COLOSSUS MINERALS INC.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended September 30, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following Management Discussion and Analysis ("MD&A") provides information that management believes is relevant to an assessment and understanding of the consolidated financial condition and results of operations of Colossus Minerals Inc. ("Colossus" or the "Company") and its subsidiaries. This MD&A should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the periods ended September 30, 2013 and 2012, and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. The reader is cautioned not to place undue reliance on forward-looking statements. Unless otherwise indicated, this MD&A has been prepared as of November 14, 2013. Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com. The reporting currency is United States Dollars ("USD") and all amounts disclosed are in USD unless otherwise indicated and tabular amounts are in thousands, unless otherwise noted. This MD&A also contains references to Canadian Dollars and Brazilian Reals, Canadian Dollars are referred to as "C$" and Brazilian Reals are referred to as "R$". The exchange rates used in this MD&A are based on USD/R$ exchange rate of 2.2297 and USD/C$ exchange rate of 1.0285 as at September 30, 2013.

Unless the context indicates otherwise, a reference to "Colossus" or the "Company" in this MD&A means Colossus Minerals Inc. and, as applicable, its subsidiaries.

Corporate Overview

Colossus is a development stage mining company focused on putting into production a high grade gold and platinum group metals project located in Brazil. The Company does not currently have any mineral properties that are in production or that contain a reserve or resource as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101").

The Company was formed in February 2006 for the purpose of acquiring, exploring and developing mineral properties in Brazil. The Company does not have any projects that generate revenue at this time. The Company's ability to carry out its business plan rests with its ability to secure additional funds by way of equity and other financings to complete the construction of the Serra Pelada Mine. The Company's common shares ("Common Shares") were listed for trading on the Toronto Stock Exchange on February 13, 2008 under the symbol "CSI" and on the OTCQX on March 1, 2012 under the symbol "COLUF".

The Company has one wholly-owned subsidiary which is considered to be material: Colossus Mineração Ltda. (formerly Colossus Geologia e Participações Ltda.) ("Colossus Brazil"). Colossus Brazil's 75% owned subsidiary, Serra Pelada - Companhia de Desenvolvimento Mineral, holds title to the Serra Pelada gold-platinum-palladium property.

The Serra Pelada Mine consists of exploration license, 850.425/1990 covering 100 hectares located in Pará, Brazil, the 700 hectares referred to in the Vale Option Agreement, and the 74 hectares referred to in the CC Agreements (collectively, the "Serra Pelada Mine"). The Company exercised its option under the Vale Option Agreement on March 18, 2013 and is currently working with Vale SA to complete the conditions of the option exercise. The Serra Pelada Mine is the Company's only material property and, as a result, the costs and cash needed to explore and develop the Serra Pelada Mine will have the greatest proportional impact on the Company's financial results.

CONSTRUCTION AND DEVELOPMENT ACTIVITIES

David Anthony is the Company's President and Chief Operating Officer and a "qualified person" as defined in NI 43-101, Standards of Disclosure for Mineral Projects. All scientific and technical information contained herein was prepared by or under the supervision of Mr. Anthony.

As of November 14, 2013, the Company had completed approximately 2,300 metres of total development; 1,500 primary and 800 metres secondary development. On July 15, 2013, the Company announced that some dewatering wells (bores) and pumps were not performing to design specifications and, as a result, the Company required additional dewatering capacity in order to mine the Central Mineralized Zone ("CMZ") in a sustainable, effective and efficient manner.

As disclosed in September 2013, several bores and pumps have been repaired and six bores are now operating. Refurbishment of three additional bores was not successful. Total dewatering capacity is currently at 790 m^3 per hour.

Three more bores are in the process of being refurbished. Two additional bores with a capacity of 250 m^3 per hour each are being established. Installation of this equipment has been delayed due to issues of mobilizing drill rigs to site and equipment supply. It is currently expected that the first of the two new wells will be operational by early December 2013.

The rate of recharge to the bore field has been observed to be approximately 20% higher than anticipated during the period September and October 2013. This is being investigated by our hydrological consultants. It is considered likely that this is the result of interconnection with an aquifer. Recently, the rate of recharge has reduced to the rate expected from the hydrological model and the bore field water level has resumed its anticipated rate of drawdown. Prior to this observation, in the third quarter, the Company decided to build contingency into its dewatering program by drilling the second of the two new wells referenced above. Establishment of this well is already underway and it is expected to be operational by mid December 2013. The Company has concluded that certain wells are not salvageable. Total capacity upon completion of the two new wells and the refurbishment program is expected to increase total flow to the range of 1300 – 1400 m^3 per hour. The Company's hydrology consultants continue to monitor recharge rates and water table drawdown and the Company believes that the targeted dewatering capacity has sufficient contingency to remove the volume of water necessary to allow sustainable mining in 2014. Infrastructure development in the red and grey siltstone has not been impacted and continues to progress according to plan. The resources of the Company are focused on mine infrastructure development and additional dewatering in order to achieve the Company's plans of delivering ore to the process plant during the second quarter 2014.

