had no impact on the Company's operating results or financial position.

#### (l) Accounting changes

##### Credit Risk and the Fair Value of Financial Assets and Financial Liabilities:

In January 2009, the Emerging Issues Committee of the CICA issued EIC-173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities, which applies to interim and annual financial statements for periods ending on or after January 20, 2009. The Company has evaluated the section and determined that adoption of these requirements will have no impact on the Company's interim financial statements.

##### Mining exploration costs:

On March 27, 2009, the Emerging Issues Committee of the CICA approved an abstract EIC-174, "Mining Exploration Costs", which provides guidance on capitalization of exploration costs related to mining properties in particular, and on impairment of long-lived assets in general. The adoption of this abstract had no impact on the Company's presentation of its financial position or results of operations as at April 30, 2009.

#### (m) Future Accounting Changes

##### (i) International Financial Reporting Standards ("IFRS")

In February 2008, the Accounting Standards Board of the CICA confirmed its strategic plan which will abandon GAAP and affect a complete convergence to the International Financial Reporting Standards ("IFRS"). These new standards will be effective for the Company's interim financial statements commencing October 31, 2011.

The Company has commenced an initial qualitative assessment to identify the main IFRS areas that it needs to address. This includes an assessment of how difficult it will be to quantify and gather the relevant information and their potential impact on the Company. This study will serve as a road map for developing a more detailed IFRS conversion project plan and focusing on the areas where the impact may be the greatest. The Company continues to assess the financial reporting impacts of the adoption of IFRS and, at this time, the impact on its future financial position and results of operations is not reasonably determinable or estimable.

Further, the Company anticipates a significant increase in disclosure resulting from the adoption of IFRS and are continuing to assess the level of this disclosure required and any necessary system changes to gather and process the information. During 2009, the Company will commence a more detailed analysis and a plan for conversion to IFRS.

##### (ii) Goodwill and Intangible Assets

In November 2007, the CICA approved Handbook Section 3064, "Goodwill and Intangible Assets" which replaces the existing Handbook Sections 3062, "Goodwill and Other Intangible Assets" and 3450 "Research and Development Costs". This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009, with earlier application encouraged. The standard provides guidance on the recognition, measurement and disclosure requirements for goodwill and intangible assets.

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

## 2. Summary of significant accounting policies (continued)

Under previous Canadian standards, a greater number of items were recognized as assets than are recognized under International Financial Reporting Standards ("IFRS"). The provisions relating to the definition and initial recognition of intangible assets reduce the differences with IFRS in the accounting for intangible assets. The objectives of CICA 3064 are: 1) to reinforce the principle-based approach to the recognition of assets; 2) to establish the criteria for asset recognition; and 3) to clarify the application of the concept of matching revenues and expenses such that the current practice of recognizing assets items that do not meet the recognition criteria is eliminated. The standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets. The portions in the standard relating to goodwill remain unchanged.

### (iii) Business Combinations - Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling Interests". These new standards will be effective for fiscal years beginning on or after January 1, 2011. Section 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3, "Business Combinations". Sections 1601 and 1602 together replace section 1600, "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS-27, "Consolidated and Separate Financial Statements". The Company is in the process of evaluating the requirements of the new standards.

The Company continues to assess the impact of these new accounting standards on its consolidated financial statements.

## 3. Acquisition

### (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 subsidiary of the Company. The purchase price has been allocated based on the net assets of Colossus Brazil acquired as follows:

<b>Net asset acquired</b>	
Cash and short term investments	\$ 50,746
Loans receivable	155,535
	\$ 206,281
	# of shares
	Amount

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

### 3. Acquisition (continued)

#### 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

As at April 30, 2009, the Company owned 34,249,999 common shares of Colossus Brazil (of 34,250,000 common shares outstanding).

#### (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
<b>Consideration</b>		
Shares issued	125,000	\$ 125,000

### 4. Vehicles, furniture and equipment

	April 30, 2009		July 31, 2008	
	Cost	Accumulated amortization	Net book value	Net book value
Vehicles	\$ 186,349	\$ 14,759	\$ 171,600	\$ -
Computer equipment	88,363	13,455	74,908	8,755
Furniture and equipment	162,737	18,149	144,588	190,811
	\$437,449	\$ 46,353	\$ 391,096	\$ 199,566

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

5. Mining interests	April 30 2009	July 31 2008	Cumulative from the date of inception on February 9, 2006 to April 30, 2009
<u>Active</u>			
Serra Pelada (a)	\$ 19,342,831	\$ 7,628,079	\$ 19,342,831
Natividade (b)	699,174	461,571	699,174
Rio Cristalino (c)	388,875	239,542	388,875
	20,430,880	8,329,192	20,430,880
<u>Abandoned</u>			
Sumidouro (d)	-	1,502,772	1,738,167
Tapajos (e)	-	-	108,060
Total	\$ 20,430,880	\$ 9,831,964	\$ 22,277,107

