



Colossus Minerals Inc.

(A development stage company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

Third Quarter Report

**For the Three and Nine Months Ended April 30, 2010 and
2009**

Unaudited

Notice of No Auditor Review of Interim Financial Statements

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 management of Colossus Minerals Inc. is responsible for the preparation of the accompanying unaudited interim consolidated financial statements. The unaudited interim consolidated financial statement have been prepared in accordance with accounting principles generally accepted in Canada and are considered by management to present fairly the financial position, operating results and cash flows of the Company.

The Company's independent auditor has not performed a review of these 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. These unaudited financial statements include all adjustments, consisting of normal and recurring items, that management considers necessary for a fair presentation of the consolidated financial position, results of operations and cash flows.

"Ari Sussman"

Ari Sussman
Chief Executive Officer

"Steven Poad"

Steven Poad
Chief Financial Officer

June 7, 2010

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

	April 30, 2010 (Unaudited)	July 31, 2009
Assets		
Current assets		
Cash and cash equivalents (Note 3)	\$ 91,357,437	\$ 24,565,503
Accounts receivable and prepaid expenses	880,925	282,175
	92,238,362	24,847,678
Property, plant and equipment (Note 5)	1,521,025	555,543
Mining interests (Note 6)	57,458,494	41,567,183
	\$151,217,881	\$66,970,404
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 683,090	\$2,023,666
Future income taxes (Note 6 (a))	12,883,249	13,386,770
Non-controlling interest (Note 4)	3,205,993	2,915,023
Shareholders' equity		
Share capital (Note 7(b))	139,716,929	46,818,592
Warrants (Note 8(c))	4,554,265	7,249,372
Contributed surplus (Note 8(d))	5,353,882	2,975,876
Accumulated deficit	(15,179,527)	(8,398,895)
	134,445,549	48,644,945
	\$151,217,881	\$66,970,404

The accompanying notes are an integral part of these unaudited interim consolidated financial 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 except per share information)

<i>(Unaudited)</i>	Three months ended April 30, 2010	Three months ended April 30, 2009	Nine months ended April 30, 2010	Nine months ended April 30, 2009	Cumulative from the date of inception on February 9, 2006 to April 30, 2010
Expenses					
Administrative and general	\$721,467	\$667,075	\$1,819,161	\$1,135,604	\$4,184,342
Wages and salaries	288,410	76,762	906,117	242,513	1,497,496
Consulting fees	255,899	119,240	656,676	330,935	1,253,729
Professional fees	(71)	33,047	122,124	75,011	477,621
Directors fees	23,250	18,750	69,750	71,750	173,750
Accounting and corporate services	(5,400)	43,400	29,400	69,460	116,046
Transfer agent fees and expenses	62,833	6,544	128,253	30,820	221,440
Foreign exchange loss (gain)	1,224,527	(60,494)	136,359	(24,923)	524,242
Stock-based compensation (Note 8 (d))	1,322,676	172,270	2,663,879	956,025	4,728,205
Amortization	98,051	26,197	139,932	31,304	243,173
Write-down of mining interests	-	-	291,937	1,738,167	2,891,734
Loss before other items	(3,991,642)	(1,102,791)	(6,963,588)	(4,656,666)	(16,311,778)
Less: Interest income	102,550	79,235	327,673	208,281	1,023,700
Loss before non-controlling interest	(3,889,092)	(1,023,556)	(6,635,915)	(4,448,385)	(15,288,078)
Less: Non-controlling interest	(20,506)	-	(144,717)	-	108,551
Net loss and comprehensive loss for the period	\$(3,909,598)	\$(1,023,556)	\$(6,780,632)	\$(4,448,385)	\$(15,179,527)
Basic and diluted loss per share (Note 7 (c))	\$(0.05)	\$(0.02)	\$(0.09)	\$(0.10)	

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

Colossus Minerals Inc.

(A development stage company)

