



Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Third Quarter Fiscal 2010 – April 30, 2010

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

The following discussion and analysis of the Interim Consolidated Financial Statements of Colossus Minerals Inc. ("Colossus" or the "Company") for the three and nine months ended April 30, 2010 (referred to as "Q3-2010"), should be read in conjunction with the audited Consolidated Financial Statements and related Notes, and Management's Discussion and Analysis ("MD&A") for the year ended July 31, 2009. The comparative quarter is for the three and nine months ended April 30, 2009 (referred to as "Q3-2009"). The Consolidated Financial Statements and related Notes (the "financial statements") have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Additional information, including the Company's Annual Information Form and press releases, has been filed electronically through the System for Electronic Document Analysis ("SEDAR") and is available online at www.sedar.com. The date of this MD&A is June 7, 2010. All figures are in Canadian dollars unless otherwise noted. R\$ refers to Reais, the currency of Brazil and as of June 7, 2010 R\$1 equals \$0.5931 Canadian.

This MD&A contains forward-looking statements. For example, statements pertaining to the acquisition of construction or operating licenses are all forward-looking statements. As well, statements about the sufficiency of the Company's cash resources or the need for future financing are also forward-looking statements. All forward-looking statements, including forward-looking statements not specifically identified in this paragraph, are made subject to the cautionary language at the end of this document, and readers are directed to refer to that cautionary language when reading any forward-looking statements.

Highlights

During the third quarter ended April 30, 2010:

- The Company filed a National Instrument 43-101 compliant technical report in respect of the Serra Pelada Project on February 3, 2010;
- Colossus announced on March 9, 2010, the approval of a preliminary Environmental License for Serra Pelada;
- Colossus and its joint venture partner Coopertiva de Mineracao dos Garimpeiros de Serra Pelada ("Coomigasp") announced on March 30, 2010, the signing of agreements to acquire the mineral rights to 774 hectares of additional ground, designated as "Area B" and "Area C" contiguous to Serra Pelada;
- On May 17, 2010, Coomigasp shareholders approved the agreements pertaining to "Area B" and "Area C";
- An installation license was granted for the Serra Pelada Project on April 16, 2010; and
- The Board of Directors of the Company approved a change in year end from July 31 to December 31.

Subsequent to the third quarter ended April 30, 2010:

- On May 7, 2010, the Company announced the receipt of a Mining License for Serra Pelada; and
- On May 16, 2010, the Company announced the appointment of Mr. Luiz Carlos Celaro as General Director of the Company's Brazilian subsidiary to manage mine development at Serra Pelada.

Corporate Overview

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 equity and other financings. The Company's common shares were listed for trading on the Toronto Stock Exchange on February 13, 2008.

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

The Company has two 100% owned 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. The Serra Pelada Property is located in Para State, Brazil. The principal asset of MFMBL is the Rio Cristalino property.

Property Acquisitions and Exploration Activity

Serra Pelada Project

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.

Pursuant to the terms of the Agreement, 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 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.

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. 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 the 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 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 for production exceeding 54.62 tonnes of metal for approximately US \$16 per ounce at the same exchange rate as noted above.

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

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

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.

Serra Pelada Exploration Activity

Exploration activity on the Serra Pelada project during the third quarter of fiscal 2010 consisted largely of exploration and resource delineation diamond drilling, geotechnical drilling, the drilling of a number of water-bore holes for hydrology testwork and the collection of samples for metallurgical, geotechnical and development purposes. In addition, planning for and the initiation of surface exploration work within the newly acquired Area B and C was undertaken.

A total of 1,726m of diamond drilling, encompassing resource delineation drilling, exploration drilling and geotechnical drilling within Area A was completed in the reporting period. Additionally, a monitor water-bore hole was completed and a test production water-bore hole is currently in progress for initial hydrology testwork which is to commence shortly.

Resource Delineation Drilling

Two diamond drillholes have been completed within the reporting period to further define known areas of mineralization for resource delineation within the Central Main Zone ("CMZ") and the area immediately down-plunge of the CMZ.

Exploration Plan

The Company announced on June 2, 2010, the commencement of an exploration program on the newly acquired mineral rights to the Area B and C land package of 774 hectares.