#### Active Properties

##### (a) Serra Pelada project, Brazil

	Nine months ended April 30, 2009	Nine months ended April 30, 2008	Cumulative from the date of inception on February 9, 2006 to April 30, 2009
Balance, beginning of period	\$ 7,628,079	\$ 172,686	\$ -
Property evaluation	553,721	144,179	817,337
Drilling	1,352,846	1,428,415	4,018,098
Personnel	2,109,215	341,350	2,593,315
Consulting	657,559	557,964	1,785,523
Property administration	1,681,241	786,450	3,064,455
Acquisition of net profits interest	5,080,306	-	5,080,306
Legal services	148,259	28,464	202,501
Option payments	-	359,278	1,526,028
Mobilization	40,296	11,181	70,887
Assays	91,309	73,072	184,381
Total	\$ 19,342,831	\$ 3,903,039	\$ 19,342,831

On July 16, 2007, the Company through its subsidiary Colossus Brazil entered into an agreement with De Mineracao Dos Garimpeiros De Serra Pelada ("COOMIGASP"), a private Brazilian entity, in which Colossus Brazil can earn an interest in Serra Pelada Companhia de Desenvolvimento Mineral Ltda ("SPC"), which is the company that holds the application to transfer the title to the Serra Pelada Property (Departamento Nacional de Produção Mineral ("DNPM") Process number 850.425/1990). Colossus Brazil, however, shall not be entitled to earn any interest to the existing waste and tailings from the historical open pit mine. The Serra Pelada Property is located in Para State, Brazil. The Company can earn an initial 51% share in SPE by spending Brazilian Reals ("R\$") R\$6,000,000 on exploration and development. This 51% share was earned in April 2009 with the acceptance of spending to date on the Property by COOMIGASP. Colossus Brazil can increase its ownership share in SPC to 75% by spending a further R\$12,000,000. As required by the agreement, Colossus

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

#### 5. Mining interests (continued)

Brazil has also funded R\$200,000 of consulting work for COOMIGASP to evaluate the potential to mine from the remaining waste and tailings at the Serra Pelada Property. COOMIGASP will continue to assume all liabilities for environmental cleanup related to the existing waste and tailings.

Colossus Brazil will pay COOMIGASP a series of premium payments based upon the mineable gold reserve accepted and approved by the DNPM of Brazil. Such premium payment ranges from a minimum of R\$40,800,000 (based on Colossus Brazil's 51% interest in the Serra Pelada Property) for 20 tons of mineable gold reserves to a maximum of R\$817,500,000 (if Colossus Brazil holds a 75% interest in the Serra Pelada Property) for 550 tons or greater of mineable gold reserves. Advance payments to date against these premium payments have been made in accordance with the agreement as follows:

- R\$2,000,000 in 2007 and 2008,
- R\$1,600,000 in 2009.

The R\$3,600,000 payment scheduled for May 2009 has been deferred by mutual consent.

On June 28, 2007, 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. The Company has fulfilled its spending obligation.

On August 11, 2008 the Company purchased from Phoenix the outstanding 15% net profit interest of its future earnings from the Serra Pelada project for US \$4.2 million of which US\$ 2.0 million was paid prior to this quarter. On January 6, 2009 the Company and Phoenix agreed that the balance of the purchase price would be paid in six instalments as follows:

- US\$ 50,000 and 378,100 Colossus common shares immediately (paid),
- US\$ 400,000 semi-annually, commencing June 15, 2009 and ending June 15, 2011.

The Company paid the remaining US\$2 million obligation in on April 29, 2009.

#### (b) Natividade project, Brazil

	Nine months ended April 30, 2009	Nine months ended April 30, 2008	Cumulative from the date of inception on February 9, 2006 to April 30, 2009
Balance, beginning of period	\$ 461,571	\$ 200,445	\$ -
Property evaluation	89,052	140,440	312,614
Consulting	148,551	6,150	159,963
Option payments	-	-	192,675
Legal services	-	2,230	33,922
<b>Total</b>	<b>\$ 699,174</b>	<b>\$ 315,934</b>	<b>\$ 699,174</b>

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 the state of

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

#### 5. Mining interests (continued)

Tocantins, Brazil. The Agreement was formalized in November 2006.

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 (\$24,356 paid in August 2006);
- (ii) Pay a US\$50,000 (\$ 61,275 paid in 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 (\$ 107,044 paid in 2008, deferred by mutual agreement), 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 (\$154,082 spent), US\$500,000 and US\$1,350,000 by the 1st, 2nd and 3rd anniversary of the 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.

On January 6, 2009, the Company announced it had negotiated an unconditional one-year extension on all options payments and work commitment obligations.

