Zacks Small-Cap Research

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Colt Resources, Inc. (V.GTP – TSX-V)

V.GTP: Advancement of Boa Fé gold project on track. PEA filed this week.

Current Recommendation	**Outperform**
Prior Recommendation	N/A
Date of Last Change	06/05/2012
Current Price (05/08/13)	$0.21
Six- Month Target Price	**$2.15**

OUTLOOK

Colt Resources is a junior gold exploration company with two advanced stage projects in Portugal: the Boa Fé gold project and the Tabuaço tungsten project. An updated NI 43-101-compliant mineral resource estimate on Boa Fé was filed in March, followed by a Preliminary Economic Analysis (PEA) in early May. A PEA on Tabuaço project is expected to be completed this quarter. The company continues to be successful in obtaining equity capital to finance the exploration and development of its gold and tungsten projects. We reiterate our Outperform rating on Colt Resources.

SUMMARY DATA

52-Week High	**$0.56**
52-Week Low	**$0.17**
One-Year Return (%)	**-59.62**
Beta	**N/A**
Average Daily Volume (shrs.)	**144,620**
Shares Outstanding (million)	**138**
Market Capitalization ($ mil.)	**$29.0**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**35.0**
Insider Ownership (%)	**6.4**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/M**
P/E using 2012 Estimate	**N/M**
P/E using 2013 Estimate	**N/M**
Zacks Rank	**3**

Risk Level	**Above Average**
Type of Stock	**Small - Value**
Industry	**Mining - Gold**
Zacks Rank in Industry	**N/A**

ZACKS ESTIMATES

Revenue
(in thousands of $CDN)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2011	0.0 A	0.0 A	35.5 A	123.6 A	159.1 A
2012	74.1 A	-149.5 A	-67.8 A	138.1 A	0.0 A
2013	0.0 E	0.0 E	0.0 E	0.0 E	0.0 E
2014					0.0 E

Earnings per Share
(EPS is operating earnings before non-recurring items)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2011	-$0.05 A	-$0.03 A	-$0.02 A	-$0.03 A	-$0.13 A
2012	-$0.01 A	-$0.02 A	-$0.02 A	-$0.02 A	-$0.08 A
2013	-$0.01 E	-$0.01 E	-$0.02 E	-$0.02 E	-$0.06 E
2014					-$0.07 E

Zacks Projected EPS Growth Rate - Next 5 Years % **N/A**

Results originally reported under March FY; results re-arranged as Dec. year.

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KEY POINTS

- Colt Resources is a Canadian junior gold exploration company with numerous mineral exploration properties in Portugal.
- The **Boa Fé gold project** in southern Portugal and the **Tabuaço tungsten project** in north-central Portugal are each at an **advanced stage** with management planning to advance both towards production. A Preliminary Economic Analysis (PEA) was filed on **Boa Fé** this week and a PEA on Tabuaço is expected before July.
- Under CEO **Nikolas Perrault**, CFA, the company has been aggressive in advancing the Boa Fé gold and Tabuaço tungsten projects as well as acquiring exploration concessions and exploratory mining licenses in Portugal.
- During 2012, there was a continuous stream of announcements concerning drilling results from Boa Fé and Tabuaço. As a result, **upgraded and expanded NI 43-101-compliant resource estimates were completed on Boa Fé in March 2013** and **on Tabuaço in October 2012.**
- The 100% controlled Boa Fé (47 km^2) project is surrounded by the 100% controlled **Montemor exploration concession** (728 km^2), which is known to host the extension of the mineralized shear zone found within Boa Fé. The latest NI 43-101-compliant mineral resource estimate (March 2013) included an inferred gold resource at the **Monfurado deposit** located in the Montemor concession**.**
- In September 2012, Colt Resources entered into a **joint venture** with Contécnica to further develop the Penedono gold project (now the **Santo António gold project**). Contécnica can earn a 51% stake in the project by investing at least €2.0 million in the project over three years. The Experimental Mining License (EML) contains the currently-closed Santo António underground gold mine. There are 13 individual mineralized quartz veins in the San Antonio area, along with other vein systems of gold mineralization.
- Management continues to be engaged in discussions with undisclosed potential partners to bring a mine to production at Tabuaço within two or three years. We would expect that the **development of Tabuaço** would be structured in a manner similar to the **Santo António** joint venture with the partner providing capital and further developing the project in order to earn a substantial stake in the project. In this manner, Colt Resources would be able to focus its capital resources on the development of the Boa Fé gold project in southern Portugal.
- Recently, management has become opportunistic, acquiring exploration concessions in Portugal, such as the exploration concessions of **Borba, Cercal** and **Adorigo**, in an effort to structure joint ventures to develop these promising prospects with minimal developmental costs being incurred.
- After having closely followed Colt Resources for over one year, it has become apparent that the company is one of the few micro caps in the mining industry to deliver consistently on management's prospective timetable.
- Colt Resources has been **very successful in obtaining capital** through equity offerings and the exercise of warrants and options.
- Consult our Initiation Report dated July 20, 2012 for full background information of the company and the history of its projects.
- We reiterate our Outperform rating with a price target of $2.15.

DEVELOPMENTS OF 2012

During 2012, Colt Resources aggressively proceeded with drilling programs on the company's two advanced stage projects in Portugal: the Boa Fé gold project and the Tabuaço tungsten project. Positive assay results were announced over 20 times throughout 2012, contributing to an initial NI 43-101-compliant resource estimate for the Chaminé and Casas Novas deposits at Boa Fé in July and subsequently, an updated NI 43-101-compliant resource estimate, which was completed in March 2013. In addition, a NI 43-101-compliant updated resource estimate for the Tabuaço tungsten project was announced in October 2012. Also, significant developments transpired on other projects, namely the Montemor Regional exploration concession, the Santo António gold project (formerly Penedono), the

Borba exploration concession (gold/copper), the Cercal exploration concession (gold) and the Adorigo exploration concession (tungsten). Importantly, the company has been very successful in obtaining equity capital to finance the exploration and development of these projects.

The accelerated drilling campaign at the **Boa Fé gold project** during 2012 included not only confirmatory and exploratory drilling at Chaminé and Casas Novas, but also drilling at the Banhos, Braços and Ligeiro deposits. The assay results supported a subsequent updated NI 43-101 compliant mineral resource estimation of a total indicated resource of 340,310 ounces Au (1.74 g/t) and an inferred resource of 84,200 ounces Au (1.69 g/t). Importantly, the drilling campaign at Banhos, which was designed to confirm and expand historical drilling results, resulted in a significant resource (an indicated resource of 95,800 ounces Au) relative to Chaminé (91,700 ounces Au) and Casas Novas (146,100 ounces Au). In addition, Colt Resources conducted metallurgical test work on sample materials from the Chaminé deposit in an effort to identify the optimal process path to recover the contained gold.

The Boa Fé shear zone hosts a series of high grade, near-surface gold deposits and occurrences. The drilling campaign added to the understanding of these deposits. The mineralization at all three major deposits (Chaminé, Casas Novas and Banhos) appears to be associated with shallow dipping intrusive units, which are up to 20 meters thick. The most significant gold mineralization appears to occur in the kinks and fold hinges formed by the geological model of conjugate shear folding.