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

<i>(Unaudited)</i>	Nine months ended April 30, 2010	Nine months ended April 30, 2009	Cumulative from the date of inception on February 9, 2006 to April 30, 2010
Share Capital			
Balance, beginning of period	\$46,818,592	\$23,121,545	\$-
Issued for services	-	-	75,000
Private placements	-	-	5,437,200
Shares issued through public financings	71,875,000	24,725,000	121,325,000
Share issue costs	(5,145,390)	(2,252,951)	(10,296,575)
Valuation of warrants issued	-	(2,746,144)	(7,631,207)
Shares issued on exercise of warrants	23,172,676	814,804	25,492,976
Shares issued on exercise of stock options and broker units	2,996,051	996,145	4,566,070
Shares issued for property acquisition	-	415,910	665,910
Shares issued for agent commission	-	-	82,555
Balance, end of period	139,716,929	45,074,309	139,716,929
Warrants			
Balance, beginning of period	7,249,372	4,876,936	-
Warrants issued	977,744	2,884,024	8,608,951
Warrants exercised	(3,672,851)	(185,801)	(4,054,686)
Balance, end of period	4,554,265	7,575,159	4,554,265
Contributed Surplus			
Balance, beginning of period	2,975,876	1,588,291	-
Stock-based compensation (Note 8 (d))	3,258,501	956,025	5,597,593
Stock options and broker units exercised (Note 8 (d))	(880,495)	(252,275)	(1,252,594)
Broker units issued	-	416,760	1,008,883
Balance, end of period	5,353,882	2,708,801	5,353,882
Deficit			
Balance, beginning of period	(8,398,895)	(2,977,857)	-
Net loss and comprehensive loss for the period	(6,780,632)	(4,448,385)	(15,179,527)
Balance, end of period	(15,179,527)	(7,426,242)	(15,179,527)
Total shareholders' equity, end of period	\$134,445,549	\$47,932,027	\$134,445,549

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Colossus Minerals Inc.

(A development stage company)

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

<i>(Unaudited)</i>	Three months ended April 30, 2010	Three months ended April 30, 2009	Nine months ended April 30, 2010	Nine months ended April 30, 2009	Cumulative from the date of inception on February 9, 2006 to April 30, 2010
Operating activities					
Net loss and comprehensive loss for the period	\$(3,909,598)	\$(1,023,556)	\$(6,780,632)	\$(4,448,385)	\$(15,179,527)
Non-controlling interest	20,506	-	144,717	-	(108,551)
Amortization	98,051	26,197	139,932	31,304	243,173
Stock-based compensation	1,322,676	172,270	2,663,879	956,025	4,728,205
Write-down of mining assets	-	-	291,937	1,502,772	2,891,734
Unrealized foreign exchange	722,985	-	(280,626)	-	236,248
Changes in non-cash working capital items:					
Accounts receivable and prepaid expenses	(68,025)	49,212	(598,750)	214,992	(880,925)
Accounts payable and accrued liabilities	(301,951)	474,541	(1,340,576)	73,353	(1,065,835)
Cash flows (used in) operating activities	(2,115,356)	(301,336)	(5,760,119)	(1,669,939)	(9,135,478)
Financing activities					
Shares issued for cash	-	23,321,109	71,875,000	23,489,609	122,267,378
Warrants and stock options exercised for cash	1,497,386	2,746,144	22,454,470	2,746,144	30,085,677
Share issuance costs	(163)	(1,834,691)	(4,429,987)	(1,836,191)	(8,489,734)
Cash flows from financing activities	1,497,223	24,232,562	89,899,483	24,399,562	143,863,321
Investing activities					
Purchase of vehicles, furniture and equipment	(611,376)	(32,691)	(1,105,414)	(222,834)	(1,764,198)
Expenditures on mining interests	(7,073,231)	(5,115,206)	(16,242,016)	(11,685,778)	(41,606,208)
Cash flows (used in) investing activities	(7,684,607)	(5,147,897)	(17,347,430)	(11,908,612)	(43,370,406)
Increase (decrease) in cash and cash equivalents during the period	(8,302,740)	18,783,329	66,791,934	10,821,011	91,357,437
Cash and cash equivalents, beginning of period	99,660,177	8,740,615	24,565,503	16,702,933	-
Cash and cash equivalents, end of period	\$91,357,437	\$27,523,944	\$91,357,437	\$27,523,944	\$91,357,437
Supplemental information					
Shares issued for property acquisition	\$-	\$-	\$-	\$415,910	\$665,910
Shares issued for services rendered	-	-	-	-	75,000

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Colossus Minerals Inc.

(A Development Stage Company)

Notes to the Consolidated Financial Statements

For the nine months ended April 30, 2010 and 2009

All amounts are expressed in Canadian dollars unless otherwise stated.

(Unaudited)

1. Nature of operations and basis of presentation

Colossus Minerals Inc. (the "Company") is a Canadian exploration company engaged in the acquisition and exploration of mineral properties. Since inception ("February 9, 2006" or "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 11 of the Canadian Institute of Chartered Accountants ("CICA") Handbook).

The Company is currently dependent upon new financing such as issuances of common shares to provide the funding necessary to meet its general operating expenses and capital expenditure requirements 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 mining interests 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, 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.

2. Summary of significant accounting policies

The accounting policies of the Company are in accordance with Canadian generally accepted accounting principles ("GAAP") and are consistent with the policies disclosed in the prior year financial statements. The consolidated interim financial statements and the related notes thereto should be read in conjunction with the audited consolidated financial statements and related notes for the year ended July 31, 2009.