Expansion of the ventilation system has progressed with completion of Phase I, which included installation of vent fans and ductwork in the mine, to draw air through the vent raise and increase air flow to 45 m^3/s. This three-fold increase in air volume to the underground operations was achieved by the end of the third quarter. At this time, there is sufficient ventilation to complete all infrastructure up to the point that production mining starts. In order to achieve the planned rates of production, the ventilation system requires further expansion to 140m^3/s. This will provide sufficient air to support four crews and sets of equipment. The Phase II expansion work includes widening and concrete lining the artisanal shaft which will be used as a ventilation raise as well as to provide secondary access and egress. Development of the drift to tie the ramp to this ventilation raise at depth is advanced by approximately 75%. The Phase II ventilation system upgrade is approximately 60% complete. The additional three-fold increase in air volume is expected to occur in the first quarter of 2014, with completion of the shaft expansion and installation of associated surface vent fans.

The Company continues to make progress in its mine planning activities and has laid out the month by month development for the remainder of 2013 and 2014 below. Specifically, the Company's anticipated production schedule for the advancement of development at the Serra Pelada Mine is as follows:

Completed Activity:

Month	**Activity – Set out July 15, 2013**	**Result**
July 2013	Progress decline, and advance pump station and vent access.	➢ 79 metres total development – average of 2.5 metres per day ➢ Decline development – 47 metres ➢ Pump station development – 12 metres ➢ North access – 11 metres ➢ Vent access and other secondary development – 9 metres
August 2013	Continue to progress decline, advance development of pump station, and continue to advance vent access. Install interim expansion (Phase I) of the ventilation system.	➢ 86 metres total development – average of 2.8 metres per day ➢ Decline development – 37 metres ➢ Pump station development – 34 metres ➢ North access – 3 metres ➢ Vent access and other secondary development – 12 metres ➢ Development stopped 7 days ➢ The first phase of the ventilation system expansion completed ➢ Ventilation expansion increased air flow from 10m^3/s to 45m^3/s and allows for ramp-up of crews and equipment to begin in September

September 2013	Continue to progress decline complete #4 pump station and advance vent access. Start Horizon 1 mineralization access drives in the south and east.	➢ 77 metres total development – average of 2.6 metres per day ➢ Decline development – 45 metres ➢ Pump station development – 11 metres ➢ North access – 2 metres. Heading complete for diamond drill bay. ➢ Vent access and other secondary development – 19 metres
October 2013	Continue to progress decline until the depth of the Horizon 2 mineralization access drive is reached. Complete vent access and advance vent shaft expansion toward completion.	➢ 92 metres total development – average of 3.0 metres per day ➢ Decline development and Diamond Drill bay – 33 metres. Pump station development – 25 metres ➢ Vent access – 36 metres advance ➢ Vent shaft extended to 37 metre depth

Future Activity:

Month	**Activity**
November 2013	➢ Continue Horizon 1 and start Horizon 2 access drives. ➢ Continue the Phase II ventilation upgrade project. ➢ Continue development of underground sump system to handle increased production of water from workings and diamond drill activity. ➢ Develop North access ore drives on Horizon 1
December 2013	➢ Continue development of North ore access drives in Horizon 1 ➢ Start development of South ore access in Horizon 1. ➢ Start development of ore access drives in Horizon 2. ➢ Continue Phase II ventilation upgrade ➢ Increase total dewatering rate from 790 m^3/h to the range of 1,300-1,400 m^3/h
January 2014	➢ Continue ramp development toward Horizon 3 ➢ Continue development of ore access drives in Horizon 1 & 2. ➢ Continue Phase II ventilation upgrade.
February 2014	➢ Continue ramp development toward Horizon 3, plus infrastructure (sumps, diamond drill bays, remuck) ➢ Continue development of ore access drives in Horizon 1 & 2. ➢ Continue Phase II ventilation upgrade.
March 2014	➢ Continue ramp development toward Horizon 3, plus infrastructure (sumps, diamond drill bays, remuck) ➢ Continue development of ore access drives in Horizon 1 & 2.Continue Phase II ventilation upgrade to achieve tie in with shaft bottom and access drift.

The various phases of the construction, along with respective percentages complete are presented in the table below.

	September 17	November 14
Total Project	**92%**	**95%**
Process Plant		
Engineering	100%	100%
Procurement	99%	99%
Civil construction	100%	100%
Structural steel fabrication	100%	100%
Structural, mechanical, piping & electrical installation	88%	95%
Commissioning	15%	40%
Power house	**100%**	**100%**
Ventilation upgrade Phase I	**100%**	**100%**

Ventilation upgrade Phase II	**55%**	**60%**
Tailings impoundment facility	**80%**	**95%**
Rehabilitation of dewatering bore field	**85%**	**90%**
Expansion of dewatering capacity	**30%**	**80%**

The Company has continued its comprehensive internal evaluation of a number of different mining methods. Preliminary results from the geotechnical evaluation indicate that a more cost effective alternative to underhand-cut-and-fill may be achievable in certain sections of the mineralized area. The Company is evaluating alternatives such as conventional-cut-and-fill and other methods. This evaluation has led to procurement of new equipment and ground support tools which are now on site and being used to assist management in determining whether an alternative mining method will be viable.