An infill drilling program at the São Pedro das Águias deposit at the **Tabuaço tungsten project** not only increased the geological confidence level, but also expanded the size of the indicated resource estimate of contained metal by 85.2% from 440,000 to 815,000 MTU WO3. Expansion of the entire resource, as well as upgrading the quality of a portion of the resource from the inferred to the indicated category, contributed to the incremental 375,000 MTU WO3 rise in the indicated resource estimate. The inferred resource was estimated to contain 720,000 MTU WO3 and included, for the first time, the mineralization at Aveleira.

In December 2012, the exploration license of the Armamar-Meda property (109.20 square kilometers or km2) expired; however, prior to expiration, Colt Resources applied for an Experimental Mining License (EML) for the area containing the Tabuaço tungsten project (45.13 km2). Having applied prior to expiration, Colt Resources was guaranteed, under the terms of the agreement with the government, to remain 100% owner of the Tabuaço property. The EML for the Tabuaço tungsten project was awarded in February 2013. This process is representative of the normal process of granting exploration concessions (rights) by the Portuguese Ministry of Economy or the DGGE.

Four shear corridors lie within the **Montemor Regional concession** (728.22 km2), namely the Monfurado, Mourel, Gouveia and Grou belts. Colt Resources conducted exploration programs targeting all four shear corridors, including prospecting, rock sampling, soil geochemical surveys, stream sediment surveys, trenching and diamond drilling. The drilling in Monfurado area contributed to an initial a NI 43-101-compliant inferred resource estimate of 25,600 ounces at that location, which was over twice the historic JORC-compliant resource estimate of 10,438 ounces.

In September 2012, Colt Resources entered into a joint venture with Consultoria Tecnica Ltda (Contécnica) to further develop the Penedono gold project, now the Santo António EML. Contécnica, a privately-held Brazilian engineering consulting firm, will earn a 51% stake in Santo António upon investing at least €2.0 million in the project over three years. In addition, Contécnica was required to pay €50,000 to Colt Resources when the JV obtained the Experimental Mining License. Colt Resources will retain a 49% stake in Santo António while Contécnica incurs the capital commitment to further develop the project. The Santo António EML contains a number of significant vein systems of high grade gold mineralization, including the now-closed Santo António underground gold mine. There are 13 clusters of mineralized quartz veins in the San Antonio area, along with other vein systems of gold mineralization (Ferronha, Dacotim, Turgueira and Marofa). Santo António was mined most recently in the 1950's by Companhia das Minas de Ouro de Penedono, when approximately 11,000 ounces of gold was produced through the underground mining of four of the 13 veins. As operator of the JV, Contécnica plans on

conducting trial mining (via open pit) at Turgueira in order to test the potential for significant long-term production. In addition, Contécnica intends to recovery gold from the tailings at Santo António and de-water the Santo António underground mine by excavating a new adit (a nearly horizontal shaft). Thereafter, metallurgical test work will be conducted on the ore found in the old mine galleries.

As with the Armamar-Meda property, the exploration license for the Penedono property expired in October, but Colt Resources and Contécnica filed for an EML prior to the expiration of the exploration concession. The new EML, known as **Santo António**, was granted in February 2013 to the joint venture (Consórcio Penedono). Contécnica did not perform any field work in 2012; but Colt Resources has conveyed the documentation of all prior exploration work to Contécnica.

Lastly, Colt Resources was awarded three additional exploration concessions in 2012: Borba (gold/copper) in eastern Portugal, Cercal (gold) in southern Portugal and Adorigo (tungsten) in north-central Portugal. Located in the North Alentejo portion of the Ossa-Morena Zone, the **Borba exploration concession** extends over parts of both the Alter do Chão-Elvas Belt and the Sousel-Barrancos Belt. Borba encompasses 633.935 km2 in an area previously mined for copper and explored for gold. The area was mined for copper at Miguel Vacas between 1925 and 1991 when at least 1,650 tonnes of copper were produced. Also the old copper mines of Bugalho and Zambujeira lie within the concession. Since 1986, the region has been explored for gold, most recently by Rio Narcea and Kernow Resources. Prior drilling results confirm the presence of both gold and copper mineralization. The Borba exploration concession was granted to Colt Resources on February 25, 2013, and a joint agreement with privately-owned Star Mining will form the basis of Star being able to earn up to 100% of the Borba concession through exploratory work programs and additional milestones of development.

Colt Resources applied for an exploration license on the Cercal property in May 2012. Encompassing 455 km2, **Cercal exploration concession** is located about 110 kilometers due south of Lisbon and within the Iberian Pyrite Belt (IPB), a world-class metallogenic province of volcanic massive sulphide (VMS) deposits. The area has been mined for iron, copper, zinc, lead, silver and especially manganese. Exploratory work was conducted by Serviço Fomento Mineiro (the mineral exploration department of Portugal's INETI or Instituto Nacional de Engenharia Tecnologia e Inovacao) from 1973 to 1979 and thereafter by Elf-Acquitaine, Empresa Mineira da Serra do Cercal Lda and Northern Lion Gold Corp. Colt's management believes that the area covered by the exploration license has not been properly explored for gold and base metals. Also, Colt Resources applied for an exploration license on the Adorigo property in August 2012. Located in the vicinity of the former Armamar-Meda exploration license, the **Adorigo exploration concession** is a tungsten project with an approximate area of 164.98 km2.

Financing: During 2012, the company received net proceeds of $16,582,296 from the issuance of shares and the exercise of options.

Lastly, during 2012 Colt Resources changed its financial year-end from March 31 to December 31.

EXPECTATIONS FOR 2013

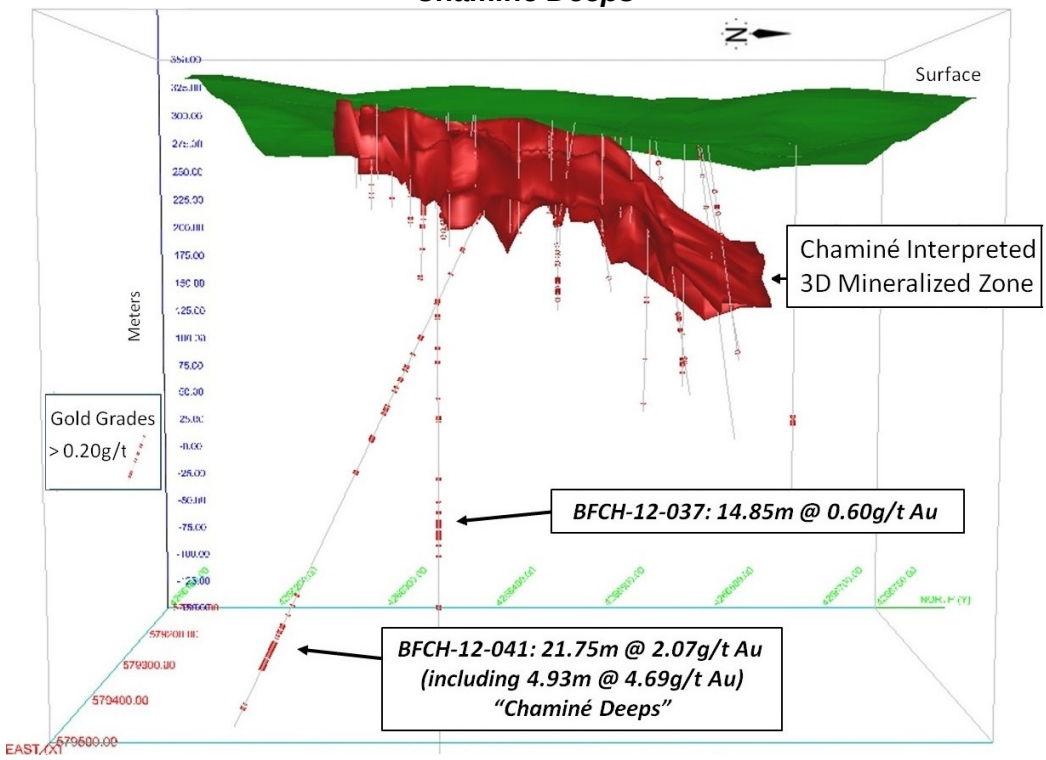
Boa Fé gold project (EML) – Having already accomplished its goals of completing 1) an updated NI 43-101-compliant mineral resource estimate for Boa Fé and Monfurado during the first quarter of 2013 and 2) delivering a Preliminary Economic Analysis (PEA) for the Boa Fé gold project in the second quarter, management continues to fast track the property towards production. The company is expected to complete detailed engineering work and metallurgical test-work for Boa Fé in preparation of a full feasibility study due out in the fourth quarter.