(a) Basis of consolidation

These consolidated financial statements include the assets, liabilities, revenues and expenses of the Company and its 100% owned Brazilian subsidiaries, Colossus Geologia e Participacoes Ltda. ("Colossus Brazil") and Mineracao Fazenda Monte Belo Ltda. ("MFMBL") and Colossus Brazil's 75% owned (51% owned as at July 31, 2009) subsidiary Serra Pelada Companhia de Desenvolvimento Mineral (formerly Serra Pelada Empresa de Desenvolvimento Mineral Ltda.) (referred to hereafter as "SPC") which holds the title to the Serra Pelada Property. All inter-company transactions and balances have been eliminated on consolidation.

(b) Measurement Uncertainty

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the related reported amounts of revenue and expense during the year. The most significant estimates are related to the recoverability of mining interests, fair value of stock-based compensation, and valuation of future income tax assets and liabilities. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

(c) Future Accounting Changes

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 with concurrent early adoption permitted. Section 1582

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(Unaudited)

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 IAS-27, "Consolidated and Separate Financial Statements". The Company is in the process of evaluating the requirements and impact of the new standards.

Financial Instruments

In May 2009, the CICA amended Section 3862, "Financial Instruments – Disclosures" which requires additional disclosure of fair value measurements using a fair value hierarchy that reflects the nature of the inputs used in making the measurements (Level 1, Level 2 and Level 3 inputs as defined in the standard). The amendments are applicable for annual financial statements for years ending after September 30, 2009. These disclosures will be included in the annual financial statements for the year ended July 31, 2010.

3. Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank balances which include money market funds and high interest savings accounts having original maturities of three months or less that are readily convertible into cash. Cash and cash equivalents are comprised as follows:

	January 31, 2010	July 31, 2009
Cash in bank – Canada	\$661,267	\$1,736,411
Cash in bank – Brazil	1,890,944	4,159,810
Chartered Bank Investment Accounts - Canada	88,805,226	18,669,282
	<u>\$91,357,437</u>	<u>\$24,565,503</u>

4. Non-controlling interest

On July 16, 2007, the Company through its subsidiary Colossus Brazil, entered into a partnership agreement with Cooperativa de Mineracao dos Garimpeiros de Serra Pelada ("Coomigasp"), a private Brazilian entity, in which Colossus Brazil could earn up to a 75% interest in SPC. SPC is the company that now holds the title to the Serra Pelada Property that is located in Para State of Brazil.

Colossus Brazil earned an initial 51% share in SPC by spending Brazilian Reais ("R\$") R\$6,000,000 on exploration and development by April 2009. The carrying value of the non-controlling 49% interest at that time was determined to be \$3,168,291. As of the July 31, 2009 fiscal year end, the 49% non-controlling interest in SPC held by Coomigasp was \$2,915,023 after participation in losses of SPC in an amount of \$253,268.

On November 23, 2009, Colossus Brazil completed its earn-in obligation for the full 75% interest in SPC by expending a further R\$12,000,000 pursuant to the terms of the July 16, 2007 partnership agreement. The 75% ownership interest in SPC was accepted by regulatory authorities in Brazil on November 17, 2009, with an effective date of September 24, 2009, being the date when the registration application was filed.

The non-controlling interest in SPC was increased by \$146,253 to reflect the net change in value adjusting for the decrease in the ownership interest from 49% to 25% held by Coomigasp. As of April 30, 2010, the 25% non-controlling interest in SPC held by Coomigasp is \$3,205,993 after participation in income of SPC in an amount of \$144,717. The income or loss

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of SPC primarily reflects foreign exchange gains or losses upon conversion of future income tax liabilities to Canadian dollars from Brazilian Reais.

5. Property, plant and equipment

	April 30, 2010		
	Cost	Accumulated amortization	Net book value
Land	\$23,279	\$-	\$23,279
Vehicles	361,302	83,612	277,690
Equipment	341,861	73,356	268,505
Furniture	1,124,617	173,066	951,551
	<u>\$1,851,059</u>	<u>\$330,034</u>	<u>\$1,521,025</u>

	July 31, 2009		
	Cost	Accumulated amortization	Net book Value
Land	\$23,132	\$-	\$23,132
Vehicles	322,196	34,517	287,679
Equipment	206,638	39,154	167,484
Furniture and equipment	107,008	29,760	77,248
	<u>\$658,974</u>	<u>\$103,431</u>	<u>\$555,543</u>

6. Mining interests

	April 30, 2010	July 31, 2009
Active and Inactive		
Serra Pelada (a)	\$57,333,494	\$41,150,246
Rio Cristalino (b)	125,000	416,937
	<u>\$57,458,494</u>	<u>\$41,567,183</u>

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For the nine months ended April 30, 2010 and 2009

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(Unaudited)