The first phase of planned exploration involves at least 5,000 metres of diamond drilling as follows:

- Step-out diamond drilling from surface to test for and potentially expand the down-plunge extensions of gold-platinum-mineralization delineated to date in the CMZ. Two suitable drill rigs have been contracted and drilling will begin towards the end of June;

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

- Drilling of shallow-seated mineralization and gold geochemical anomalies near the proposed Serra Pelada mine infrastructure. This drilling will be integrated with geotechnical and condemnation drilling programs;
- Detailed gold-platinum-palladium soil-geochemical and ground-radiometrics surveys over all of the newly acquired ground, to identify near surface targets and geochemical anomalies related to structures controlling deeper-seated mineralization; and
- Geological mapping focused on clarifying structural-lithological settings prospective for gold-platinum-palladium mineralization.

Serra Pelada Development

Plans are being formulated, equipment acquired and personnel sourced to aggressively commence the development of the Serra Pelada Project now that all regulatory approvals have been granted. The first priority is to commence development of a decline into the CMZ of Area A of the Serra Pelada Project. Development of the decline will provide underground drill stations to allow for resource delineation drilling.

Geotechnical Drilling

Two diamond drillholes (a total of 600.25m) for geotechnical purposes were completed within the CMZ to better define geotechnical parameters for underground mining.

Water Boring

The drilling and installation of filters and casing for a monitor water-bore hole have been completed for the upcoming hydrology campaign. A test production water-bore hole is currently being completed and the commencement of hydrology testwork, for mine dewatering purposes, is planned to begin after the finalization of the test production water-bore hole.

The following steps have been initiated during the third quarter to move the Serra Pelada Project forward:

- Specialized equipment has been acquired to drive the decline which should be on site by the end of July;
- Tender documents have been sent out for the development of the underground decline, exploration drifts and raise development. Development is expected to start during the second half of 2010; and
- A General Director has been hired to manage mine development at Serra Pelada.

Serra Pelada Future Objectives

The completion of the following objectives of the Company in 2010 on the Serra Pelada Project are intended to achieve the recommendations as noted in the National Instrument 43-101 compliant technical report in respect of the Serra Pelada property filed on February 3, 2010:

- Complete the phase II drilling program;
- Develop a decline to access the CMZ and take a bulk sample of up to 10,000 tonnes;
- Start definition drilling underground from the decline;
- Complete metallurgical testing to guide the development of a process flow sheet; and
- Commence engineering and design of a mill facility.

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

Rio Cristalino Project

The principal asset of MFMBL is the Rio Cristalino low-grade molybdenum property. There have been no expenditures on this property during the first and second quarters of fiscal 2010. The Company has chosen to write down the project to a nominal value equivalent to the original acquisition cost in recognition of a decline in activity on the property. However, the property has not been abandoned and remains in good standing.

Results of operations for the quarter

The net loss and comprehensive loss for Q3-2010 is \$3.9 million (\$0.05 per share) as compared to \$1.0 million (\$0.02 per share) for Q3-2009. On a year to date basis, the net loss and comprehensive loss for fiscal 2010 is \$6.8 million (\$0.09 per share) as compared to a net loss for fiscal 2009 of \$4.4 million (\$0.10 per share).

General and administrative costs amounted to \$721,467 in Q3-2010 (Q3-2009 - \$667,075) and year to date amounted to \$1.8 million for fiscal 2010 (fiscal 2009 - \$1.1 million). Approximately 60% of the year to date general and administrative costs relate to activities of Colossus Canada and the remainder to Colossus Brazil. The majority of the third quarter costs of \$721,467 are attributable to activities in Canada resulting from increased travel expenditures, mailing and distribution of shareholder information for the January 2010 annual general meeting, costs associated with the establishment of a new communications system and the finalization of corporate office relocation expenses.

Wages and salaries of \$288,410 in Q3-2010 (Q3-2009 - \$76,762) have increased significantly. An increase in staff levels accounts for a significant portion of the cost increase between the two quarters. During Q3-2009 there were three employees of Colossus Canada as compared to nine employees at the end of April 2010.

During Q3-2010, the Company recognized a foreign exchange loss of \$1.2 million as compared to a foreign exchange gain of \$60,494 in the same period of fiscal 2009. The foreign exchange loss includes an unrealized component of approximately \$723,000 booked on translation of foreign currency denominated assets and liabilities of Colossus Brazil into Canadian dollars and a further loss of approximately \$500,000 mainly attributable to a decline in value of holding US dollar currency during the quarter. The Company was holding US currency during the quarter for future funding of activities of Colossus Brazil.