#### (c) Rio Cristalino project, Brazil

	Nine months ended April 30, 2009	Nine months ended April 30, 2008	Cumulative from the date of inception on February 9, 2006 to April 30, 2009
Balance, beginning of period	\$ 239,542	\$ -	\$ -
Consulting	1,893	10,826	116,435
Property taxes	147,440	-	147,440
Acquisition	-	125,000	125,000
<b>Total</b>	<b>\$ 388,875</b>	<b>\$ 135,826</b>	<b>\$ 388,875</b>

On November 5, 2007, the Company acquired the Rio Cristalino molybdenum property (Note 3(b)).

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

#### 5. Mining interests (continued)

##### Abandoned Properties

##### (d) Sumidouro project, Brazil

	Nine months ended April 30, 2009	Nine months ended April 30, 2008	Cumulative from the date of inception on February 9, 2006 to April 30, 2009
Balance, beginning of period	\$ 1,502,772	\$ 901,884	\$ -
Property evaluation	-	291,493	596,280
Option payments	-	31,719	136,963
Consulting	207,399	131,007	584,300
Legal services	25,494	32,018	202,200
Mobilization	2,502	35,765	151,778
Assays	-	32,768	66,646
Write-off	(1,738,167)	-	(1,738,167)
<b>Total</b>	<b>\$ -</b>	<b>\$ 1,456,654</b>	<b>\$ -</b>

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.

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

- (i) The Company was required to pay Hidefield a non-refundable payment of US\$30,000 (\$ 33,687 – paid in 2006);
- (ii) Pay a further payment to Hidefield of US\$ 61,000 (\$ 71,557 paid in March 2007) for expenditure reimbursements.
- (iii) 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 ("TSX"). (\$ 31,719 – paid in 2008);
- (iv) Incur expenditures of US\$250,000 within 12 months of the date of execution of the definitive formal option agreement ("Formal Agreement").
- (v) 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 Formal 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.

On January 6, 2009 the Company announced it was not proceeding with the Sumidouro property. All costs associated with this property were written off in the period ended January 31, 2009.

# Colossus Minerals Inc. (A Development Stage Company) Notes to Consolidated Financial Statements (Unaudited)

(Expressed in Canadian dollars)

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## 5. Mining interests (continued)

### (e) Tapajos project, Brazil

	<b>Cumulative from the date of inception on February 9, 2006 to January 31, 2009</b>
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 evaluated the Tapajos project and wrote off the expenditures in the year ended July 31, 2007 due to poor exploration results.

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

#### 6. Share capital

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

	Number of common shares	Stated value
Balance, February 9, 2006 (date of inception)	1	\$ 1
Private placement (i)	9,000,000	540,000
Share issued for services rendered (ii)	1,250,000	74,999
<b>Balance, July 31, 2006</b>	<b>10,250,001</b>	<b>615,000</b>
Private placement (iii)	3,785,000	757,000
Warrants valuation-private placement (iii)	-	(586,675)
Private placement (iv)	5,738,000	2,295,200
Warrants valuation-private placement (iv)	-	(314,970)
Private placement agent's commission (iv)	206,387	82,555
Warrants valuation-agent's commission (iv)	-	(11,455)
Shares issuance costs	-	(485,507)
<b>Balance, July 31, 2007</b>	<b>19,979,388</b>	<b>2,351,148</b>
Shares issued (iv)	500,000	200,000
Warrants valuation-private placement (iv)	-	(32,000)
Shares issued to Maple Minerals (Note 4(b))	125,000	125,000
Shares issued-private placement (v)	1,645,000	1,645,000
Warrants valuation-private placement (v)	-	(263,200)
Shares issued-Initial Public Offering (vi)	17,200,000	21,500,000
Warrants valuation-Initial Public Offering (vi)	-	(3,212,380)
Shares issued-IPO underwriters option (vi)	2,580,000	3,225,000
Warrants valuation-IPO underwriters option (vi)	-	(485,040)
Employee options exercised	230,000	76,250
Valuation of employee options exercised	-	57,435
Broker warrants exercised	25,000	16,500
Warrants exercised	110,800	161,509
Share issuance costs	-	(2,243,677)
<b>Balance, July 31, 2008</b>	<b>42,395,188</b>	<b>23,121,545</b>

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

#### 6. Share capital (continued)

	Number of common shares	Stated value
Balance forward, July 31, 2008	42,395,188	\$ 23,121,545
Shares issued- Public Offering (vii)	11,500,000	24,725,000
Warrants valuation- Public Offering (vii)	-	(2,746,144)
Share issuance costs	-	(2,251,451)
Broker units exercised	893,400	958,495
Warrants exercised	1,348,193	814,804
Share issuance costs	-	(1,500)
Shares issued to Phoenix Gems (Note 5(a))	378,100	415,910
Employee options exercised	50,000	37,650
Balance, April 30, 2009	56,564,881	\$ 45,074,309

(i) During the 2006 fiscal year, the Corporation closed a non-brokered private placement of 9,000,001 common shares at a price of \$0.06 per common share for aggregate proceeds of \$540,000.