Management is investigating the construction of a micro-plant off-site to identify the optimal processing method for the Chaminé deposit. The updated NI 43-101 technical report discusses two broad processing strategies, one of which encompasses on-site recovery utilizing gravity and flotation

technologies with the concentrate being sold directly or further processed with cyanide off-site. Two Portuguese companies, which are licensed to use cyanide, have been asked to present proposals for cyanidation treatment at their facilities. The other processing strategy involves the use of cyanide on-site, which would require permitting for the transport, usage and disposal of cyanide.

Also during 2013, exploration will continue in order to increase the confidence in, and potentially expand the resources at Boa Fé. Management plans to continue drilling with both infill drilling and deep drilling. In December 2012, Colt Resources announced the discovery of gold mineralization **below** the near-surface gold deposit at Chaminé. The assay results from two deep drill holes indicated that stacked layers of kinks and folds contain additional gold deposits. The next phase will utilize downhole geophysical techniques to better target further deep exploratory drilling. In addition, geophysical test work will aid in identifying step-out targets adjacent to the known gold deposits. Management anticipates the completion of an updated NI 43-101-compliant mineral resource estimate for Boa Fé and Monfurado during the fourth quarter of 2013.

Chaminé Deeps



Given the scope and timetable of the company's work towards advancing the project, Colt Resources should have completed sufficient work for the Portuguese mining and environmental authorities to grant a definitive mining license for the Boa Fé gold project by the end of 2013. Management intends to continue to rapidly advance the Boa Fé project and **achieve gold production in 2015**. After having closely followed Colt Resources for over one year, it has become apparent that the company is one of the few micro caps in the mining industry to deliver consistently on management's prospective timetable.

Tabuaço tungsten project (EML) – Management is also fast tracking the development of the Tabuaço tungsten project. Having been granted a Trial Mining License (aka Experimental Mining License) in February, the PEA on Tabuaço tungsten project is expected to be completed during the second quarter. Thereafter, management plans to conduct a **pilot mill test** on approximately 20 metric tons of scheelite ore from the São Pedro das Águias deposit. A feasibility study and an updated NI 43-101compliant resource estimate are targeted for completion during the fourth quarter. Management expects to receive full mine permitting in 2015, complete mine construction in 2016 and **achieve initial production in 2017**.

In March, Colt Resources entered into a binding letter of intent to purchase roughly 247 acres (equivalent to 1.0 km2 aka 100 hectares), on which the company plans to construct the necessary surface mining

infrastructure for the Tabuaço tungsten project. The parcel of property, known as Passa Frio, would serve as the site for the processing plant (including jaw crushers, mill and concentrator), warehouses, dams and tailings impoundment facility needed to bring the mine into production. The property is situated away from residential areas and already zoned to permit the construction of the off-site processing infrastructure. The site was surveyed to verify legal title and tested through an initial geotechnical drilling campaign which targeted the sites of the major infrastructure facilities, namely the tailings, water dam and pit locations. At a cost of €100,000, the three-year option grants Colt Resources the right to purchase Passa Frio for €350,000.

Colt Resources has completed a metallurgical work program comprised of testing the recovery of an acceptable grade of concentrate through gravity and/or flotation recovery techniques. Utilizing mineralized ore from split drill cores from the São Pedro das Águias deposit, the program is now focused on flotation concentration only, since gravity recovery seems to be only somewhat effective. Colt Resources is also examining an option of further processing the flotation concentrates into either ammonium paratungstate or tungsten oxide.

The company is engaged in discussions with several undisclosed potential strategic partners to bring the mine to production. Management's goal is to complete a transaction within the next 12 months. We would expect that the development of Tabuaço would be structured in a manner similar to the Santo António joint venture with the partner providing capital and further developing the project in order to earn a substantial stake in the concession. In this manner, Colt Resources would be able to focus its capital resources on the development of the Boa Fé gold project in southern Portugal.

Santo António (EML) – Management expects its partner, Consultoria Tecnica Ltda (Contécnica), to begin exploratory work on the Santo António project by mid-year. Contécnica is obligated to further develop this gold project by investing at least €2.0 million over three years in order to earn a 51% stake in the concession. By retaining a 49% stake, Colt Resources maintains upside exposure while reducing financial risk. Incremental information concerning the Santo António gold deposits could be forthcoming during the second half of 2013.

Borba (EC) – In February, Colt Resources announced the signing of a Memorandum of Understanding (MOU) with Star Mining Limited which outlines the key terms for a formal definitive agreement. According to the MOU's anticipated course of action, Colt Resources and Star Mining plan on jointly exploring the Borba exploration concession (EC). After a definitive agreement is signed, Star Mining can earn a 25% interest in Borba upon expending at least $350,000 in the completion of a work program over a period of 12 months. Thereafter, Star Mining can earn an incremental 35% interest by completing another work program with expenditures of at least $750,000 over an additional 24 months. Another 20% interest can be attained by expending $1,000,000 towards technical, commercial and environmental programs required for completing a NI 43-101-compliant resource estimate. Then Star Mining will have the right to purchase full ownership of the Borba exploration license for $5.0 million within 18 months or $10.0 million during the subsequent 42 months. Management of Colt resources expects Star Mining to begin exploratory work on the Borba exploration concession towards mid-year.

Financing: Thus far during 2013, Colt Resources completed non-brokered private placements to a Canadian-based institutional investor and a high net worth investor in Portugal on January 7th and February 6th providing gross proceeds of $1,172,268. An additional $5 million private placement from a newly constituted Hong Kong-based resource investment fund is pending.