The Company translates its foreign assets and liabilities into Canadian dollars utilizing the temporal accounting method, differences will arise in valuations resulting in unrealized gains or losses. The temporal method of currency translation is used for foreign operations that are dependent upon the parent company for financial support and thereby are considered as "integrated" with the parent company. Colossus follows the temporal method of translation of its foreign subsidiary as follows:

- (i) Monetary assets and liabilities are translated using the foreign currency rate at the consolidated balance sheet date.
- (ii) Non-monetary assets and liabilities are translated at historical rates.
- (iii) Revenues and expenses are translated at the average foreign currency exchange rate for the year.
- (iv) Exchange gains and losses arising from the translation are recorded directly in the consolidated Statements of Loss and Comprehensive Loss.

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

Non-cash stock-based compensation cost of \$1.3 million was expensed in Q3-2010 (Q3-2009 - \$172,270). The Company also capitalized \$441,499 of stock-based compensation costs to the Serra Pelada Property in Q3-2010. On a year to date basis \$589,263 of stock based compensation has been capitalized to the Serra Pelada Property in addition to the \$2.7 million charged to expense.

Interest income in Q3-2010 is \$102,550 as compared to \$79,235 in Q3-2009. The slight increase in interest income reflects the impact of lower interest rates offset by a significantly higher cash balance in fiscal 2010 than in fiscal 2009.

Shares issued and outstanding

The issued and outstanding common shares of the Company totaled 82,769,946 as at April 30, 2010 (July 31, 2009 – 57,722,288). The total amount of common shares which would be outstanding if all options, warrants, and broker units at April 30, 2010 were exercised amounts to 99,329,268 shares (July 31, 2009 – 84,826,768 fully diluted shares).

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 \$71.9 million. A commission of 5.5% of the gross proceeds, in the amount of \$4.0 million, 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.

The Company had 21,792,400 warrants issued and outstanding at July 31, 2009. As of April 30, 2010 there are 11,754,322 warrants outstanding at a weighted average exercise price of \$1.91 per warrant.

As at June 7, 2010, the share capital consisted of:

- 83,187,446 common shares issued and outstanding;
- 4,598,750 common share purchase options outstanding at an average exercise price of \$2.33 maturing at various dates until April 5, 2015; and
- 11,543,072 warrants outstanding at an average exercise price of \$1.91 maturing at various dates until December 6, 2011.

Financial condition

The Company's total assets at April 30, 2010, increased to \$151.2 million from \$67.0 million at July 31, 2009. The most significant reason for the increase was the \$71.9 million of cash raised through the bought deal financing in October 2009 and the exercise of warrants and options year to date in the amount of \$22.5 million. During Q3-2010, cash expenditures on mining interests and other investing activities of \$7.7 million includes advance payments on property acquisition costs for Areas B and C at

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

Serra Pelada of approximately \$3.9 million. All of the other expenditures on mining interests related to the Serra Pelada Property as well.

Cash and cash equivalents of \$91.4 million include \$89.5 million of cash invested in Canadian Chartered Bank investment accounts. The remaining balance is cash in Brazilian bank accounts. The investing strategy of the Company is to emphasize liquidity and to minimize risk, hence nominal rates of interest are earned on the invested funds.

The Company's current liabilities are \$683,090 at April 30, 2010, compared to \$2.0 million at July 31, 2009.

The Company has no long-term financial liabilities, off balance sheet financing arrangements or material contingent liabilities or contractual obligations other than a future income tax liability primarily associated with the Serra Pelada Property in an amount of \$12.9 million, certain minimum payments due to Coomigasp under the terms of the Amended Agreement and exploration expenditure commitments for the acquisition of Areas B and C. In addition, 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.

Liquidity and capital resources

From the date of its incorporation to April 30, 2010, the Company has raised total net proceeds of \$143.9 million through equity financings and warrant and stock option exercises.

At April 30, 2010, the Company had working capital of \$91.6 million compared to \$22.8 million as at July 31, 2009.