(ii) During the 2006 fiscal year, a total of 1,250,000 common shares were issued to three officers and shareholders of the Company for property evaluation services rendered, which was capitalized in mining interest, at the amount of \$75,000. This was a related party transaction. This transaction was in the normal course of operations and were measured at the exchange value (the amount established and agreed to by the related parties), which approximates the arm's length equivalent value.

(iii) On December 14, 2006, the Company closed a private placement with a total of 3,785,000 units being issued at a price of \$0.20 per unit for total gross proceeds of \$757,000. Each unit consisted of one common share and one common share purchase warrant entitling the holder to purchase an additional common share at a price of \$0.40, expiring in 5 years.

The warrants have an estimated fair value of \$586,675 which was estimated using the Black-Scholes option pricing model based on the following assumptions: dividend yield - 0%; expected volatility - 120%; risk-free interest rate - 3.91%; and expected life - 5 years.

(iv) 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 comprised 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, which is February 13, 2010. The net proceeds were allocated proportionately to the amounts recorded as share capital.

Of the 6,238,000 units being issued, 500,000 had not been issued as at July 31, 2007 pending receipt of payment. During the year, the payment was received and the shares were issued. Share capital reflects receipts of \$2,295,000 before July 31, 2007 and receipts of \$200,000 after July 31, 2007.

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

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#### 6. Share capital (continued)

The Company's management has determined that the warrants have an estimated fair value of \$346,970 of which \$314,970 was included in share capital at July 31, 2007 and \$32,000 which was included in share capital at July 31, 2008.

Share issuance costs for the private placement amounted to \$485,507. These costs comprised \$342,994 of agent fees, commissions and costs, and \$142,513 of placement costs including legal and other fees.

Agent commission of \$126,615 was paid in cash. Agent commission of \$82,555 was paid by the issue of 206,387 units at \$0.40. Each unit comprised 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 two years following the Company's going public date, which is February 13, 2010. The Company's management has determined that the warrants had an estimated value of \$11,455.

The agent charged a corporate finance fee of \$30,000 related to the private placement.

The agent received a finder's fee of 353,300 agent options on June 25, 2007 and 68,750 agent options on July 6, 2007. These options are exercisable at a price of \$0.40 for a period of two years after the closing date. Each agent's option comprised one common share and one-half of one agent's warrant; and each agent's warrant is exercisable, until June 25, 2009, into one additional share at a price of \$0.55 per share.

The fair value of the agent's options were estimated using the Black-Scholes option pricing model based on the following assumptions: dividend yield – 0%; expected volatility – 118%; risk-free interest rate – 4.64% to 4.72%; and expected life – 2 years. As a result, the fair value of the agent's options was estimated as \$86,912 and \$16,912, respectively and charged to contributed surplus.

(v) 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, which is February 13, 2010.

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

(vi) On February 13, 2008 the Company closed its initial public offering ("IPO") of 17.2 million units at an offering price of \$1.25 per unit, for total gross proceeds of \$21.5 million. Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share in the capital of the Company at an exercise price of \$2.00 expiring thirty-six months following issuance. On February 25, 2008 the Company closed the underwriter over-allotment option of 2,580,000 additional units, increasing the gross proceeds of the offering to \$24.7 million. Issue costs of \$1.9 million related to the IPO and over-allotment are comprised of 6% agent's cash commission of \$1.5 million and other issue expense of \$0.4 million. In addition to cash commission the broker received the option to purchase 1,186,800 broker's units on February 13, 2008. These units are exercisable at a price of \$1.25 for a period of two years after the closing date. Each broker's unit comprised one common share and one half of one broker's warrant; and each broker's warrant is exercisable into one additional share at a price of \$2.00 per share until February 13, 2010.

The Company's management has determined that the warrants have an estimated fair value of \$3,697,420, based on a proportionate share of proceeds received.

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

#### 6. Share capital (continued)

The Company's management has determined that the broker's units have an estimated fair value of \$319,249, using the Black-Scholes option pricing model based on the following assumptions: dividend yield – 0%; expected volatility – 50%; risk-free interest rate – 4.5%; and expected life – 1 year. This value was charged to contributed surplus.

(vii) On March 10, 2009 the Company closed a bought deal private placement of 11.5 million units at an offering price of \$2.15 per unit, for total gross proceeds of \$24.7 million. Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share in the capital of the Company at an exercise price of \$2.70 expiring twenty-four months following issuance. The Company has the right to force conversion of the warrants in the event the share price exceeds \$3.70 for twenty consecutive trading days.

Issue costs of \$2.3 million related to the financing comprised of 6% agent's cash commission of \$1.5 million and other expenses of \$0.4 million. In addition to the cash commission, the broker received the option to purchase 690,000 broker's units on March 10, 2009. These units are exercisable at a price of \$2.15 for a period of two years after the closing date. Each broker's unit comprised one common share and one half of one broker's warrant; and each broker's warrant is exercisable into one additional share at a price of \$2.70 per share until March 10, 2011.