Roscoe Postle Associates Inc. (“RPA”) has been engaged to prepare an initial NI 43-101compliant resource estimate for the Serra Pelada Mine which the Company anticipates to complete in the second quarter of 2014.

Underground Drilling

Underground delineation drilling continued to target the CMZ with 6 holes completed for a total of 915.2 metres of NQ caliber core. Drill core recovery has improved since the new Atlas Copco U6 drill has been commissioned with overall recovery in the 80% range for the holes completed in the quarter.

Highlights from the drill results include a 29.50 metre core length encountered in hole SPUD-027 drilled between sections 0 and 25NE that returned 5.14 g/t Au, 0.29 g/t Pt and 0.42 g/t Pd and included a 2.65 metre core length of 47.58 g/t gold. The hole intersected the upper limb portion of the ore zone which typically contains lower grades of platinum and palladium. Drilling will continue from the current drill bay and two new bays are expected to be completed during the fourth quarter.

Dewatering holes will be incorporated into the delineation drilling program. These holes will aid in the overall dewatering of the sandstone unit which makes up the hanging wall to the CMZ.

Process Plant

The process plant construction project is progressing to completion. The primary crusher, scrubbing and screening, secondary crusher, conveyors, fine ore bin, reagent handling and grinding areas are substantially complete. Civil construction of the Gold Room is complete and this area is in the final stages of piping, electrical and instrumentation fit out. Across the site, principal contractors for civil, mechanical, piping and electrical works have been demobilized. Local contractors have been retained to complete final fit out and provide commissioning assistance where needed.

Commissioning of several areas was started in August 2013 and pre-commissioning is complete. Hot commissioning with power supply, testing of all motors and drives is in progress and is anticipated to be complete at the end of November. The operations leadership team is mobilized to site to continue to prepare for start-up.

Basic engineering and design of the flotation plant is ongoing. Detail design was advanced in the third quarter 2013. Construction of the flotation plant is expected to commence in the first quarter of 2014 and is expected to be completed by the end of the third quarter of 2014.

Infrastructure

Other infrastructure construction has progressed as planned. The power house is complete and fully operational, to supply stand-by power, plus meet 100% of mine site needs during “peak power periods”. Connection to the National grid has been achieved.

As of November 14, 2013, construction of the tailings dam has been advanced to 95% completion. Demobilization of the earthworks contractor is in progress.

CORPORATE AND GENERAL

On March 18, 2013, the Company exercised its option under the Vale Option Agreement. After initial document submittal, Vale SA (“Vale”) requested additional documents and has conducted an audit of certain information submitted. The Company is currently working with Vale and government officials to complete the conditions of the option exercise and to assign the mining rights on Area B to SPCDM. The assignment of the mining rights on Area B to SPCDM is expected to occur within normal time requirements for transferring permits under Brazilian legislation after the Vale Confirmation.

On August 13, 2013, the Company closed a C$37.95 million overnight-marketed offering. A total of 50,600,000 units (the “Units”) of the Company were issued at a price of C$0.75 per Unit. Each Unit consisted of one common share of the Company and half a common share purchase warrant of the Company (the “Warrants”). Each whole Warrant entitles the holder thereof to acquire one common share of Colossus at a price of C$0.90 until expiry at 5:00 pm on August 13, 2015. The net proceeds of approximately C$35.8 million were intended to be used to fund underground development and other operating costs until production, to expand and rehabilitate the dewatering program, to help fund capex cost over-runs on the process plant and to maintain the plant in operating order during the underground development ramp-up period.

EXPLORATION ACTIVITIES

Cutia Property

The diamond drilling program that commenced in February 2013 was completed during the third quarter of the year. The entire program consisted of twenty two holes for a total core length of 3,100 metres. The first phase program was highly successful in discovering gold, silver and copper mineralization along the Cutia Fault Zone (CFZ). Drilling beneath the historic East and West pits, that are separated by a distance of roughly 600 metres, has discovered that the fault zone to be well mineralized with chalcopyrite, pyrite, bornite and copper carbonate hosted by a silicified breccia that occurs at the contact between the granodiorite footwall and the metavolcanic hanging wall. Chalcopyrite stringer mineralization has been found to occur in the carbonatized metavolcanic hanging wall of the CFZ further enhancing the belief that the mineralization is not only restricted to the silicified breccia zone and that other zones may be discovered with subsequent drilling programs. The assay results for the final drill holes will be released shortly.

The first phase of drilling on the Cutia property managed to discover that the zone of mineralization that the garimpeiros had mined out in the 1990’s continues beneath the artisanal pits. The mineralogical assemblage of sulphides and oxides found in both the silicified breccia zone and in the surrounding country rock has the signature of an Iron Oxide Copper Gold (IOCG) type mineral deposit. The Cutia property is situated in the Carajas Mineral Province that hosts one of the world’s highest concentrations of world class IOCG deposits currently being mined by VALE.