The ability of the Company to successfully acquire additional mineral projects or to fund exploration and development of current projects is conditional on its ability to secure financing when required. The Company proposes to meet additional financing requirements through equity financing. In light of the continually changing financial markets, there is no assurance that new funding will be available when required by the Company.

The Company will continue to be reliant on equity financings as it is still in the development stage without any revenue from operations. The Company's ability to raise additional funds and its future performance is largely tied to the financial markets related to mineral exploration companies. Current financial markets are likely to be volatile in Canada for the remainder of the calendar year and potentially into 2011, reflecting ongoing concerns about the stability of the global economy and global growth prospects.

Junior exploration companies world-wide have been hit particularly hard by these trends. As a result, the Company may have difficulties raising equity financing for the purposes of mineral exploration and development, particularly without the risk of excessive dilution to the present shareholders of the Company.

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

The Company's strategy is to spend its funds in a prudent manner while focusing and expanding its exploration efforts at the Serra Pelada Property. The Company currently has adequate funds to pursue all of its planned exploration activities and its near term development programme.

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.

Summary of Quarterly Results

<u>Year ended July 31, 2010</u> (all amounts expressed in \$)	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>		<u>Total</u>
Total revenues	-	-	-		-
Net loss and comprehensive loss for the period	1,398,895	1,472,139	3,909,598		6,780,632
Basic and diluted loss per share	0.02	0.02	0.05		0.09
<u>Year ended July 31, 2009</u> (all amounts expressed in \$)	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
Total revenues	-	-	-	-	-
Net loss and comprehensive loss for the period	808,522	2,616,307	1,023,556	972,653	5,421,038
Basic and diluted loss per share	0.02	0.06	0.02	0.01	0.11
<u>Year ended July 31, 2008</u> (all amounts expressed in \$)	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
Total revenues	-	-	-	-	-
Net loss and comprehensive loss for the period	299,977	440,955	602,189	975,384	2,318,505
Basic and diluted loss per share	-	0.02	0.02	0.03	0.07

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

Trends

The Serra Pelada Property is the Company's most significant asset and this property will continue to be the focus of most of the exploration work undertaken in fiscal 2010. The net loss has been increasing over the last nine quarters, reflecting exploration write downs and greater administration costs to support expanding exploration activities and public company expenses since February 2008. In the second fiscal quarter of 2009 the loss for the period reflected a \$1.7 million write-off for the abandonment of the Sumidouro Property. In the fourth fiscal quarter of 2009, the loss for the period reflected a \$753,569 charge against the Natividade Property. Other corporate activities and expenditures relating to the support of Serra Pelada and requirements of becoming a public company will continue in 2010.

Disclosure Controls and Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting and disclosure controls. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management has completed an evaluation of the design and operating effectiveness of the Company's internal control over financial reporting. Based on this assessment, management has concluded that as at the end of the period covered by this management's discussion and analysis, the Company's internal controls over financial reporting were operating effectively.

Management has also evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as part of the fiscal year end procedures for 2009. Based on this evaluation and review of procedures conducted during Q1-2010, management has concluded that the Company's disclosure controls and procedures continue to be effective in ensuring that information required to be disclosed in reports filed or submitted by the Company under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules.

There have been no changes in the Company's internal control over financial reporting during Q3-2010 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

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 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,

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

"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.

International Financial Reporting Standards ("IFRS") Implementation Plan

The AcSB has confirmed that IFRS will replace current Canadian GAAP for publicly accountable enterprises, effective for fiscal years beginning on or after January 1, 2011. At a meeting of the Board of Directors on April 26, 2010, approval was given to change the fiscal year end from July 31 to December 31. Therefore the Company will have a short fiscal year for the period from August 1, 2010 to December 31, 2010. The subsequent fiscal year will be a full calendar year from January 1, 2011 to December 31, 2011 inclusive. Accordingly, the Company will report interim and annual financial statements (with comparatives) in accordance with IFRS beginning with the first quarter ending March 31, 2011 and for the fiscal year ending December 31, 2011.

The Company has commenced the development of an IFRS implementation plan to prepare for this transition, and is in the process of analyzing the key areas where changes to current accounting policies may be required. While an analysis will be required for all accounting policies, the initial key areas of assessment will include:

- Exploration and development expenditures;
- Stock-based compensation;
- Accounting for income taxes; and
- First-time adoption of International Financial Reporting Standards (IFRS 1).