RECENT NEWS

Fourth quarter and Year-end results

On April 29, 2012, Colt Resources reported financial results for the fourth quarter and year ending December 31, 2012. For the quarter, the company reported a loss for the quarter of $2,751,021 ($0.02 per diluted share) versus a loss of $2,862,860 ($0.03) in the comparable-quarter last year. Approximately 26% of the net loss (or $725 thousand) was attributable to the non-cash write-down of the Extra High and Gaspésie properties.

For the year, the company reported a loss of $9.40 million ($0.08 per diluted share) versus a loss of $6.63 million ($0.08) for the 12-months ending December 31, 2011. Approximately 15% of the net loss (or $1.40 million) was attributable to non-reoccurring impairments (aka write-downs) of the company's Santa Margarida do Sado ($671,615), Extra High ($534,012) and Gaspésie ($190,507) properties due to management's decision to abandon these projects. Administrative expenses increased 22.7% from $6.14 million to $7.45 million, primarily due to higher management fees, office expenses and the costs associated with investor relations reflecting the effort to bring the Boa Fé and Tabuaço projects towards production within two-to-three years. Stock-based compensation noticeably declined to $80,482 in 2012 from $1.97 million in comparable-time period in 2011. During 2012, the company received net proceeds of $16,582,296 from the issuance of shares and the exercise of options, which was used to fund exploration efforts and working capital needs. As a result, the total weighted average number of common shares outstanding increased 39.9% to 121,383,520. As of December 31, 2012, the company had $6.47 million of cash & equivalents.

Exploratory Progress in Fourth Quarter of 2012

During the fourth quarter of 2012, the exploratory work at Colt Resources focused on the expansion and resource upgrade of the gold deposits at Boa Fé (specifically Banhos, Casas Novas and Chaminé) and the tungsten deposits at Tabuaço (São Pedro das Águias, the Gap area, Aveleira and Quintã-Távora). Also, a stream sediment survey and geochemical soil sampling surveys were carried out in the Montemor-o-Novo exploration concession, along with geologic prospecting and rock sampling.

At Banhos, a total of 54 diamond drill holes totaling 8,123.8 meters (on a 100 by 50 meter grid pattern) were completed during the quarter. In addition six holes totaling 670 meters were drilled at a satellite occurrence north of Banhos (dubbed Banhos-North). At Casas Novas, two additional drill holes totaling of 308.2 meters were completed, and at Chaminé, five additional holes totaling of 1,159.4 meters were drilled in order gather more data to support a resource upgrade. Furthermore, the company tested for the possibility of deep gold mineralization. The drilling results of the first two holes had been announced in late December. Both drill holes confirmed that gold mineralization is present at depth, namely, inclined hole (BFCH-12-041) intersected 2.07 g/t gold over 21.75 meters (including 4.69 g/t gold over 4.93 meters) and inclined hole (BFCH-12-039) intersected 0.60 g/t gold over 14.85 meters. The discovery of gold mineralization below the near-surface gold deposit at Chaminé is a game-changing event in our interpretation of the model of gold deposition along the Boa Fé shear zone. We believed, as did prior lease owners, that the gold mineralization was confined to near-surface kinks and folds of the Boa Fé shear zone. However, the assay results from these two drill holes now indicate that stacked layers of kinks and folds contain additional gold deposits. It is now probable, as management suggests, previous exploratory work has "only tested a relatively minor part of a potentially larger mineralized zone." The next phase will include the application of downhole geophysical techniques to better target further deep exploratory drilling.

During the fourth quarter, diamond drilling at Tabuaço tungsten deposit area focused on four zones. At São Pedro das Águias, one evaluation hole was drilled to infill the section line. In the Gap area between São Pedro das Águias and Aveleira, three diamond drill holes totaling 364.7meters were completed during the fourth quarter in order to better grade and delineate the scheelite mineralized skarn. So far, it

appears that the Gap area between the São Pedro das Águias and Aveleira deposits hosts a tungsten mineralized skarn which extends over a strike of 275 meters and a lateral down-dip extent into the mountain of unknown dimension. At the Aveleira deposit, six holes totaling 1,138.8 meters were drilled, the results of which were announced in early October. And at the Quintã–Távora zone, three diamond drill holes totaling 721.4 meters were drilled in order to investigate the prospective down-dip of the Quintã scheelite skarn outcrop. However, the three holes intersected only narrow skarn horizons (around one meter thick), which assayed between 0.11% and 0.72% WO3.

Lastly, a stream sediment survey, geochemical soil sampling surveys, geologic prospecting and rock sampling were carried out in the Montemor-o-Novo exploration concession, along with geologic prospecting and rock sampling. The stream sediment survey targeted the prospective area northwest of the Boa Fé shear corridor. A total of 116 sampling sites were tested and a number of anomalies (gold and/or associated elements) were identified. The soil sampling surveys focused on the central part of the Montemor concession (Carvalhal Fonte Santa) and the western section of the concession (Grou). A total of 1,264 soil samples were gathered from Carvalhal Fonte Santa area and 477 samples were taken from the Grou area. The analytical results of both surveys are pending. Geologic prospecting and rock sampling were carried out at 16 distinct field locations in the western half of the Montemor-o-Novo exploration concession. A total of 81 rock samples were taken from or near outcrops. Six of the 16 locations (25 samples) returned assay results over 1.0 g/t Au, the better ones were obtained from Grou (2.42 to 169.5 g/t Au), Safira (2.45 to 18.9 g/t Au), Carvalhal (1.17 to 9.39 g/t Au) and Regadia-North (1.07 to 5.7 g/t Au).

OVERVIEW

Based in Montreal, Quebec, Colt Resources, Inc. (GTP: TSX-V; COLTF: OTCQX) is a junior gold exploration company with **two advanced stage projects** (one gold and the other tungsten) located in the Portugal. These two projects (the **Boa Fé gold project** within the Montemor concession and the **Tabuaço tungsten project** in the Armamar-Meda concession) are very promising. In November 2011, an experimental mining license and an exploration concession were granted for Boa Fé and Montemor, respectively, and a NI 43-101[1] compliant resource estimate was filed in August 2012 and updated in March 2013. **A Preliminary Economic Analysis (PEA) on the Boa Fé gold project was filed in early May.** At Tabuaço, an initial NI 43-101 compliant resource estimate was filed in December 2011 and updated in October 2012. Aggressive drilling programs continue at both projects to further define and expand several economic deposits (**Chaminé** and **Casas Novas** at Boa Fé and **São Pedro das Águias** and **Aveleira** at Tabuaço).