Future work on Cutia will continue with the 50 metre center pattern of drilling both beneath the historic pits and within the gap between the pits. Targets outside of this interval include surface showings of the CFZ in the west and in the eastern portions of the property as well as a large magnetic high anomaly believed to represent a banded iron formation. Banded iron formation is the rock type that hosts VALE’s iron ore mines.

Results of Operations for the three months ended September 30, 2013

Net income for the three months ended September 30, 2013 was $9.8 million ($0.07 per Common Share) compared with a net loss of $14.1 million ($0.13 per Common Share) for the comparable period in 2012. The reduction in the net loss in 2013 can be attributed, in part, to the following factors:

- In the three months ended September 30, 2013, a mark to market gain of $14.0 million was recorded in Finance Income compared with a mark to market loss of $5.7 million recorded in Finance Loss in the comparable period in 2012. These mark to market gains and losses are as a result of the fair value movements in the Company’s Gold Linked Notes. These Notes are currently recorded at their fair value of $39.8 million and mature on December 31, 2016 at a principal value of CAD $86.3 million. As these Notes approach maturity, the fair value should also approach their principal value.

- Corporate administration costs for the three months ended September 30, 2013 were $3.9 million ($0.03 per Common Share) compared with $5.2 million ($0.05 per Common Share) for the comparable period in 2012. The decrease in costs in 2013 is mainly attributable to stock-based compensation expense and a reduction in information technology costs.

- In the three months ended September 30, 2013, $0.5 million of stock-based compensation ($0.4 million corporate administration and $0.1 million exploration) was expensed compared with $1.2 million of stock-based compensation ($1.1 million corporate administration and $0.1 million exploration) in the comparable period in 2012.

- Corporate administration costs were impacted by foreign exchange fluctuations. Corporate administration costs are denominated in C$ and R$ and translated to USD for financial statement presentation purposes. Currency impacts accounted for a decrease of approximately $0.1 million in total corporate administration costs.

- Corporate administration costs for the three months ending September 30, 2013 and 2012 comprised the following:

	For the three months ended September 30, 2013 ($ millions)	**For the three months ended September 30, 2012** ($ millions)
Stock-based compensation	$0.5	$1.2
Brazil administration expense	1.7	1.6
Head office salaries and benefits	0.8	0.7
Head office administration & IT	0.4	0.8
Directors fees, regulatory costs, investor relations	0.5	0.9
	$3.9	$5.2

Exploration expense for the three months ended September 30, 2013 was $0.5 million ($0.01 per Common Share) compared with $0.8 million ($0.01 per Common Share) for the three months ended September 30, 2012.

Of the $0.5 million of exploration expense during the three months ended September 30, 2013, $0.3 million relates to salaries (compared with $0.4 million in 2012) and $0.1 million relates to stock-based compensation for the Company's in-house geologists (compared with $0.1 million in 2012) while the remaining $0.1 million relates to drilling, assaying and other exploration related activities (compared with $0.3 million in 2012).

Interest income for the three months ended September 30, 2013 was $nil compared with $0.2 million for the three months ended September 30, 2012. The decrease in interest income primarily reflects the impact of a higher cash balance in 2012 resulting from the financing completed in November 2011.

Finance income for the three months ended September 30, 2013 was $14.4 million compared with $0.2 million for the three months ended September 30, 2012. The increase in finance income is primarily due to the change in the fair value of the long-term debt.

Finance costs for the three months ended September 30, 2013 was $0.1 million compared with $8.3 million for the three months ended September 30, 2012. The decrease in finance costs is primarily due to the change in fair value of long-term debt and a decrease in other finance costs.

Results of Operations for the nine months ended September 30, 2013

Net income for the nine months ended September 30, 2013 was $14.5 million ($0.12 per Common Share) compared with a net loss of $29.5 million ($0.28 per Common Share) for the comparable period in 2012. The reduction in the net loss in 2013 can be attributed, in part, to the following factors:

- In the nine months ended September 30, 2013, a mark to market gain of $29.6 million was recorded in Finance Income compared with a mark to market loss of $0.6 million recorded in Finance Loss in the comparable period in 2012. These mark to market gains and losses are as a result of the fair value movements in the Company's Gold Linked Notes. These Notes are currently recorded at their fair value of $39.8 million and mature on December 31, 2016 at a principal value of CAD $86.3 million. As these Notes approach maturity, the fair value should also approach their principal value.

- Corporate administration costs for the nine months ended September 30, 2013 were $13.6 million ($0.11 per Common Share) compared with $16.8 million ($0.16 per Common Share) for the comparable period in 2012. The decrease in costs in 2013 is mainly attributable to stock-based compensation expense and Brazil administrative costs.