The Company's management has determined that the warrants have an estimated fair value of \$2,746,144. This value is based on a proportionate share of proceeds received, with the gross warrant value determined using the Black-Scholes valuation.

The Company's management has determined that the broker's units have an estimated fair value of \$416,760, using the Black-Scholes option pricing model based on the following assumptions: dividend yield – 0%; expected volatility – 85%; risk-free interest rate – 1.15%; and expected life – 1.5 years. This value was charged to contributed surplus.

#### (c) Basic and diluted loss per share

The following table sets forth the computation of basic and diluted loss per share:

	Three months ended April 30, 2009	Three months ended April 30, 2008	Nine months ended April 30, 2009	Nine months ended April 30, 2008
Numerator:				
(Loss) for the period	\$ (1,023,556)	\$ (602,189)	\$ (4,448,385)	\$ (740,932)
Numerator for basic and diluted (loss) per share	<u>\$ (1,023,556)</u>	<u>\$ (602,189)</u>	<u>\$ (4,448,385)</u>	<u>\$ (740,932)</u>
Denominator:				
Weighted average number of common shares	50,556,992	39,081,444	45,192,307	27,111,753
Denominator for basic (loss) per share	50,556,992	39,081,444	45,192,307	27,111,753
Effect of dilutive securities:				
Stock options (i)	-	-	-	-
Share purchase warrants (i)	-	-	-	-
Denominator for diluted (loss) per share	<u>50,556,992</u>	<u>39,081,444</u>	<u>45,192,307</u>	<u>27,111,753</u>
Basic and diluted (loss) per share	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>	<u>\$ (0.10)</u>	<u>\$ (0.05)</u>

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

#### 6. Share capital (continued)

- (i) The stock options and share purchase warrants were not included in the computation of diluted loss per share as their inclusion would be anti-dilutive.

#### 7. Employee stock options, broker units, warrants and contributed surplus

##### Stock option plan

The Company maintains a Stock Option Plan implemented in 2008 under which the Board of Directors may from time to time grant to employees, officers, directors of, or consultants to, the Company, options to acquire common shares in such numbers, for such terms and at such prices as may be determined by the Board of Directors.

The stock option plan provides that the maximum number of common shares in the capital of the Company that may be reserved for issuance for all purposes under the stock option plan shall be equal to 10% of the total issued and outstanding common shares and that the maximum number of common shares which may be reserved for issuance to any one optionee pursuant to share options may not exceed 5% of the common shares outstanding at the time of grant.

These options are valid for a maximum of 10 years from the date of issue. Vesting terms and conditions are determined by the Board of Directors at the time of the grant. The exercise price of each option equals the market price prevailing at the date of grant.

##### (a) Employee stock options

The following summarizes the employee stock options that have been granted, exercised, cancelled, or expired during the nine-month period ended April 30, 2009 and 2008:

	April 30, 2009		April 30, 2008	
	Number of Stock Options	Weighted Average Exercise Price (\$)	Number of Stock Options	Weighted Average Exercise Price (\$)
Opening balance	2,690,000	0.99	2,010,000	0.39
Issued	1,375,000	1.12	1,010,000	1.60
Exercised	(50,000)	0.40	(225,000)	0.32
Cancelled	(385,000)	1.66	(50,000)	1.00
Ending balance	3,630,000	0.97	2,745,000	0.83
Options exercisable at period end	2,405,000	0.97	1,762,917	0.50

The weighted average fair value of options granted during the nine-month period was \$0.75 (2008 - \$0.77).

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

#### 7. Employee stock options, broker units, warrants and contributed surplus (continued)

As of April 30, 2009, the following employee stock options were outstanding and exercisable:

Expiry date	Options Outstanding			Options Exercisable	
	Number of options	Weighted average remaining contractual life (years)	Weighted Average Exercise Price (\$)	Number of options	Weighted Average Exercise Price (\$)
December 15, 2011 (i)	750,000	2.62	0.25	750,000	0.25
June 29, 2012 (ii)	425,000	3.16	0.40	425,000	0.40
September 7, 2012 (iii)	160,000	3.35	1.00	160,000	1.00
December 10, 2012 (iv)	100,000	3.61	1.00	100,000	1.00
February 7, 2013 (v)	25,000	3.77	0.40	25,000	0.40
February 19, 2013 (vi)	200,000	3.80	1.56	200,000	1.56
February 25, 2013 (vii)	455,000	3.80	1.70	455,000	1.70
March 10, 2013 (viii)	150,000	3.86	1.94	150,000	1.94
May 29, 2013 (ix)	-	-	-	-	-
September 8, 2013 (x)	280,000	4.36	2.39	140,000	2.39
December 10, 2013 (xi)	885,000	4.61	0.48	-	0.48
April 2, 2013 (xii)	200,000	4.92	2.10	-	-
	<b>3,630,000</b>	<b>3.72</b>	<b>0.97</b>	<b>2,405,000</b>	<b>0.97</b>

(i) On December 15, 2006 the Company granted 925,000 stock options to the directors, officers and consultants of the Company. The exercise price of the options is \$0.25 per share and the expiry date is December 15, 2011.