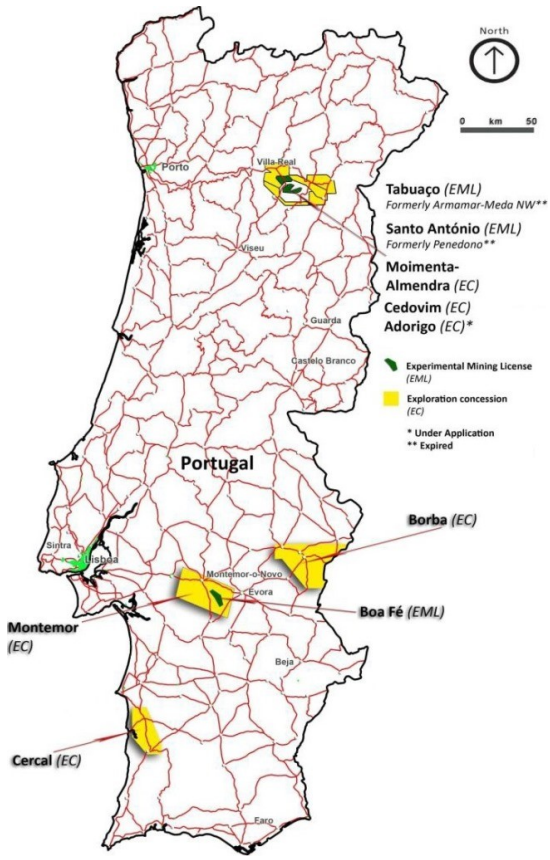
We believe the deposits at Chaminé, Casas Novas and São Pedro das Águias are readily recoverable. Management's internal goal is to initiate production **Chaminé** in 2015 and at São Pedro das Águias in 2017. Chaminé is well-suited for an open pit mining project under the experimental mining license, which allows for an open pit with a maximum surface area of 5 hectares. Infill and confirmatory drilling continues. Management has accelerated drilling in order to evaluate nearby deposits and completed a pre-feasibility study in the second quarter of 2013. At Tabuaço, drilling continues in order to better delineate and upgrade the resource estimate, and expand the scope of the deposit to the north. An internal preliminary conceptual mine plan has been completed, and the company was granted an experimental mining license (EML) in February 2013. A prefeasibility study is expected to be completed during the second quarter of 2013, to be followed by a pilot mill test on approximately 20 metric tons of

[1] National Instrument 43-101 is a mineral resource classification methodology that Canadian securities regulatory authorities required to report publicly disclosed information related to mineral properties by companies listed on stock exchanges within Canada. The terms "measured", "indicated" and "inferred" mineral resources are terms specifically defined pursuant to NI 43-101 compliant rules and guidelines. The U.S. Securities and Exchange Commission does not recognize these terms, which are not equivalent to the standards of "proven" and "probable" reserves set forth in SEC Industry Guide 7.

scheelite ore from the São Pedro das Águias deposit. Management is in discussions with unnamed parties to act as a potential partner to bring the mine to production within two to three years.

Located in north-central Portugal, the **Tabuaço project** contains a gently-dipping scheelite (tungsten) deposit in the **São Pedro das Águias** zone. To better explore the area, Colt Resources acquired the land rights[2] over a portion of the São Pedro das Águias deposit. Utilizing results from an aggressive drilling program that was begun in April 2011, an initial NI43-101 resource estimate was completed in November 2011 by SRK Exploration, followed by an updated resource estimate completed in October 2012, which expanded the size of the **indicated resource estimate** to **815,000 MTU WO_3 (**1,495,000 tonnes grading 0.55% WO_3) and estimated the inferred resource to be **720,000 MTU WO_3 (**1,230,000 tonnes grading 0.59% WO_3).

Also located in north-central Portugal, the 35 km^2 **Santo António gold experimental mining license** area contains an **underground gold mine** that produced approximately 10,500 ounces of gold between 1954 and 1957. The Santo António EML contains a number of significant vein systems of gold mineralization, of which one system in the San Antonio area consists of 13 individual mineralized quartz veins. This parallel series of steeply dipping, northeast-trending, gold-bearing quartz veins are within a 1.2 km by 0.8 km area about three kilometers northwest of the town of Penedono. In September 2012, Colt Resources entered into a **joint venture with Contécnica** to further develop Santo António. Contécnica will be able to earn a 51% stake in the concession after investing at least €2.0 million in the project over three years. The capital commitment from Contécnica enables Colt to focus its capital resources on Boa Fé and Tabuaço while retaining a 49% stake in the Santo António gold project.



Nikolas Perrault, CFA, was appointed CEO in December 2008. While at Colt Resources, Mr. Perrault has a track record of opportunistically pursuing acquisitions of concessions in Portugal, most recently the Boa Fé gold project. Under his tenure during 2011, the Montemor and Cedovim concessions were acquired as well as the Boa Fé experimental mining license. Prior to Mr. Perrault's arrival, the Penedono concession had been the company's primary focus. **Mr. Perrault is fast-tracking the development of the Boa Fé and Tabuaço projects.**

Management believes that neither a recession in Portugal nor the country's need for financial assistance from the European Union is detrimental to the company's progress. On the contrary, there is a national need for investment into industry, including the mining sector, in order to stimulate Portugal's economy.

The company has been very successful in obtaining capital through equity offerings and the exercise of warrants. During 2012, the company received net proceeds of $16,582,296 from the issuance of shares and the exercise of options. The proceeds funded the aggressive drilling programs at

[2] The real estate includes a port wine vineyard that generates revenues for Colt Resources.

Boa Fé and Tabuaço. In January 2013, Colt Resources secured firm commitments to sell up to 17,777,778 common shares at $0.45 per share in a non-brokered private placement to Asian-based and Portuguese-based investors, along with a number of the company's Directors. Estimated net proceeds of $7.5 million will be utilized primarily to advance the Boa Fé and Montemor gold projects.

BOA FÉ & MONTEMOR (PORTUGAL) – GOLD

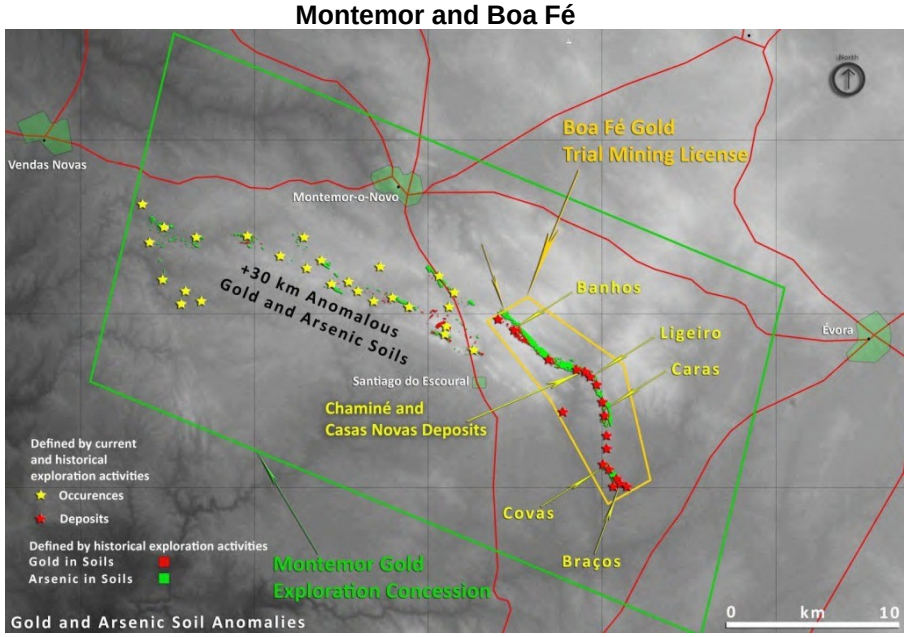
The **Montemor Regional concession** is Colt's most important gold concession in Portugal. Located in the Alentejo Region in southern Portugal, approximately 100 kilometers east of Lisbon, the Montemor Regional concession encompasses **728.22 square kilometers** (km^2). Colt Resources entered into an agreement with privately-owned Australian Iron Ore PLC to acquire 100% ownership of Montemor in July 2010. Upon being granted an **exploration license** for the Montemor Regional concession by the Direcção-Geral de Energia e Geologia (DGEG) on November 2, 2011, Colt Resources attained 100% ownership of the Regional concession from Australian Iron Ore for total payments of €185,000 and 3 million restricted shares[3].