Active Property

(a) Serra Pelada project, Brazil

	Nine months ended April 30, 2010	Nine months ended April 30, 2009	Cumulative from the date of inception on February 9, 2006 to April 30, 2010
Balance, beginning of period	\$41,150,246	\$7,628,079	\$ -
Property Acquisition Costs – Area A			
Acquisition of net profits interest (i)	-	5,080,306	5,086,944
“Agreement” premium payments (ii)	1,285,132	-	4,253,040
“Amended Agreement” advance payments (iii)	1,404,432	-	1,404,432
Recognition of the 25% non-controlling interest (iv)	(107,015)	-	3,061,276
Property Acquisition Costs – Areas B & C			
“CC Agreement” premium payments (v)	3,881,679	-	3,881,679
Exploration Activity			
Personnel	1,983,595	2,109,215	5,367,143
Consulting	1,878,111	657,559	4,244,549
Legal services	209,793	148,259	446,705
Property evaluation and administration	156,418	2,234,962	5,850,239
Mobilization	1,384,109	40,296	1,476,973
Drilling	3,676,622	1,352,846	8,622,462
Assays	355,025	91,309	692,809
Other			
Future tax	75,347	-	12,945,243
Total	\$57,333,494	\$19,342,831	\$57,333,494

On July 16, 2007, the Company, through its subsidiary Colossus Brazil, entered into a partnership agreement (the “Agreement”) with Coomigasp, in which Colossus Brazil could earn up to a 75% interest in SPC. SPC is the company that holds the title to the Serra Pelada Property. Colossus Brazil earned an initial 51% share in SPC by spending R\$6,000,000 on exploration and development by April 2009 and subsequently increased its interest to 75% by spending a further R\$12,000,000. The increase to a 75% ownership interest was accepted by regulatory authorities in Brazil on November 17, 2009 with an effective date of September 24, 2009.

Colossus Brazil's interest in SPC was also subject to a 15% net profit interest held by Phoenix Gems do Brasil Ltda. (“Phoenix”) pursuant to an agreement between Colossus Brazil and Phoenix dated June 28, 2007.

- (i) On August 11, 2008, Colossus Brazil purchased the net profit interest from Phoenix, the cost of which was \$5,086,944.
- (ii) Pursuant to the terms of the Agreement noted above, Colossus Brazil was obligated to pay Coomigasp a series of premium payments based upon a gold reserve accepted and approved by the Departamento Nacional de Produção Mineral (“DNPM”) of Brazil. Such premium payments ranged from a minimum of R\$40,800,000 (based on Colossus Brazil's 51% interest in SPC) for 20 tonnes of gold reserves to a maximum of R\$817,500,000 (if Colossus Brazil holds a 75% interest) for 550 tonnes or greater of gold reserves. Advance premium payments were required to be made under the terms of the Agreement and as April 30, 2010 amount to \$4,253,040. These payments have now been concluded due to a subsequent amendment of the Agreement.
- (iii) On November 8, 2009, the membership of Coomigasp approved an amendment (the third amendment) to the Agreement (the “Amended Agreement”). The effective date of the Amended Agreement is September 4, 2009.

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(Unaudited)

Pursuant to the terms of the Amended Agreement, Colossus Brazil is now required to make a monthly payment to Coomigasp of R\$350,000 until production begins and will finance Coomigasp's portion of development costs. Reimbursement of funds advanced to Coomigasp under the terms of Amended Agreement or paid on behalf of Coomigasp for development of the project by Colossus Brazil will commence in the second year of production and will be payable in equal quarterly instalments over a two year period. The advance payments made as of April 30, 2010 amount to \$1,404,432.

In addition to the above payments, Colossus Brazil will make life-of-mine premium payments to Coomigasp per kilogram of precious metal sold from mine production, payable in Brazilian Reais. The payments will range between R\$1,445 per kilogram for production up to 6.31 tonnes of metal which is approximately US \$26 per ounce at an exchange rate of R\$1 = US \$0.5789 on April 30, 2010 and R\$900 per kilogram for production exceeding 54.62 tonnes of metal for approximately US \$16 per ounce at the same exchange rate as noted above.

- (iv) The amount of \$3,061,276 recognizes the fair value of the 25% non-controlling interest held by Coomigasp in SPC upon completion of the earn-in pursuant to the terms of the Agreement with Coomigasp.
- (v) On May 17, 2010, the shareholders of the Company's joint venture partner, Coomigasp approved an option agreement with Vale S.A. ("Vale Option Agreement") to acquire a 100% interest to mine precious metals in a 700 hectare land package ("Area B") contiguous to the original 100 hectare Serra Pelada Project ("Area A") currently being developed by Colossus and Coomigasp. In addition, further agreements between Colossus and Coomigasp covering the transfer of the Vale Option Agreement ("CC Agreement") into SPC and the transfer of an approximate 74 hectare tenement owned 100% by Coomigasp ("Area C") were also approved.