The options had an estimated value of \$151,700 which was expensed as they vested (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 - 120%; risk-free interest rate - 3.91%; and expected life - 5 years. During the period ended January 31, 2009, \$nil (2008-\$4,100) was expensed and charged to contributed surplus.

(ii) On June 29, 2007, the Company granted 750,000 stock options to the directors, officers and consultants of the Company. The exercise price of the options is \$0.40 per share and the expiry date is June 29, 2012.

The options had an estimated value of \$264,750 which was expensed as they vested (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 - 135%; risk-free interest rate - 4.63%; and expected life - 5 years. During the period ended January 31, 2009, \$nil (2008 - \$50,560) was expensed and charged to contributed surplus.

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

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#### 7. Employee stock options, broker units, warrants and contributed surplus (continued)

(iii) On September 7, 2007 the Company granted 235,000 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 \$76,845 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, 2009, \$nil (2008 -\$28,710) was expensed and charged to contributed surplus.

(iv) On December 10, 2007, 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 December 10, 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, 2009, \$901 (2008 - \$9,523) was expensed and charged to contributed surplus.

(v) On February 7, 2008, the Company granted 25,000 stock options to an officer of the Company. The exercise price of the options is \$0.40 per share and the expiry date is February 7, 2013.

The options have an estimated value of \$5,625, 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 – 85%; risk-free interest rate – 3.5%; and expected life - 3 years. During the period ended January 31, 2009, \$389 (2008 - \$Nil) was expensed and charged to contributed surplus.

(vi) On February 19, 2008, the Company granted 300,000 stock options to the directors, officers and consultants of the Company. The exercise price of the options is \$1.56 per share and the expiry date is February 19, 2013.

The options have an estimated value of \$263,100, 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 – 85%; risk-free interest rate – 3.5%; and expected life - 3 years. During the period ended January 31, 2009, \$15,751 (2008 - \$Nil) was expensed and charged to contributed surplus.

(vii) On February 25, 2008, the Company granted 460,000 stock options to the directors, officers and consultants of the Company. The exercise price of the options is \$1.70 per share and the expiry date is February 25, 2013.

The options have an estimated value of \$439,300, 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 – 85%; risk-free interest rate – 3.5%; and expected life - 3 years. During the period ended January 31, 2009, \$37,565 (2008 - \$Nil) was expensed and charged to contributed surplus.

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

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#### 7. Employee stock options, broker units, warrants and contributed surplus (continued)

(viii) On March 10, 2008, the Company granted 150,000 stock options to the directors, officers and consultants of the Company. The exercise price of the options is \$1.94 per share and the expiry date is March 10, 2013.

The options have an estimated value of \$163,500, 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 – 85%; risk-free interest rate – 3.5%; and expected life - 3 years. During the period ended January 31, 2009, \$16,225 (2008 - \$Nil) was expensed and charged to contributed surplus.

(ix) On May 29, 2008, the Company granted 200,000 stock options to the directors, officers and consultants of the Company. The exercise price of the options is \$2.05 per share and the expiry date is May 29, 2013.

The options have an estimated value of \$218,000, 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 – 85%; risk-free interest rate – 3.5%; and expected life - 3 years. During the period ended January 31, 2009, \$40,875 (2008 - \$Nil) was expensed and charged to contributed surplus.

(x) On September 8, 2008, the Company granted 290,000 stock options to the directors, officers and consultants of the Company. The exercise price of the options is \$2.39 per share and the expiry date is September 8, 2013.

The options have an estimated value of \$473,860, 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 – 85%; risk-free interest rate – 3.1%; and expected life - 3 years. During the period ended January 31, 2009, \$167,825 (2008 - \$Nil) was expensed and charged to contributed surplus.

(xi) On December 10, 2008, the Company granted 885,000 stock options to the directors, officers and consultants of the Company. The exercise price of the options is \$0.48 per share and the expiry date is December 10, 2013.

The options have an estimated value of \$290,280, 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 – 85%; risk-free interest rate – 3%; and expected life - 3 years. During the period ended January 31, 2009, \$100,792 (2008 - \$Nil) was expensed and charged to contributed surplus.

(xii) On April 2, 2009, the Company granted 200,000 stock options to consultants of the Company. The exercise price of the options is \$2.10 per share and the expiry date is April 2, 2013.

The options have an estimated value of \$263,600, which will be expensed as they vest (equal 25% increments every 4.5 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 – 85%; risk-free interest rate – 1.15%; and expected life - 3 years. During the one-month period ended April 30, 2009, \$30,509 (2008 - \$Nil) was expensed and charged to contributed surplus.