Within the Montemor Regional concession, the **Boa Fé project** is an **advanced exploration stage of development project**, which management believes has the potential for near term production. Encompassing **46.78 km^2**, the Boa Fé gold project is operating under an **experimental mining license** granted by the DGEG on November 2, 2011.

Portugal



Montemor and Boa Fé



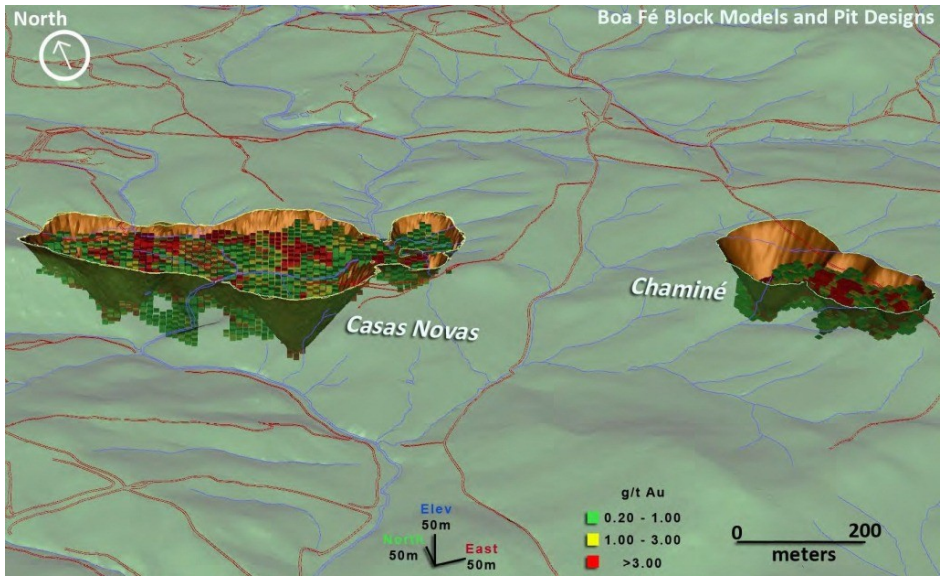
Expected Development

Chaminé is well-suited for an open pit mining project. A mining plan is being contemplated for an experimental pit with a maximum surface area of five hectares (or 0.05 km2). The Experimental Mining Contract permits the development of a relatively small open pit mine of this size without performing an Environmental Impact Assessment (EIA). Importantly, Chaminé is exempt from the Monfurado protected zone (Plano de Intervenção no Espaço Rural do Sítio Monfurado aka PIERSM). On the other hand, **Casas Novas** and some other deposits in the Boa Fé concession are located within the PIERSM, and like any mining operation above a total of five hectares and/or over 150,000 tons, those deposits will

[3] The €185,000 was paid in two installments: €60,000 on September 14, 2010 and €125,000 on November 2, 2011. The 3 million shares were issued on November 2, 2011 and placed in escrow, to be released in 500,000 share increments every four months over a 24 month period.

require Environmental Impact Assessments prior to surface mining. In addition, cork trees are abundant on the Montemor and Boa Fé concessions. Protected by law, a special permit is required to remove them, and landowners must be compensated for lost income.

In preparation for applying for a full mining permit, **conceptual mine development plans** for the deposits at Chaminé, Casas Novas and Ligeiro have been completed. Also, the Geomega consulting group as prepared the **Environmental Impact Assessment** (EIA). Management contemplates applying for a Definitive Mining License (Full Mine Permit) for all gold mineralized zones identified in the Boa Fé concession in the fourth quarter of 2013 and initiating construction in 2014 with gold production to follow in 2015.



Resources

A NI 43-101-compliant estimate for the Chaminé and Casas Novas deposits was published in July 2012 followed by an updated resource estimate in March 2013. Both were prepared by SRK Consulting. The Indicated resource estimate represents **340,310 ounces** of *in situ* gold (91,700 ounces at Chaminé, 146,100 ounces at Casas Novas and 95,800 ounces at Banhos) while **84,200 ounces** Au are categorized as Inferred (23,700 oz. at Casas Novas and 23,300 ounces at Braços).

Resource Statement for the Boa Fé Gold Project

Deposit Area	Resource Category	Quantity	Average Grade	Contained Metal
		Tonnes	Au (g/t)	Au Oz
Banhos	Indicated	2,200,000	1.35	95,800
Braços		-	-	-
Chaminé		1,390,000	2.05	91,700
Casas Novas		2,330,000	1.95	146,100
Ligeiro		148,000	1.42	6,730
Monfurado		-	-	-
	Total Indicated	**6,070,000**	**1.74**	**340,310**
Banhos	Inferred	172,000	1.97	10,900
Braços		380,000	1.91	23,300
Chaminé		5,000	4.67	730
Casas Novas		480,000	1.54	23,700
Ligeiro		-	-	-
Monfurado		520,000	1.53	25,600
	Total Inferred	**1,554,000**	**1.69**	**84,200**

TABUAÇO (PORTUGAL) – TUNGSTEN

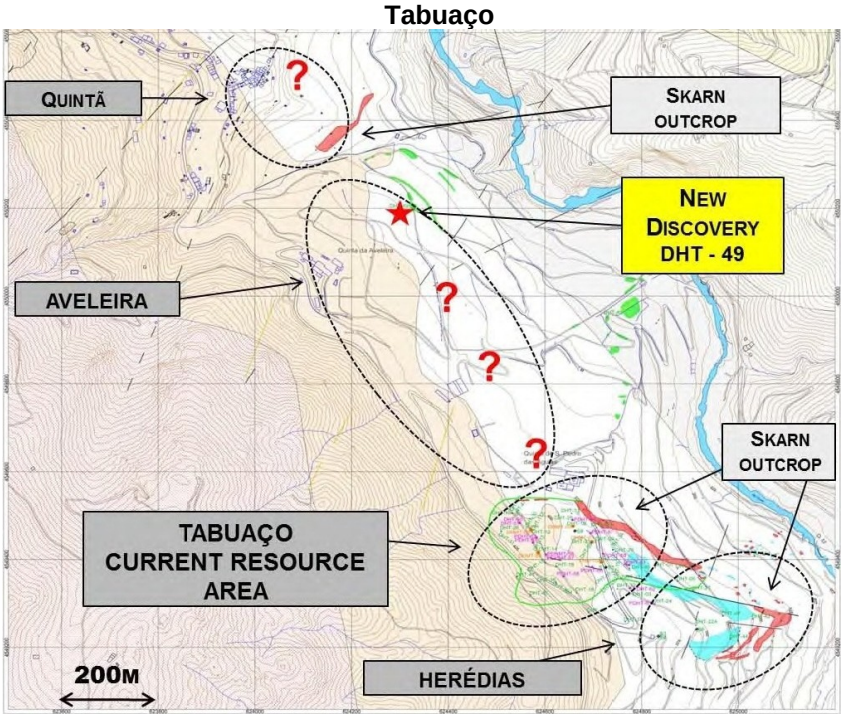
Located in north-central Portugal, the **Tabuaço tungsten project** encompasses an area of approximately **45 square kilometers**. Colt Resources owns a 100% beneficial interest in the Tabuaço experimental mining license, which was awarded in February 2013 and preceded by an exploration concession (Armamar-Meda) that was granted in December 2007. Located in the District of Viseu, Tabuaço is 93 kilometers east of city of Porto and 300 kilometers northeast of Lisbon (approximately a five hour drive by car from the capital).