Under the terms of the CC Agreement Colossus will pay Coomigasp R\$12.0 million (approximately US\$6.7 million) of which R\$8.0 million (approximately US\$4.5 million) is for assignment of the Vale Option Agreement to SPC and R\$4.0 million (approximately US\$2.2 million) is for the acquisition of the mineral rights to Area C. As of April 30, 2010, Colossus had paid Coomigasp \$3,881,679 in advance of the shareholder approval on May 17, 2010.

In addition to the above payments, Colossus also assumes all financial responsibilities of Coomigasp under the Vale Option Agreement which includes a minimum exploration expenditure of US\$5.0 million over three years on Area B and the payment of a fee of US\$35 per ounce of gold, platinum or palladium based upon an estimate of mineral reserves (proven and probable as defined under internationally accepted guidelines) determined by the end of three years in order to exercise the option to transfer the mineral rights.

Upon the commencement of production, Colossus will pay Coomigasp R\$300 for each kilogram of gold, platinum, palladium or other platinum group elements sold from Area B and R\$1450 for each kilogram of gold, platinum, palladium or other platinum group elements sold from Area C. This is equivalent to approximately US\$5.23 per ounce at current exchange rates for Area B and US\$25.26 per ounce for Area C.

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(Unaudited)

Inactive Property

(b) Rio Cristalino project, Brazil

	Nine months ended April 30, 2010	Nine months ended April 30, 2009	Cumulative from the date of inception on February 9, 2006 to April 30, 2010
Balance, beginning of period	\$416,937	\$239,542	\$-
Consulting	-	1,893	144,497
Property taxes	-	147,440	147,440
Acquisition	-	-	125,000
Sub-total	416,937	388,875	416,937
Write-down of mining interest	(291,937)		(291,937)
Total	\$125,000	\$388,875	\$125,000

The Company has written down the Rio Cristalino project to a nominal value equivalent to the original acquisition cost in recognition of a decline in activity on the property.

Abandoned Properties

Expenditures on abandoned properties, which have been written off, amount to \$753,569 for the Natividade Project and \$1,738,167 for the Sumidouro Project.

7. Share capital

(a) Authorized - Unlimited number of common shares

(b) Common shares issued

	Number of shares	Carrying value
Balance, July 31, 2008	42,395,188	\$23,121,545
Shares issued- Public Offering (i)	11,500,000	24,725,000
Warrants valuation- Public Offering (i)	-	(2,725,487)
Share issuance costs (i)	-	(2,422,001)
Broker units exercised	1,235,005	1,394,644
Warrants exercised	2,158,995	2,142,291
Shares issued for purchase of net profits interest	378,100	540,910
Employee options exercised	55,000	41,690
Balance, July 31, 2009	57,722,288	46,818,592
Shares issued- Public Offering (ii)	12,500,000	71,875,000
Warrants exercised	10,907,938	23,172,676
Employee options and broker units exercised	1,639,720	2,996,051
Share issuance costs	-	(5,145,390)
Balance, April 30, 2010	82,769,946	\$139,716,929

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(Unaudited)

(i) 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 daily closing share price exceeds \$3.75 for twenty consecutive trading days. On October 26, 2009, the Company provided notice to all registered holders of the warrants of the decision to accelerate the expiry date of the warrants to November 27, 2009, in accordance with the terms of the warrants. All of the warrants were subsequently exercised by the accelerated expiry date.

Issue costs of \$2.4 million related to the financing is comprised of a 6% agent cash commission of \$1.5 million and other expenses of \$0.3 million. In addition to the cash commission, the broker received the option to purchase 690,000 broker 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 unit is comprised of one common share and one half of one broker warrant. Each whole broker 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 had an estimated fair value of \$2,725,487. This value is based on a proportionate share of proceeds received with the gross warrant value determined using the Black-Scholes option pricing model.

The Company's management has determined that the broker units had an estimated fair value of \$585,810, 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.

(ii) On September 30, 2009, the Company announced a financing with a syndicate of underwriters. The underwriters agreed to purchase, on a bought deal basis, 11,000,000 common shares of the Company at a price of \$5.75 per common share with an over-allotment option to purchase up to an additional 1,500,000 common shares at \$5.75 per common share. The transaction closed on October 22, 2009. The Company issued an aggregate of 12,500,000 common shares for gross proceeds of \$71,875,000. A commission of 5.5% of the gross proceeds, in the amount of \$3,953,125, was paid to the underwriters. The underwriters also received, as additional compensation, 312,500 non-transferable broker warrants to purchase further common shares of the Company. Each broker warrant is exercisable for one common share at a price of \$5.89 for a period of 24 months from the closing date.

The Company's management has determined that the warrants have an estimated fair value of \$713,750 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 – 2.0 years. This amount has been charged to share issue costs as additional compensation to the underwriters.