As the analysis of each of the key areas progresses, other elements of the Company's IFRS implementation plan will also be addressed, including: the implication of changes to accounting policies and processes; financial statement note disclosures on information technology; internal controls; contractual arrangements; and employee training. The table below summarizes the expected timing of activities related to the Company's transition to IFRS.

Initial analysis of key areas for which changes to accounting policies may be required	To be completed during May 01 – July 31, 2010
Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives	Throughout fiscal 2010
Assessment of first-time adoption (IFRS 1) requirements and alternatives	Throughout fiscal 2010

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives	May 31 – July 31 2010
Resolution of the accounting policy change implications on information technology, internal controls and contractual arrangements	May 31 – October 31 2010
Evaluate the impact of the implementation of IFRS on Internal Control over Financial Reporting	Throughout the transition process
Management and employee education and training	Throughout the transition process
Quantification of the Financial Statement impact of changes in accounting policies	Throughout fiscal 2010

Critical Accounting Estimates

Critical accounting estimates used in the preparation of the financial statements include the Company's estimate of recoverable value on its mineral properties, future taxes and the value of stock-based compensation. Both of these estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

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. All of these factors are potentially subject to significant change that is out of the Company's control however such changes are not determinable. Failure to conduct additional work on its exploration properties could result in the loss of exploration rights. Accordingly, there is always the potential for a material adjustment to the value assigned to mineral properties.

The factors affecting stock-based compensation and valuation of stock-based securities include the use of a Black-Scholes option pricing model which has its limitations. Estimates for input factors such as stock option life or share price volatility could have a significant impact on the determination of stock-based compensation expense. Stock-based compensation expense however is a non-cash item which has no impact on the cash resources of the Company.

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 \$134.4 million (July 31, 2009 - \$48.6 million).

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

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.

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.

Risks factors affecting financial instruments

The 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 on hand, either with banks or in short term dated Government of Canada treasury bills, bank guaranteed investment certificates or bank managed investment accounts. 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 due. As of April 30, 2010, the Company has a cash balance of \$91.4 million (July 31, 2009 - \$24.6 million) available to settle current liabilities of \$683,090 (July 31, 2009 - \$2.0 million). Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

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

Interest rate risk

The Company has cash balances and does not have any interest-bearing debt. The Company's current policy is to invest excess cash in money market funds and high interest savings accounts.

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 in Brazil are denominated in Brazilian Reais and US dollars. The Company converts Canadian dollars to foreign currencies as needed at market rates.

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

Commodity price risk

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

Fair value

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

The carrying values for 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.

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

Sensitivity analysis

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>		

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

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.

Risks and Uncertainties

Limited Operating History

The Company has a limited history of operations, is in the early stage of development and could be considered a start-up. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

No History of Earnings

The Company has limited financial resources, has earned nominal revenue since commencing operations (revenues); has no source of operating cash flow and there is no assurance that additional funding will be available to it for exploration and development of its mineral properties or for required future property payments. Furthermore, additional financing may be required to continue the development of the Company's properties even if the Company's exploration program is successful. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties with the possible loss of such properties.

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

Competitive Conditions

The mineral exploration and mining business is competitive in all phases of exploration, development and production. The Company competes with a number of other entities in the search for and the acquisition of productive mineral properties. As a result of this competition, the majority of which is with companies with greater financial resources than the Company, the Company may be unable to acquire attractive properties in the future on terms it considers acceptable. The Company also competes for financing with other resource companies, many of whom have greater financial resources and/or more advanced properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

The ability of the Company to acquire properties depends on its success in exploring and developing its present properties and on its ability to select, acquire and bring to production suitable properties or prospects for mineral exploration and development. Factors beyond the control of the Company may affect the marketability of gold mined or discovered by the Company.

General Economic Conditions

The recent unprecedented events in global financial markets have had a profound impact on the global economy. Many industries, including the mining sector, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. A continuing slowdown in the financial markets or other economic conditions, including, but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company.

Exploration, Development and Operating Risks

The exploration for, discovery and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of gold and other minerals may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site.

It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of the minerals and proximity to infrastructure; mineral prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted but could have a material adverse effect upon the Company's operations and financial results.