- In the nine months ended September 30, 2013, $2.5 million of stock-based compensation ($2.3 million corporate administration and $0.2 million exploration) was expensed compared with $5.4 million of stock-based compensation ($4.8 million corporate administration and $0.6 million exploration) in the comparable period in 2012.

- Finance income for the nine months ended September 30, 2013 was $31.2 million compared with $0.7 million for the nine months ended September 30, 2012. The increase in finance income is primarily due to the change in the fair value of the Gold Linked Notes.

- Corporate administration costs were impacted by foreign exchange fluctuations. Corporate administration costs are denominated in C$ and R$ and translated to USD for financial statement presentation purposes. Currency impacts accounted for a decrease of approximately $0.2 million in total corporate administration costs.

- Corporate administration costs for the nine months ending September 30, 2013 and 2012 comprised the following:

	For the nine months ended September 30, 2013 ($ millions)	**For the nine months ended September 30, 2012** ($ millions)
Stock-based compensation	$2.3	$4.8
Brazil administration expense	5.3	5.8
Head office salaries and benefits	2.6	2.1
Head office administration & IT	1.6	2.1
Directors fees, regulatory costs, investor relations	1.8	2.0
	$13.6	$16.8

Exploration expense for the nine months ended September 30, 2013 was $2.3 million ($0.02 per Common Share) compared with $9.2 million ($0.09 per Common Share) for the nine months ended September 30, 2012.

Of the $2.3 million of exploration expense during the nine months ended September 30, 2013, $0.5 million relates to salaries (compared with $1.8 million in 2012) and $0.2 million relates to stock-based compensation for the Company's in-house geologists (compared with $0.6 million in 2012) while the remaining $1.6 million relates to drilling, assaying and other exploration related activities (compared with $6.8 million in 2012).

Interest income for the nine months ended September 30, 2013 was $nil compared with $0.7 million for the nine months ended September 30, 2012. The decrease in interest income primarily reflects the impact of a higher cash balance resulting from the financing completed in November 2011.

Finance income for the nine months ended September 30, 2013 was $31.2 million compared with $0.7 million for the nine months ended September 30, 2012. The increase in finance income is primarily due to the change in the fair value of the long-term debt.

Finance costs for the nine months ended September 30, 2013 was $0.6 million compared with $4.2 million for the nine months ended September 30, 2012. The decrease in finance costs is primarily due to the decrease in other finance costs related to the precious metals streaming agreement that took place on September 19, 2012 and change in the mark-to-market values of derivative liabilities.

Summary of Quarterly Results

	Q3 – 2013	Q2 – 2013	Q1 – 2013	Q4 -2012
Total revenues	-	-	-	-
Net loss (income) for the period	$(9,799)	$(5,017)	$294	$598
Comprehensive loss (income) for the period	$(8,285)	$15,649	$(3,267)	$(1,925)
Weighted-average number of Common Shares outstanding	140,441,368	110,519,958	106,734,253	106,118,608
Basic and diluted loss per Common Share	$(0.07)	$(0.05)	-	-

	Q3 -2012	Q2 -2012	Q1 – 2012	Q4 - 2011
Total revenues	-	-	-	-
Net loss for the period	$14,051	$4,308	$11,106	$9,300
Comprehensive loss for the period	$15,693	$16,453	$9,428	$13,627
Weighted-average number of Common Shares outstanding	106,030,048	105,944,144	105,709,778	104,208,379
Basic and diluted loss per Common Share	$0.13	$0.04	$0.11	$0.09

Liquidity and Capital Resources

Cash and cash equivalents as at September 30, 2013 totaled $19.0 million, compared with $63.6 million as at December 31, 2012. The change in the Company's cash and cash equivalents was attributable to the following key items:

- Project spending on the continuing development of the Serra Pelada Mine of $90.2 million
- Exploration spending and corporate administration costs of $14.5 million
- Proceeds from the June 2013 public financing of $26.4 million
- Proceeds from the August 2013 public financing of $34.3 million
- Proceeds from the exercise of stock options of $1.0 million
- Interest paid on gold-linked notes of $3.7 million

The Company employs a restrictive investment policy to limit the concentration of credit risk, to ensure counterparties demonstrate minimum acceptable credit worthiness, and to ensure liquidity of available funds. The Company's investment policy is to invest surplus funds in permitted investments consisting of treasury bills, bonds, notes, and other evidences of indebtedness of Canada with a minimum local credit rating of AA from Standard & Poor's, Moody's or Dominion Bond Rating Service ("DBRS") and maturities of two years or less. In addition, the Company can invest in Brazilian Federal Government issued Treasury bill equivalents and deposit funds into Brazilian banks with a maximum of one year and one month terms, respectively. In addition, the Company can invest a maximum of 50% of total holdings or C$40.0 million, whichever is less, in corporate issued commercial paper with a DBRS rating of R-1 High or higher with a maturity of six months or less.

The Company has historically relied on financing to fund the exploration and development of the Serra Pelada Mine. The Company will need additional capital in 2013 or 2014 to fund the completion of the development and the ramp-up of production and to meet existing obligations of the Serra Pelada Mine. The Company is currently investigating this financing and alternatives to strengthen its balance sheet to have further flexibility should other unforeseen circumstances or production delays occur.