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(c) Basic and diluted loss per share

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

	<u>Three months ended April 30, 2010</u>	<u>Three months ended April 30, 2009</u>	<u>Nine months ended April 30, 2010</u>	<u>Nine months ended April 30, 2009</u>
Numerator:				
Net loss and comprehensive loss for the period	<u>\$(3,909,598)</u>	<u>\$(1,023,556)</u>	<u>\$(6,780,632)</u>	<u>\$(4,448,385)</u>
Denominator:				
Weighted average number of common shares	<u>82,311,562</u>	<u>50,556,992</u>	<u>73,337,178</u>	<u>45,192,307</u>
Denominator for basic loss per share	<u>82,311,562</u>	<u>50,556,992</u>	<u>73,337,178</u>	<u>45,192,307</u>
Effect of dilutive securities:				
Stock options (i)	-	-	-	-
Share purchase warrants (i)	-	-	-	-
Denominator for diluted loss per share	<u>82,311,562</u>	<u>50,556,992</u>	<u>73,337,178</u>	<u>45,192,307</u>
Basic and diluted loss per share	<u>\$(0.05)</u>	<u>\$(0.02)</u>	<u>\$(0.09)</u>	<u>\$(0.10)</u>

(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.

8. Stock options, broker units, warrants and contributed surplus

Stock option plan

The Company maintains a Stock Option Plan implemented in 2006 under which the Board of Directors may from time to time grant 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 for 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 closing market price on the day of grant.

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(a) Stock options

The following summarizes the stock options that have been granted, exercised, cancelled, or expired during the nine month periods ended April 30, 2010 and 2009:

	Nine Months Ended April 30, 2010		Nine Months Ended April 30, 2009	
	Number of Stock Options	Weighted Average Exercise Price (\$)	Number of Stock Options	Weighted Average Exercise Price (\$)
Opening balance	3,565,000	0.96	2,690,000	0.99
Issued	1,715,000	4.46	1,375,000	0.95
Exercised	(475,000)	0.64	(50,000)	0.40
Cancelled	-		(385,000)	1.66
Ending balance	4,805,000	2.24	3,630,000	0.78
Options exercisable at period end	3,361,250	1.37	2,126,250	0.86

The weighted average exercise price of options granted during the year was \$4.46 (2009 - \$0.95). As of April 30, 2010, there are 2,711,995 options available for grant (April 30, 2009 - 1,746,488).

As of April 30, 2010 the following 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 (\$)	
(i) Dec 15, 2011	625,000	1.63	0.25	625,000	0.25	
(ii) Jun 29, 2012	350,000	2.17	0.40	350,000	0.40	
(iii) Sep 7, 2012	150,000	2.36	1.00	150,000	1.00	
(iv) Feb 7, 2013	25,000	2.78	0.40	25,000	0.40	
(v) Feb 19, 2013	175,000	2.81	1.56	175,000	1.56	
(vi) Feb 25, 2013	400,000	2.83	1.70	400,000	1.70	
(vii) Mar 10, 2013	150,000	2.86	1.94	150,000	1.94	
(viii) Sep 8, 2013	260,000	3.36	2.39	260,000	2.39	
(ix) Dec 10, 2013	755,000	3.62	0.48	755,000	0.48	
(x) Apr 2, 2013	200,000	2.93	2.10	100,000	2.10	
(xi) Sep 14, 2014	300,000	4.38	3.70	75,000	3.70	
(xii) Sep 24, 2014	500,000	4.41	4.65	250,000	4.65	
(xiii) Dec. 7, 2014	135,000	4.61	5.54	33,750	5.54	
(xiv) Dec. 21, 2014	50,000	4.65	5.83	12,500	5.83	
(xv) Feb. 5, 2015	600,000	4.77	4.12	-	4.12	
(xvi) Feb. 19, 2015	60,000	4.81	4.92	-	4.92	
(xvii) Mar. 8, 2015	50,000	4.86	5.40	-	5.40	
(xviii) Apr. 5, 2015	20,000	4.93	7.07	-	7.07	
	4,805,000	3.39	2.24	3,361,250	1.37	

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The following summarizes the Black Scholes valuation of each stock option granted:

	Expiry Date	Black-Scholes Assumptions					Black Scholes Valuation \$	Q3-2010 \$	Recognized Year 2009 \$	Year 2008 \$	Unrecognized Valuation \$
		Strike Price \$	Vesting Period (months)	Volatility %	Interest Free Rate %	Expected Life/Term (months)					
	Jun 2011	\$0.15	12	120	3.91	60/60	12,600	nil	nil	992	nil
(i)	Dec 2011	\$0.25	12	120	3.91	60/60	151,700	nil	nil	20,543	nil
(ii)	Jun 2012	\$0.40	12	135	4.63	60/60	264,750	nil	nil	213,884	nil
(iii)	Sep 2012	\$1.00	12	136	4.20	60/60	76,845	nil	1,386	72,494	nil
	Dec 2012	\$1.00	12	136	4.20	60/60	32,700	nil	2,945	29,755	nil
(iv)	Feb 2013	\$0.40	12	85	3.50	36/60	5,625	nil	1,294	4,331	nil
(v)	Feb 2013	\$1.56	12	85	3.50	36/60	263,100	nil	63,696	192,726	nil
(vi)	Feb 2013	\$1.70	12	85	3.50	36/60	439,300	nil	124,345	313,590	nil
(vii)	Mar 2013	\$1.94	12	85	3.50	36/60	163,500	nil	53,585	109,915	nil
	May 2013	\$2.05	12	85	3.50	36/60	218,000	nil	33,306	75,694	nil
(viii)	Sep 2013	\$2.39	12	85	3.10	60/60	473,860	(6,467)	455,817	nil	nil
(ix)	Dec 2013	\$0.48	12	85	3.00	60/60	290,280	44,348	258,027	nil	5,637
(x)	Apr 2013	\$2.10	18	85	1.15	60/60	263,600	120,817	122,037	nil	20,746
(xi)	Sep 2014	\$3.70	12	85	1.15	48/60	681,300	498,358	nil	nil	182,942
(xii)	Sep 2014	\$4.65	18	85	1.15	48/60	1,427,000	1,109,889	nil	nil	317,111
(xiii)	Dec 2014	\$5.54	12	85	1.15	48/60	459,000	212,500	nil	nil	246,500
(xiv)	Dec 2014	\$5.83	12	85	1.15	48/60	178,900	82,824	nil	nil	96,076
(xv)	Feb 2015	\$4.12	12	85	1.15	48/60	1,516,800	790,000	nil	nil	726,800
(xvi)	Feb 2015	\$4.92	12	85	1.15	48/60	181,140	nil	nil	nil	181,140
(xvii)	Mar 2015	\$5.40	12	85	1.15	48/60	165,700	nil	nil	nil	165,700
(xviii)	Apr 2015	\$7.07	12	85	1.15	48/60	86,780	nil	nil	nil	86,780

All options vest equally at 25% of the grant over the vesting period, except the June 2011 expiry options, which vested equally at 33% in four, eight and twelve months. In all cases the expected dividend yield was \$nil.

(b) Broker Units

	Nine Months Ended April 30, 2010		Nine Months Ended April 30, 2009	
	Number of Units	Weighted Average Exercise Price (\$)	Number of Units	Weighted Average Exercise Price (\$)
Opening balance	1,164,720	1.78	1,608,850	1.03
Issued	-	-	690,000	2.15
Exercised	(1,164,720)	1.78	(893,400)	0.96
Closing balance	-	-	1,405,450	1.62

As of April 30, 2010, all of the broker units have been exercised.

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(c) Warrants

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

	Nine Months Ended April 30, 2010		Nine Months Ended April 30, 2009	
	Number of Warrants	Weighted Average Exercise Price (\$)	Number of Warrants	Weighted Average Exercise Price (\$)
Opening balance	21,792,400	1.78	17,583,893	1.37
Issued	894,860	3.63	6,196,700	2.57
Cancelled	(25,000)	1.79	-	-
Exercised	(10,907,938)	1.79	(1,348,193)	0.47
Closing balance	11,754,322	1.91	22,432,400	1.77

	Number of Warrants	Weighted Average Exercise Price (\$)	Value (\$)
Opening balance	21,792,400	1.78	7,249,372
Issued	894,860	4.22	977,744
Cancelled	(25,000)	1.79	(5,359)
Exercised	(10,907,938)	1.79	(3,667,492)
Balance April 30, 2010	11,754,322	1.91	4,554,265

At April 30, 2010, 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:

Expiry Date	Number of Warrants	Exercise Price (\$)	Value (\$)
February 13, 2011	10,043,670	2.00	3,646,245
December 6, 2011	1,403,100	0.40	205,571
October, 22, 2011	307,552	5.89	702,449
	11,754,322		4,554,265

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(d) Contributed surplus

Balance July 31, 2008	1,588,291
Stock-based compensation charged to mining interests	274,766
Stock-based compensation expensed	841,673
Stock options and broker units exercised	(314,664)
Broker units	585,810
Balance July 31, 2009	2,975,876
Stock-based compensation charged to mining interests	589,263
Stock-based compensation expensed	2,663,879
Cancelled warrants	5,359
Stock options and broker units exercised	(880,495)
Balance April 30, 2010	\$5,353,882

9. Related party transactions

The Company entered into the following transactions with related parties during the nine month period ended April 30, 2010:

(i) The Company paid consulting fees in the amount of \$187,500 (2009 - \$112,500) to a company whose owner is an Officer of the Company. As at April 30, 2010, a balance of \$nil (July 31, 2009 - \$32,830) is due to this company and included in accounts payable and accrued liabilities.