Mining operations generally involve a high degree of risk. The operations of the Company are subject to all the hazards and risks normally encountered in the exploration, development and production of precious metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

There is no certainty that the expenditures made by the Company towards the search and evaluation of gold and other minerals will result in discoveries of mineral reserves and resources (as defined by applicable securities laws), or any other mineral occurrences.

Title Risks

Although the nature and extent of the interests of the Company in the properties in which it holds an interest has been reviewed by or on behalf of the Company, and title opinions have been obtained by the Company with regard to certain of such properties, there may still be undetected title defects affecting such properties. Title insurance generally is not available in Brazil, and the ability of the Company to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained.

Accordingly, the properties in which the Company holds an interest may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Company's operations. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

The Company is not the registered holder of any of the exploration licenses and applications which comprise the Serra Pelada Property or the Rio Cristalino Property. The exploration license in respect of the Serra Pelada Property is held by a joint venture company controlled by Colossus Brazil. The Company's interest in its properties, title to which is currently held by third parties, is derived pursuant to option agreements and joint venture agreements relating to the respective properties. Any non-compliance with the terms of these agreements by the Company or Colossus Brazil could affect the ability of the Company and/or Colossus Brazil to earn their interests in the properties. Such terms include the satisfaction of the option payments due to property owners under such agreements, and the requirements to undertake minimum exploration expenditures during certain periods. Failure to meet these requirements could result in a loss by the Company and/or Colossus Brazil of its interest in the options, which could in turn have an adverse impact on the Company.

No assurances can be given that title defects to the properties in which the Company has an interest do not exist. The properties may be subject to prior unregistered agreements, interests or native land claims and title may be affected by undetected defects. If title defects do exist, it is possible that the Company may lose all or a portion of its right, title, estate and interest in and to the properties to which the title defect relates. There is no guarantee that title to the properties will not be challenged or impugned.

There is no guarantee that any application for additional exploration licenses may be granted by the DNPM. The DNPM may refuse any application. Persons may object to the granting of any exploration license and the DNPM may take those objections into consideration when making any decision on whether or not to grant a license.

If and when exploration licenses are granted, they will be subject to various standard conditions including, but not limited to prescribed license conditions. Any failure to comply with the expenditure conditions or with any other conditions on which the licenses are held, can result in license forfeiture. Generally, the licenses are granted for a term of three years and further renewal of an exploration license is at the discretion of the DNPM and on such conditions as the DNPM may in its discretion impose. Renewal

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

conditions may include increased expenditures and work commitments or compulsory relinquishment of areas of the licenses comprising the Serra Pelada Property and the Company's other non-material property. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

An ongoing lawsuit has been brought by an individual in Brazil seeking the annulment of the general meeting at which the members of the board of directors and officers of Coomigasp were elected. If this individual is successful with this lawsuit a new election may be required and further actions may be brought to nullify any prior activities or agreements entered into by the directors and officers, which may include the Serra Pelada Agreement. The Company does not believe that this result is likely due to numerous factors including the merits of the current lawsuit and the fact that the Serra Pelada Agreement was approved not only by management of Coomigasp but also the members (shareholders) of Coomigasp at a general meeting. Furthermore, in January 2009, Coomigasp held another annual general meeting of its members to elect its board of directors. This meeting was overseen by an independent court appointed monitor. At this meeting, a new board of directors was elected who have since re-affirmed the Serra Pelada Agreement. However, if the Serra Pelada Agreement is nullified this would have a material adverse affect on the Company. The Company is not a party to the lawsuit and does not have any information with respect to the developments of the suit, except those that are publicly available.

Uncertainty of Acquiring Necessary Permits

The Company currently holds all consents which it requires in order to carry out its current drilling program on the Serra Pelada Property and the Rio Cristalino Property. In addition, the Company has recently received its Environmental Permit, Installation License and Mining Permit. Certain terms and conditions apply to the granting of these permits and licenses. The authorities granting the permits or licenses can revoke any permits or license in the event of non-compliance. The Company will endeavour to meet all terms and conditions of any license or permit but there is always a possibility of political change which could result in the revocation, alteration or termination of any permit or license the occurrence of which could adversely affect the operations of the Company.