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

#### 7. Employee stock options, broker units, warrants and contributed surplus (continued)

##### (b) Broker Units

	April 30, 2009		April 30, 2008	
	Number of Units	Weighted Average Exercise Price (\$)	Number of Units	Weighted Average Exercise Price (\$)
Opening balance	1,608,850	1.03	422,050	0.40
Issued	690,000	2.15	1,186,850	1.25
Exercised	(893,400)	0.96	-	-
Cancelled	-	-	-	-
Expired	-	-	-	-
Closing balance	1,405,450	1.62	1,608,850	1.03

In 2007, the Company issued 422,050 broker units as indicated in Note 6(b)(ii).

In 2008, the Company issued 1,186,800 broker units as indicated in Note 6(b)(iv).

As of April 30, 2009, the following broker units were outstanding and exercisable:

Expiry date	<u>Broker Units Outstanding</u>			<u>Broker Units Exercisable</u>	
	Number of broker units	Weighted average remaining contractual life (years)	Weighted Average Exercise Price (\$)	Number of broker units	Weighted Average Exercise Price (\$)
June 25, 2009	53,300	0.15	0.40	53,300	0.40
July 6, 2009	68,750	0.18	0.40	68,750	0.40
February 13, 2010	593,400	0.54	1.25	593,400	1.25
March 10, 2011	690,000	1.90	2.15	690,000	2.15
	1,405,450	1.18	1.62	1,405,450	1.62

Each broker unit is comprised of one common share and one half of one common share purchase warrant.

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

#### 7. Employee stock options, broker units, warrants and contributed surplus (continued)

##### (c) Warrants

The following summarizes warrants that have been issued and exercised during the nine-month period:

	April 30, 2009		April 30, 2008	
	Number of Warrants	Weighted Average Exercise Price (\$)	Number of Warrants	Weighted Average Exercise Price (\$)
Opening balance	17,583,893	1.37	6,757,192	0.47
Issued	6,196,700	2.57	10,962,500	1.89
Exercised	(1,348,193)	0.47	(48,750)	0.53
Cancelled	-	-	-	-
Expired	-	-	-	-
Closing balance	22,432,400	1.77	17,670,942	1.35

	Number of Warrants	Exercise Price (\$)	Black-Scholes Value (\$)
Balance July 31, 2008	17,583,893		4,876,936
Exercised	(1,348,193)	0.55	(185,801)
Granted	6,196,700	2.57	2,884,024
Balance April 30, 2009	22,432,400		7,575,159

At April 30, 2009 the following warrants were outstanding. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date:

Number of Warrants	Exercise Price (\$)	Black-Scholes Value (\$)	Expiry Date
3,439,900	0.55	421,979	February 13, 2010
672,500	1.50	263,200	February 13, 2010
9,541,250	2.00	3,678,161	February 13, 2011
3,028,750	0.40	465,675	December 6, 2011
5,750,000	2.70	2,746,144	March 10, 2011
22,432,400		7,575,159	

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

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

##### (d) Contributed surplus

The total of contributed surplus summarized as follows:

Balance July 31, 2006	\$ -
Stock-based compensation	188,729
Finder's fees (Note 7(b)(ii))	103,824
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Balance July 31, 2007	\$ 292,553
Stock-based compensation	1,033,924
Valuation of employee options exercised	(57,435)
Brokers units (Note 6(b)(vi))	319,249
<hr/>	
Balance July 31, 2008	\$ 1,588,291
Stock-based compensation	956,025
Valuation of employee options exercised	(252,275)
Broker units (Note 6(b)(vii))	416,760
<hr/>	
Balance April 30, 2009	\$ 2,708,801

#### 8. Related party transactions not disclosed elsewhere

The Company entered into the following transactions with related parties during the nine-month period:

(i) The Company has entered into an employment agreement with the CEO and a director of the Company at \$3,000 per month, which was amended to \$4,000 per month on December 1, 2006, and amended again to \$15,000 per month on March 1, 2008. During the period, an amount of \$135,000 (2008 - \$58,000) was charged and included in wages and salaries. As at April 30, 2009 a balance of \$nil (2008-nil) is due to the CEO.

(ii) The Company paid consulting fees in the amount of \$135,000 (2008 - \$209,269) to a company owned by the President and director of the Company. As at April 30, 2009 a balance of \$34,349 (2008-\$49,039) is due to this company and included in accounts payable and accrued liabilities.

(iii) The Company paid consulting fees in the amount of \$112,500 (2008 - \$71,200) which were capitalized in mining interests or expensed to operations, as appropriate, to a company whose owner was appointed the Vice-President of Exploration of the Company on December 15, 2006. As at April 30, 2009 a balance of \$14,799 (2008-\$18,673) is due to this company and included in accounts payable and accrued liabilities.

(iv) The Company paid consulting fees in the amount of \$45,000 (2008 - \$23,000) to the CFO. As at April 30, 2009 a balance of \$nil (2008-\$nil) is due 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. Amounts due are unsecured and non-interest bearing.