The geological model being used to help determine the geometry and placement of scheelite deposits at Tabuaço is the **contact metamorphosed tungsten skarn model**. Classified as an intermediate intrusion-type model, the scheelite deposit is associated with the contact zone of an igneous intrusive, usually granite, and a favorable carbonate host rock. A mineralized skarn horizon is formed in close proximity to the boundary with the intrusive, which typically provided the heat source that drove the hydrothermal activity that altered and introduced the tungsten mineralization into the host rocks. The high-grade tungsten deposits appear in the form of **scheelite** ($CaWO_4$).

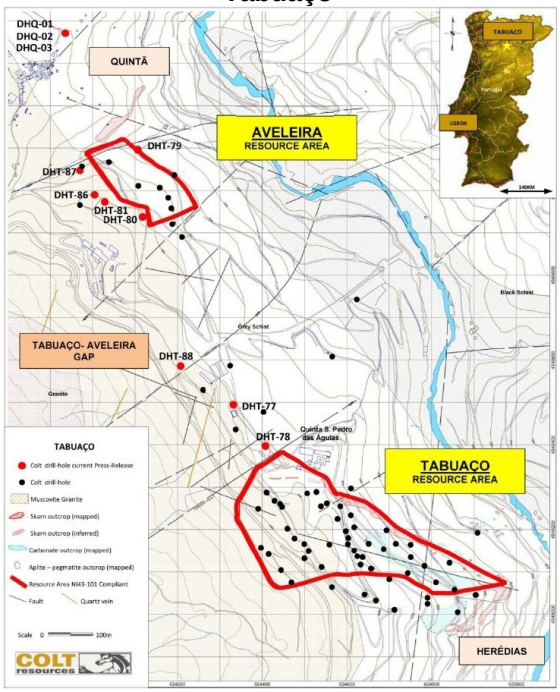
The main scheelite (tungsten) deposit is the **São Pedro das Águias** occurrence, which is situated 2.7 kilometers south-southeast of the village of Távora along the Távora River. Elevations range from 175 meters above sea level along the Távora River to almost 1,000 meters at the hilltop areas. A portion of the deposit underlies a port wine vineyard on the western terraced slope of the Távora River valley. In August 2011, Colt Resources acquired 140 hectares of surface rights, which includes a vineyard and operational winery producing Senhora do Convento port and red table wines, along with a former Cistercian monastery. By securing the land over the majority of the deposit area, the company has unencumbered access to the most of the project area during the drilling program. In addition, the land is suitable for the entrance to the planned underground mine.

Tungsten mineralization also occurs in several other areas: **Quinta das Herédias, Quintã, Quinta do Paço** and **Quinta da Aveleira** (NW and SE).

Tabuaço



Tabuaço



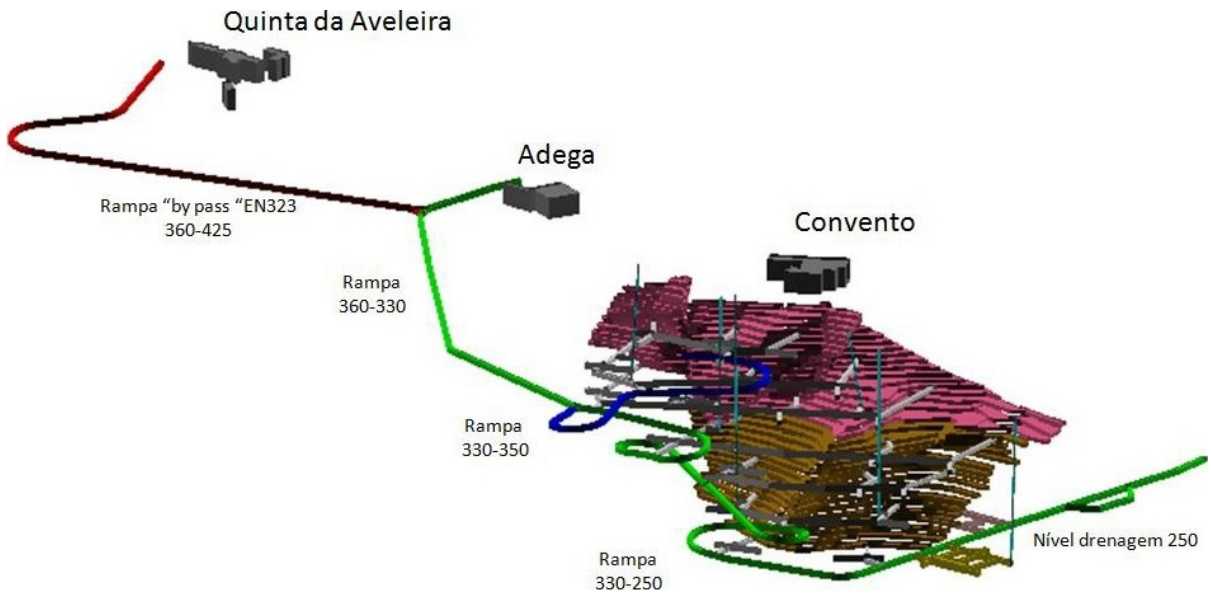
Resource

An updated NI 43-101 technical report was announced on October 3, 2012. Completed by SRK Exploration, the mineral resource estimate is based on a tungsten scheelite skarn model in proximity to a granite intrusion. Based on 64 diamond drill holes, SRK estimated an indicated resource of 1,495,000 tons averaging 0.55% WO_3 and an inferred resource of 1,230,000 tons averaging 0.59% WO_3 (0.30% WO_3 cutoff). The **updated resource estimate** increased the indicated portion of the mineral resource by 85% from 440,000 to 815,000 MTU WO_3. The resource estimate concerns the gently dipping **São Pedro das Águias** deposit, but other occurrences are being investigated; specifically, **Quinta das Herédias, Quintã, Quinta do Paço** and **Quinta da Aveleira**.

São Pedro das Águias Tabuaço (Armamar)	Tonnage (tonnes 000)	Grade (WO_3 %)	Contained Metal (WO_3 tonnes)	Contained Metal (WO_3 pounds)	Contained Metal (MTU WO_3)
Indicated	1,495	0.55	8,150	18,000,000	815,000
Inferred	1,230	0.59	7,200	16,000,000	720,000

The results of the exploration indicate that the **São Pedro das Águias zone contains important tungsten mineralized skarns** that are proximal to a granite intrusion. At least two distinct, sub-parallel carbonate skarn horizons have been discerned that are separated by schists.