The Company's ability to raise additional funds and its future performance are largely tied to the health of the financial markets and investor interest in the gold mining industry. Financial markets are currently volatile, and are likely to remain so throughout 2013 and 2014, reflecting ongoing concerns about the stability of the global economy, sovereign debt levels, global growth prospects and many other factors that may impact the Company's ability to raise additional funds to execute on its business plans.

Although the Company has been successful in raising funds to date to fund operations and the construction of the Serra Pelada Mine, there can be no assurance that adequate or sufficient funding will be available in the future on terms acceptable to the Company. These circumstances indicate the existence of a material uncertainty which may cast significant doubt as to the ability of the Company to continue as a going concern.

Precious Metals Purchase Agreement with Sandstorm

In September 2012, Colossus Brazil entered into a precious metals purchase agreement with Sandstorm to sell refined platinum, palladium and gold produced from the Company's 75% owned Serra Pelada property. In return for delivering life of mine payable metal equal to 35% of both platinum and palladium and 1.5% of gold, the Company received an upfront deposit of $75.0 million. In addition to the upfront deposit, Sandstorm will also pay the Company a purchase price equal to the lesser of $400 per ounce of gold, $200 per ounce of platinum, and $100 per ounce of palladium and the prevailing market price. The upfront deposit was recorded as unearned revenue. The percentages of payable metals to be sold by the Company to Sandstorm are calculated based on 100% of payable metals derived from production at Serra Pelada; however, the Company will deliver all metals due under this agreement from its 75% of the Serra Pelada Mine.

The Company has a minimum requirement to produce 260,000 gold-equivalent ounces of payable metals within 48 months after receiving the upfront deposit of $75.0 million. If the Company does not meet the minimum requirements, Sandstorm has the discretion to request a reimbursement of the unused portion of the upfront deposit. In addition, the Company guaranteed certain minimum annual deliveries for the initial 10 year period. The Company's obligations under the agreement are secured by the Company's interest in its principal subsidiaries as well as by certain assets of Colossus Brazil. The amount secured is limited to $10.0 million until the Company's outstanding Senior Unsecured Gold-Linked Notes (the "Notes") have been repaid. In addition, the Company has guaranteed the performance by Colossus Brazil of its obligations under the agreement with Sandstorm. The initial term of the contract is 40 years (the "Term"), subject to successive 10-year renewals (the "Extended Term") at the discretion of Sandstorm. If, by the expiry or earlier termination of the Term or the Extended Term (if applicable), the Company has not sold and delivered payable metals to Sandstorm sufficient to repay the upfront deposit of $75.0 million, it will have to reimburse the unpaid portion to Sandstorm.

Under the agreement, the Company has the right to repurchase up to 50% of Sandstorm's obligation to purchase metals for $48.8 million. The Company may exercise this option either as a single purchase or in 10% increments of $9.8 million until April 1, 2015.

Unearned revenue relates to the upfront deposit received from Sandstorm for the future delivery and sale of payable metals at contracted prices. Once deliveries of payable metals are made to Sandstorm, the Company recognizes a portion of the unearned revenue as sales based on the difference between the prevailing market price at time of delivery and the purchase price specified in the agreement.

Contractual Obligations

There have been no material changes since December 31, 2012.

Off-balance Sheet Arrangements

Colossus does not have any off-balance sheet arrangements.

Related Party Transactions

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

(i) The Company paid consulting fees in the amount of $171,433 (September 30, 2012 — $169,493) to a company owned by a former officer of the Company for business development services. As at September 30, 2013, a balance of $nil (June 30, 2012 — $19,061) is due to this company.

(ii) The Company paid consulting fees in the amount of $38,096 (September 30, 2012 — $169,493) to a company owned by a former officer of the Company for geological services. As at September 30, 2013, a balance of $nil (September 30, 2012 — $nil) is due to this company.

These transactions are in the normal course of operations and are measured at the exchange value being the amount established and agreed to by the related parties.   Amounts due are unsecured and non-interest bearing.

Controls and Procedures

The Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer, has completed an evaluation of the design and operating effectiveness of the Company's disclosure controls and internal control over financial reporting ("ICFR") as at December 31, 2012. Based on this assessment, management has concluded that the Company's disclosure controls and ICFR were operating effectively. The Chief Executive Officer and Chief Financial Officer have evaluated whether there were changes to the ICFR during the period ended September 30, 2013 that have materially affected, or are reasonably likely to materially affect, the ICFR. No such significant changes were identified through their evaluation.

Future Accounting Changes

The Company has adopted the following new standards effective January 1, 2013 and has applied them to the Company's results in accordance with the transitional provisions outlined in the respective standards.