(ii) The Company paid consulting fees in the amount of \$198,000 (2009 - \$135,000) to a company owned by an Officer and Director of the 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, which approximates the arm's length equivalent value. Amounts due are unsecured and non-interest bearing.

10. Geographic information

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

	April 30, 2010	July 31, 2009
Canada	\$95,268,827	\$20,483,416
Brazil	55,949,054	46,486,988
Total assets	\$151,217,881	\$66,970,404

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11. Capital management

The Company considers its capital structure to consist of share capital, warrants, contributed surplus and accumulated deficit. 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. As at April 30, 2010, total shareholders' equity was \$134,445,549 (July 31, 2009 - \$48,644,945).

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, 2010. The Company is not subject to externally imposed capital requirements.

12. Risks factors affecting financial instruments

The Company's active mineral property is the Serra Pelada Property (the "Property"). The Rio Cristalino Property is currently inactive but available for future exploration. Serra Pelada and Rio Cristalino are collectively referred to as the "Properties". Unless the Company acquires or develops additional mineral properties, the Company will be mainly dependent upon its existing Properties for potential future revenues. If no additional mineral properties are acquired by the Company, any adverse development affecting 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 the inability of a counterparty to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and accounts receivable. Cash consists of cash and cash equivalents with reputable financial institutions. Financial instruments included in accounts receivable consist of sales tax receivables 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. The Company had a cash balance of \$91,357,437 as at April 30, 2010 (July 31, 2009 - \$24,565,503) to settle current liabilities of \$683,090 (July 31, 2009 - \$2,023,666). Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

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 money market funds and high interest savings accounts.

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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 Reais and US dollars. The Company converts Canadian dollars to foreign currencies as needed at market rates.

Commodity price risk

The Company may be exposed to price risk with respect to commodity prices in the future. Commodity price risk is defined as the potential adverse future 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

GAAP requires 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 cash and cash equivalents, accounts receivable and prepaid expenses, and accounts payable and accrued liabilities on the balance sheet, approximate fair value because of the limited term of these instruments.

Sensitivity analysis

The Company has, for accounting purposes, designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Receivables and prepaid expenses 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. As at April 30, 2010, the carrying and fair value amounts of the Company's financial instruments are not materially different.

Sensitivity of period earnings to a 10% increase or decrease in interest or foreign exchange rates on cash holdings is as follows:

- (i) The Company holds most of its cash in low risk, secure Canadian dollar investments at Canadian banks. The Company also holds cash in Brazil, in interest bearing bank accounts.

Interest Rates

<u>Currency of Cash Holding</u>	<u>April 30, 2010 Cash</u>	<u>Quarter Average Interest Rate April 30, 2010</u>	<u>Quarter Effect of 10% Change in Interest Rate</u>
Canadian dollar	\$89,466,493	0.50% per annum.	+/- \$11,183
Brazilian real	1,890,944	5.00% per annum.	+/- \$2,364
Cash on Balance Sheet	<u>\$91,357,437</u>		

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Exchange Rates

<u>Foreign Currency of Holding</u>	<u>April 30, 2010 Amount</u>	<u>Foreign Currency per Canadian Dollar Exchange Rate Apr. 30, 2010</u>	<u>Effect of 10% Change in Exchange Rate</u>
Brazilian real	\$1,890,944	1.7334	+/- \$171,904

- (ii) The Company has a foreign currency denominated future income tax liability. A 10% movement in the foreign exchange rate could impact the "Future income taxes" on the consolidated balance sheet by approximately \$1.3 million.
- (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, 2010, 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.

13. Comparative amounts

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

14. Commitments

The Company has no financial commitments at this time other than as disclosed in these financial statements.

15. Subsequent events

The Company announced on May 7, 2010, the official signing of a mining licence for the Serra Pelada Project.

On May 13, 2010, Colossus announced a Socio-Economic Agreement with the Municipality of Curionópolis. The Serra Pelada Project is located within the municipality. The agreement commits the Company to an expenditure of R\$8.9 million (approximately US\$5.0 million) during the period from the date of signing of the agreement to January 2012. The funding will be used for health, education, urban planning and infrastructure development in the communities of Curionópolis and Serra Pelada according to the schedule of priorities as defined by the Municipality of Curionópolis.

On May 17, 2010, the shareholders of Coomigasp approved a series of agreements resulting in the Serra Pelada Project acquiring the mineral rights to an additional 774 hectares of ground, designated as Area B and C, contiguous to the original project area (see note 6 (a) for further details).