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

#### 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. Geographic information

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

	April 30 2009	July 31 2008
Canada	\$ 19,908,964	\$ 16,162,155
Brazil	28,781,813	11,132,157
Balance	\$ 48,690,777	\$ 27,294,312

#### 11. Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of properties for valuable minerals. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage and as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. In some circumstances, the Company may enter into joint venture agreements whereby, a third party earns an interest in a specific property by incurring an agreed amount of exploration expenditures. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geological or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management as at April 30, 2009. The Company is not subject to externally imposed capital requirements.

#### 12. Risks factors affecting financial instruments

The Company's mineral properties are the Serra Pelada, Natividade, and Rio Cristalino Properties (the "Properties"). Unless the Company acquires or develops additional material properties, the Company will be mainly dependent upon its existing Properties. If no additional mineral properties are acquired by the Company, any adverse development affecting

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

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#### 12. Risks factors affecting financial instruments (continued)

the Company's Properties would have a material adverse effect on the Company's financial condition and results of operations.

Other risk factors and the impact on the Company's financial instruments are summarized below:

##### Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and accounts receivable. Cash consists of cash on hand with reputable financial institutions. Financial instruments included in accounts receivable consist of sales tax receivable from government authorities in Canada and deposits held with suppliers. Management believes that credit risk with respect to financial instruments included in cash and accounts receivable is low.

##### Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at April 30, 2009, the Company had a cash balance of \$ 27,523,944 (July 31, 2008 - \$16,702,933) to settle current liabilities of \$758,750 (July 31, 2008 - \$685,397). Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

##### Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity prices.

##### Interest rate risk

The Company has cash balances and does not have any interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banks. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its investments.

##### Foreign currency risk

The Company's functional currency is the Canadian dollar and the majority of the Company's cash is held in Canadian dollars. The majority of the Company's transactions are denominated in Brazilian Reals and US dollars. The Company converts Canadian dollars to foreign currencies as needed, at market rates.

##### Commodity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as it relates to valuable minerals to determine the appropriate course of action to be taken by the Company. 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, platinum, palladium and certain other metals.

##### 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

# Colossus Minerals Inc.

## (A Development Stage Company)

### Notes to Consolidated Financial Statements

#### (Unaudited)

(Expressed in Canadian dollars)

#### 12. Risks factors affecting financial instruments (continued)

accounts payable and accrued liabilities on the balance sheet approximate fair value because of the limited term of these instruments.

The Company has designated its cash as held-for-trading, which is measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

#### Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a three month period:

(i) Interest rate risk is moderate. However, recent market events have created greater risk of lower interest rates. Based on the cash on hand, a 1% change in interest rates would have the effect of changing interest earned by \$68,000 in the three month period.

(ii) The Company holds most of its cash in low risk, secure Canadian dollar investments at Canadian banks. However, the Company also holds cash in Brazil, in interest bearing bank accounts. Foreign exchange risk related to required payments is perceived as moderate risk.

<u>Currency of Cash Holding</u>	<u>April 30, 2009 Cash</u>	<u>Exchange Rate Jan. 31, 2009</u>	<u>Exchange Rate April 30, 2009</u>	<u>% Change Exchange Rate</u>	<u>Effect of 1% Change In Exchange Rate</u>
Canadian dollar	\$ 19,809,934	1.00	1.00	-	\$ -
Brazilian Real	7,714,010	1.87	1.82	(3)%	+/- \$ 77,000
US dollar	-	0.81	0.84	4%	
Australian dollar	-	1.27	1.14	(11)%	
Cash on Balance Sheet	<u>\$ 27,523,944</u>				

Brazilian Real denominated expenses in the previous three months were \$3.0 million and these expenses are expected to increase with an option payment (\$2.3 million) due in May and increased drilling activity. US dollar denominated expenditures in the previous three months were \$2.0 million to purchased the remaining portion of the NPI and these costs will not recur. Australian dollar denominated expenditures in the previous three months were \$0.1 million and will recur. Based on these numbers a 1% change in the US dollar would generate a \$20,000 difference in the Canadian dollars required to fund the expenditures. Based on these numbers a 1% change in the Brazilian Real would generate a \$30,000 difference in the Canadian dollars required to fund these expenditures. Based on these numbers a 1% change in the Australian dollar would generate a \$1,000 difference in Canadian dollars required to fund these expenditures.

(iii) Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability from mineral exploration depends upon the world market price of valuable minerals. Commodity prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of valuable minerals may be produced in the future, a profitable market will exist for them.

As of April 30, 2009, the Company is not a producer of valuable minerals. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

# **Colossus Minerals Inc.**

## **(A Development Stage Company)**

### **Notes to Consolidated Financial Statements**

#### **(Unaudited)**

(Expressed in Canadian dollars)

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#### **13. Comparative amounts**

Certain comparative figures have been reclassified to conform with current period financial statement presentation.

#### **14. Commitments**

The Company has no financial commitments at this time.