IAS 1 – *Presentation of Financial Statements*

The Company adopted the amendments to IAS 1, *Presentation of Financial Statements* ("IAS 1") on January 1, 2013, with retrospective application. The amendments to IAS 1 require companies preparing financial statements under IFRS to group items within other comprehensive income that may be reclassified to profit or loss and those that will not be reclassified. The Company has amended our consolidated statement of comprehensive loss (income) for all periods presented in these condensed interim consolidated financial statements to reflect the presentation changes required under the amended IAS 1. Since these changes are reclassifications within our statement of comprehensive income, there is no net impact on our comprehensive income.

IFRS 10 – *Consolidated Financial* Statements

In May 2011, the IASB issued IFRS 10 – *Consolidated Financial Statements* to replace IAS 27 – *Consolidated and Separate Financial Statements* and SIC 12 *Consolidation – Special Purpose Entities*. The new consolidation standard changes the definition of control so that the same criteria apply to all entities, both operating and special purpose entities, to determine control. IFRS 10 establishes control as the basis for an investor to consolidate its investees and defines control as an investor's power over an investee with exposure, or rights, to variable returns from the investee and the ability to affect the investor's returns through its power over the investee. The Company has conducted a review of its entities and has determined that the adoption of IFRS 10 did not result in any change to the consolidation status of any of its subsidiaries.

IFRS 11 – *Joint Arrangements*

In May 2011, the IASB issued IFRS 11 – *Joint Arrangements* to replace IAS 31 – *Interests in Joint Ventures*. IFRS 11 defines two types of joint arrangements: joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. IFRS 11 requires that a joint operator recognize its portion of assets, liabilities, revenues and expenses of a joint arrangement, while a joint venture recognizes its investment in a joint arrangement using the equity method. The Company has adopted IFRS 11 and has determined that there is no effect on our financial results or disclosures.

IFRS 12 – *Disclosure of Interests in Other Entities*

In May 2011, the IASB issued IFRS 12 – *Disclosure of Interests in Other Entities* to create a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements and associates including the reporting entity's involvement with other entities. IFRS 12 requires enhanced reporting of the nature of risks associated with the Company's interest in other entities and the effects of those interests on the Company's consolidated financial statements. The Company has adopted IFRS 12 and has determined there is no effect on our financial results. Any additional disclosures required by the new pronouncements will be included in our annual consolidated financial statements for the year ended December 31, 2013.

IFRS 13 – *Fair Value Measurement*

In May 2011, the IASB issued IFRS 13 – *Fair Value Measurement*. The standard provides a definition of fair value and guidance on how to measure fair value as well as a requirement for enhanced disclosures. IFRS 13 requires that when using a valuation technique to measure fair value, the use of relevant observable inputs should be maximized while unobservable inputs should be minimized. The Company has adopted IFRS 13 and has determined there is no effect on our financial results. Any additional disclosures required by the new pronouncement will be included in our annual consolidated financial statements for the year ended December 31, 2013.

IFRIC 20 – *Stripping Costs in the Production Phase of a Surface Mine*

In October 2011, the IASB issued IFRIC 20 – *Stripping Costs in the Production Phase of a Surface Mine*. IFRIC 20 provides guidance on the accounting for the costs of stripping activity in the production phase of surface mining when two benefits accrue to the entity from the stripping activity: (i) useable ore that can be used to produce inventory; and (ii) improved access to further quantities of material that will be mined in future periods. The Company has adopted IFRIC 20 and has determined that there is no effect on our financial results or disclosures.

The following accounting standard has been issued but is not currently effective:

IFRS 9 – *Financial Instruments*

The IASB intends to replace IAS 39 – *Financial Instruments: Recognition and Measurement* with IFRS 9 – *Financial Instruments*. IFRS 9 establishes two primary measurement categories for financial assets: amortized cost and fair value. IFRS 9 requires that financial assets be classified as amortized cost or fair value based on an entity's business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes party to the contractual provisions of the instrument. In December 2011, the IASB issued an amendment to IFRS 9 which deferred the mandatory effective date of IFRS 9 from January 1, 2013 to January 1, 2015. The Company is currently assessing the impact of adopting IFRS 9 on our consolidated financial statements, including the impact of early adoption.

Critical Accounting Policies and Estimates

The Company's management is required to make estimates and assumptions in its application of the Company's accounting policies in the preparation of the consolidated financial statements. These estimates and assumptions affect the reported amounts of assets, liabilities and expenses. These estimates are inherently uncertain and are, or could be, affected by significant factors outside the Company's control. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The following have been identified as critical accounting policies and estimates and a change in these policies and estimates could materially impact the financial statements. The Company's complete accounting policies are described in Note 6 to the consolidated financial statements.

Mining Properties

The Company's recorded value of its mineral properties is based on historical costs that it expects to be recovered in the future. The Company operates in an industry that is exposed to a number of risks and uncertainties including exploration risk, development risk, commodity price risk, operating risk, ownership, funding and currency risk, as well as environmental risk. The Company considers both external and internal sources of information in assessing whether there are any indications that mining interests are impaired. External sources of information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of mining interests. Internal sources of information the Company considers include the manner in which mining properties and plant and equipment are being used or are expected to be used and indications of economic performance of the assets. All of these factors are potentially subject to significant change and are considered when assessing impairment of mining properties. Accordingly, there is always the potential for a material adjustment to value assigned to mineral properties.