Government Regulation Risks

The mining, processing, development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people, and other matters. Although the exploration and development activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration, development, mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

Risks Associated with Foreign Operations

The Company's mineral interests are located in the Federative Republic of Brazil, which may be affected by varying degrees of political change and labour unrest, fluctuations in currency exchange rates, high rates of inflation, terrorism or expropriation. The Company's exploration and development activities may be affected by changes in government or judiciary, political instability and the nature of various government regulations relating to the mining industry. A change in government positions on foreign investment, mining concessions, land tenure, environmental regulation, or taxation could adversely affect

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

the Company's business and/or its holdings, assets and operations in Brazil. Any changes in regulations or shifts in political conditions are beyond the control of the Company. The Company's operations in Brazil will entail governmental, economic, social, medical and other risk factors common to all countries in the region.

Results of Prior Exploration Work

In preparing the various Serra Pelada technical reports, the authors of such reports relied on data generated by exploration work previously carried out by geologists employed by others. There is no guarantee that data generated by prior exploration work is 100% reliable and discrepancies in such data not discovered by the Company may exist. Such errors and/or discrepancies, if they exist, could impact on the accuracy of the various Serra Pelada technical reports.

Additional Capital

The development and exploration of the properties in which the Company currently holds an interest will require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all such properties, or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. In addition, any future financing may be dilutive to existing security holders of the Company.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations, financial condition and results of operations of the Company.

Political Stability Risks

The principal operations of the Company are currently conducted in Brazil and, as such, the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties. These risks include, but are not limited to: terrorism; hostage taking; military repression; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Brazil may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.

Government Royalties

In Brazil, a royalty must be paid to the landowner if the surface rights do not belong to the mining titleholder. This royalty amounts to 50% of the financial compensation for the federal royalty levied by the Brazilian government, and which is currently at 1% of the net sales of gold and 0.2% of the net sales of other precious metals. This level and the level of any other royalties, payable to the Brazilian government in respect of the production of minerals may be varied at any time as a result of changing legislation which could materially adversely affect the Company's results of operations.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Environmental hazards may exist on the properties on which the Company holds an option, which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. Previous mining by garimpeiros has occurred at the Serra Pelada Property and continues today on a more limited basis.

Government approvals, approval of indigenous people and permits are currently and may in the future be required in connection with the operations of the Company. To the extent such approvals are required and not obtained the Company may be curtailed or prohibited from continuing its mining operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, or reduction in levels of production at producing properties, or require abandonment or delays in development of new mining properties.

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

Environmental Licenses

In order to be granted a mining concession on any property, the Company will be required to obtain environmental licenses with respect to such properties. The Company has recently obtained a preliminary environmental license for the Serra Pelada Project. The license contains all of the conditions for the issuance of the balance of the environmental permits required for the Serra Pelada Project, namely an installation license for construction, which has now been received, and an operating license for operating activities. In the event that the Company is unable to satisfy the conditions for the balance of the licenses it may not be able to commence mining activities on its properties, which could have a material adverse effect upon the results of operations and financial condition of the Company.

Costs of Land Reclamation

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the properties in which the Company holds an option.

Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of the Company.

Reliance on Limited Number of Properties

At this time, the Company holds an interest in a joint venture company that holds the exploration licenses in respect of the Serra Pelada Property as well as an interest in the Rio Cristalino Property. As a result, unless the Company acquires additional property interests, any adverse developments affecting these properties could have a material adverse effect upon the Company and would materially and adversely affect the potential mineral resource production, profitability, financial performance and results of operations of the Company.

No History of Mineral Production

The Company has never had an interest in a mineral producing property. There is no assurance that commercial quantities of minerals will be discovered at any of the properties of the Company or any future properties, nor is there any assurance that the exploration programs of the Company thereon will yield any positive results. Even if commercial quantities of minerals are discovered, there can be no assurance that any property of the Company will ever be brought to a stage where mineral resources (as defined in NI 43-101) can profitably be produced thereon. Factors which may limit the ability of the Company to produce mineral resources from its properties include, but are not limited to, the price of the mineral resources which are currently being explored for, availability of additional capital and financing and the nature of any mineral deposits.

Insurance and Uninsured Risks

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Hedging

The Company does not have a hedging policy and has no current intention of adopting such a policy. Accordingly, the Company has no protection from a decline in mineral prices which could have a material adverse affect on the financial condition of the Company.