Stock-based Compensation

Equity settled transactions are measured by reference to fair value at grant date. Fair value has been determined using a Black-Scholes option pricing model which has its limitations. The Black-Scholes model relies on estimates of the future risk-free interest rate, future dividends payments, future share price volatility and the expected average life of the stock options all of which could have a significant impact on the determination of stock-based compensation expense and the valuation of the warrants. The Company believes this model adequately captures the features of the stock option awards and warrants and is appropriate to calculate their fair values. Stock-based compensation expense however is a non-cash item which has no impact on the cash resources of the Company.

Impairment of Non-current Assets

In third quarter 2013, the Company determined there were potential indicators of impairment for non-current assets including the carrying amount of our consolidated net assets being more than our market capitalization and a significant decrease in the Company's estimated long-term metal prices. When there is an indicator of impairment, the Company tests the non-current assets for impairment and recognizes any impairment loss on the non-current asset. Impairment is recognized when the carrying amount exceeds the recoverable amount. In the third quarter, the Company tested the non-current assets for impairment and determined that recording an impairment loss was not necessary. In accordance with our accounting policy, the Company will conduct an annual assessment of the carrying value of non-current assets in the fourth quarter should indicators of impairment continue to exist.

Outstanding Share Data and Fully Diluted Calculation

The Company is authorized to issue an unlimited number of Common Shares. The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the board of directors may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. The table set forth below summarizes the capital stock.

Common Shares or Securities Convertible into Common Shares	November 14, 2013
Issued and outstanding	175,547,151
Stock options outstanding	9,008,750
Warrants issued at $0.90, expire on August 13, 2015	25,300,000
Warrants issued at $8.50, expire on November 8, 2016	5,175,000
Future fully diluted	**215,030,901**

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information contained in this document, including any information relating to Colossus Minerals Inc.'s ("Colossus" or the "Company") future financial or operating performance may be deemed "forward-looking". All statements in this document, other than statements of historical fact, that address events or developments that Colossus expects to occur, are "forward- looking statements". Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimates", "projects", "potential", "scheduled", "forecast", "budget" and similar expressions or their negative connotations, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and are subject to important risk factors and uncertainties, many of which are beyond the Company's ability to control or predict. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause Colossus' actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Such factors include, without limitation: price levels and volatility in the spot and forward markets for commodities; the uncertainties inherent to current and future legal challenges Colossus is or may become a party to; controls, regulations and political or economic developments in the countries in which the Company does or may carry on business; changes in national and local government legislation in Canada, Brazil or any other country in which Colossus currently does or may in the future carry on business; the lack of certainty with respect to foreign legal systems, which may not be immune from the influence of political pressure, corruption or other factors that are inconsistent with the rule of law; the speculative nature of mineral exploration and development, including the risks of obtaining and maintaining the validity and enforceability of the necessary licenses and permits and complying with the permitting requirements of each jurisdiction that Colossus operates; fluctuations in the international currency markets and in the rates of exchange of the currencies of Canada, the United States and Brazil; significant capital requirements; impact of any hedging activities; taxation; additional funding requirements; loss of key employees; changes in project parameters as plans continue to be refined; accidents; labour disputes; defective title to mineral claims or property or contests over claims to mineral properties; the Company's relationship with COOMIGASP and/or those seeking to control it; and competition. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding as well as other risks discussed under the heading "Risks Factors" included in Colossus' latest Annual Information Form filed at www.sedar.com. This MD&A for the three and nine months ended September 30, 2013, is also available at www.sedar.com. Forward-looking statements are not guarantees of future performance, and actual results and future events could materially differ from those anticipated in such statements. All of the forward-looking statements contained in this document are qualified by these cautionary statements. Colossus expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.

Corporate Information *(as at November 8, 2013)*

DIRECTORS

Alberto Arias[3]
John Frostiak (Chairman)[2,3]
David Garofalo[1]
Greg Hall[3]
Mel Leiderman[1,2]
Claudio Mancuso[3]
Douglas Reeson[1,2]

COMMITTEES

1. Audit
2. Compensation, Corporate Governance & Nominating
3. Health, Safety, Environmental & Community

MANAGEMENT

Claudio Mancuso
Chief Executive Officer

David Anthony
President & Chief Operating Officer

David Massola
Executive Vice President & Chief Financial Officer

Graham Long
Vice President, Exploration

Ann Wilkinson
Vice President, Investor Relations

Jason Brooks
Vice President, Finance

Gregory Ho Yuen
Vice President, Legal & Corporate Secretary

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INVESTOR RELATIONS

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STOCK EXCHANGE LISTING

Toronto Stock Exchange
Symbol: CSI, CSI.WT.A and CSI.NT

OTCQX
Symbol: COLUF

TRANSFER AGENT

For information regarding share certificates, stock transfers and address changes, contact:

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