Fluctuations in Metal Prices

The consolidated financial results and exploration, development and mining activities of the Company may in the future be significantly and adversely affected by declines in the price of gold or other minerals. The price of gold or other minerals fluctuates widely and is affected by numerous factors beyond the control of the Company such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, the political and economic conditions and production costs of major mineral producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges.

Future significant price declines in the market value of gold or other minerals could cause continued development of the properties in which the Company has an option to be impracticable. Depending on the price of gold and other minerals, cash flow from mining operations may not be sufficient and the Company could be forced to discontinue production and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's mining properties is dependent upon the prices of gold and other minerals being adequate to make these properties economic.

In addition to adversely affecting the reserve estimates of the Company and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Exchange Rate Fluctuations

Exchange rate fluctuations may affect the costs that the Company incurs in its operations. Gold and other minerals are generally sold in US dollars. Costs of the Company are incurred in US and Canadian dollars and Brazilian Reals. The appreciation of the US dollar or the Brazilian Real against the Canadian dollar

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

can increase the cost of exploration and production in Canadian dollar terms, which could materially and adversely affect the Company's profitability, results of operations and financial condition.

Key Executives

The Company is dependent upon the services of key executives, including the directors of the Company and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the inability of the Company to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Company should be made in accordance with their fiduciary duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders.

In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *Business Corporations Act* (Ontario) and other applicable laws. The Company has also adopted a formal code of ethics to govern the activities of its directors, officers and employees.

Enforcement of Legal Rights

In the event of a dispute arising from the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada. Similarly, to the extent that the Company's assets are located outside of Canada, investors may have difficulty collecting from the Company any judgments obtained in the Canadian courts and predicated on the civil liability provisions of applicable securities laws in Canada. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity.

Two of the directors of the Company and certain experts retained by the Company reside outside of Canada. Substantially all of the assets of these persons are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon such directors or experts. It may also not be possible to enforce against the Company, certain of its directors and officers, and certain experts named herein, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Litigation

From time to time, the Company may be involved in lawsuits. The outcomes of any such legal actions may have a material adverse affect on the financial results of the Company on an individual or aggregate basis.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

Tax Issues

The Company's estimates regarding the exploration costs at the Serra Pelada Property have assumed current Brazilian tax rates, which may be increased in the future. Accordingly, the cost estimates may not represent an accurate statement of the Company's future tax costs.

Dividends

The Company has no earnings or dividend record and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Repatriation of Earnings

Currently, Brazil has no limitation on profit or capital remittances to foreign shareholders provided that all applicable Brazilian taxes have been paid. However, there can be no assurance that restrictions on the repatriation of earnings in Brazil will not be imposed in the future.

Special note regarding forward-looking statements

All statements, other than statements of historical fact, contained or incorporated by reference in this MD&A including, but not limited to, any statements with respect to the future financial or operating performance of Colossus and its projects constitute "forward-looking information" or "forward-looking statements" within the meaning of certain securities laws, including the provisions of the *Securities Act* (Ontario) and the provisions for "safe harbour" under the United States Private Securities Litigation Reform Act of 1995, and are based on expectations, estimates and projections as of the date of this MD&A or, in the case of documents incorporated by reference herein, if any, as of the date of such documents. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements and those made in other filings with the securities regulators of Canada.

Other than as specifically required by law, the Company does not intend, and does not assume any obligation, to explain any material difference between subsequent actual events and such forward-looking statements, or to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results or otherwise.

Forward-looking statements include, but are not limited to, possible events, statements with respect to possible events, the future price of gold or other metal prices, the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of exploration and mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of regulatory matters. Often, but

Colossus Minerals Inc.

(A development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended April 30, 2010. Expressed in Canadian Dollars unless otherwise noted.

not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: general business, economic, competitive, political and social uncertainties; the actual results of current exploration and development activities; risks relating to title to properties; risks associated with obtaining necessary permits; risks associated with foreign operations, including government regulation and political stability risks; fluctuations in the value of the Canadian dollar relative to the U.S. dollar or Brazilian real; changes in project parameters as plans continue to be refined; future prices of gold; possible variations of mineral grade or recovery rates; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental hazards, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavourable operating conditions and losses, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the sections entitled "Risk Factors Affecting Financial Instruments", "Risks and Uncertainties" in this MD&A and "Risk Factors" in the Company's most recently filed Annual Information Form.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.