Conceptual Mine Plan for the Tabuaço Tungsten Project



Expected Development

Management is fast tracking the development of the Tabuaço tungsten project. The application for an Experimental Mining License was submitted to the DGEG in August 2012, and final approval for a Trial Mining License (aka Experimental Mining License) was received in February 2013. Work on a preliminary economic assessment (PEA) is in progress, and management anticipates the PEA to be completed during the second quarter. Thereafter, management plans to conduct a pilot mill test on approximately 20 metric tons of scheelite ore. The company is well prepared since an internal preliminary conceptual mine plan was completed in 2011, which calls for an underground mine to exploit the São Pedro das Águias zone with a mine portal on land already owned by Colt Resources. A concentrator and tailings impoundment facility is being contemplated at the secluded area of Passa Frio, which is located within three kilometers from the proposed entrance of the mine. Management continues to be engaged in

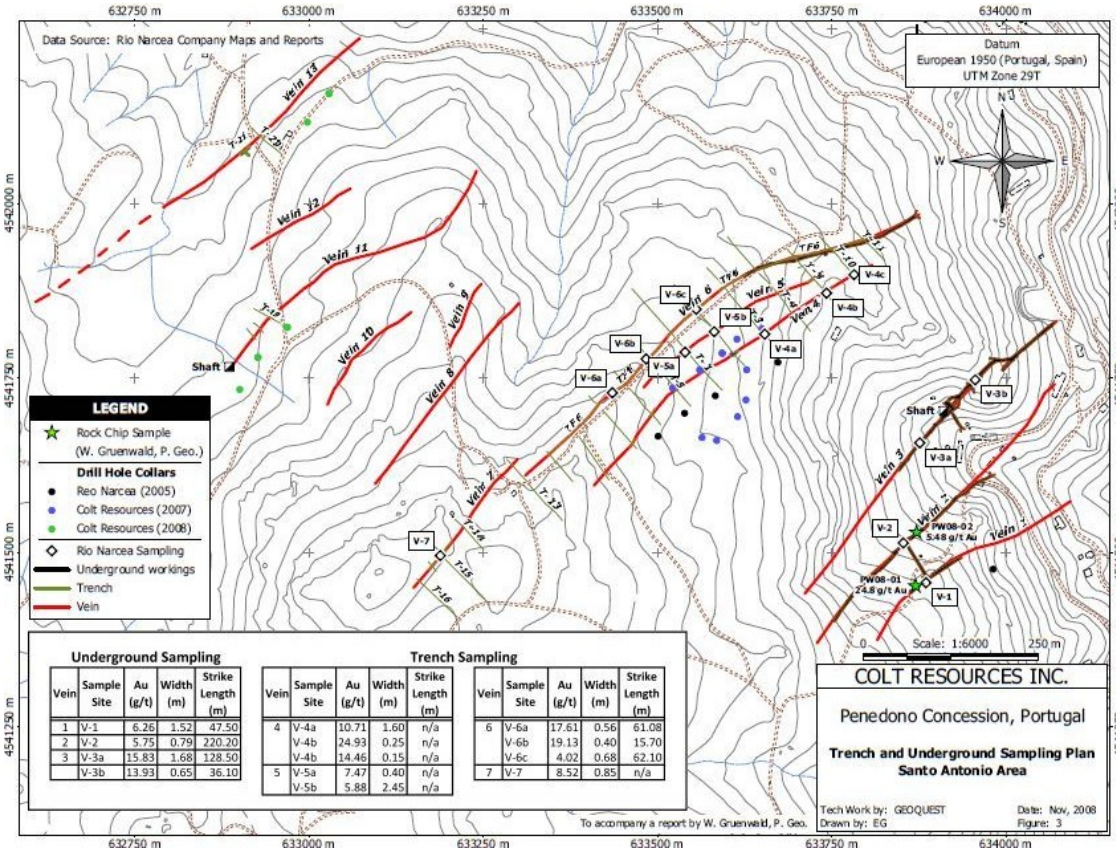
discussions with undisclosed potential partners to bring a mine to production at Tabuaço within two or three years. We would expect that the development of Tabuaço would be structured in a manner similar to the Penedono joint venture with the partner providing capital and further developing the project in order to earn a substantial stake in the concession. Management plans to begin construction of a mine in 2016 and to achieve production in 2017.

I

SANTO ANTÓNIO (PORTUGAL) - GOLD

Located in north-central Portugal, the **Santo António gold project** is being developed in a **35 square kilometer** EML. The area was mined by the Romans over 2,000 years ago and also contains the now-closed Santo António underground gold mine, which was active during the 1950's. Colt Resources obtained the exclusive right to prospect and explore the property for base and precious metals through an agreement with Rio Narcea in May 2007. Since the 1970's, , the Santo António area has been explored by several mining companies, including the S.P.E.[4]- BRGM[5] consortium, the Sociedade Mineira de Moimento- Greystar Resources Ltd. JV and Rio Narcea Gold Mines S.A.

The Santo António EML contains a number of significant vein systems of high-grade gold mineralization. Located about three kilometers northwest of the town of Penedono, the Santo António area historically has produced approximately 12,000 ounces Au in modern times. **Thirteen individual mineralized quartz veins have been identified.** From the east of the cluster to the west, the Santo António veins have been numbered from Vein 1 to Vein 13. The strike lengths in the table above are approximate, and in some cases (Veins 7 - 13) are based solely on surface indications. Some of the veins are smaller in width and discontinuous in grade (Veins 4 - 13).



Underground Sampling

Vein	Sample Site	Au (g/t)	Width (m)	Strike Length (m)
1	V-1	6.26	1.52	47.50
2	V-2	5.75	0.79	220.20
3	V-3a	15.83	1.68	128.50
	V-3b	13.93	0.65	36.10

Trench Sampling

Vein	Sample Site	Au (g/t)	Width (m)	Strike Length (m)
4	V-4a	10.71	1.60	n/a
	V-4b	24.93	0.25	n/a
	V-4b	14.46	0.15	n/a
5	V-5a	7.47	0.40	n/a
	V-5b	5.88	2.45	n/a
6	V-6a	17.61	0.56	61.08
	V-6b	19.13	0.40	15.70
	V-6c	4.02	0.68	62.10
7	V-7	8.52	0.85	n/a

[4] S.P.E. or Sociedade Portuguesa de Empreendimentos SA is a Portuguese company now 81.1% owned by Portuguese government.
[5] BRGM or Bureau de Recherche Géologiques et Minières is the French national institute for research related to the management of natural resources.

VALUATION

Managements of mineral production and exploration companies create value through evaluating, acquiring, exploring and/or developing mining properties. In the case of Colt Resources, management's strategy is to increase shareholder value by fast-pacing the development of the **Boa Fé gold project** in southern Portugal and the **Tabuaço tungsten project** in north-central Portugal, along with other properties in Portugal. As an exploration company**,** we believe it would be inappropriate to value Colt Resources on an earnings, cash flow or book value basis, which would not adequately capture the value of the company's resource base. Though book value can often represent the value of a junior exploration company, the company has advanced to a milestone point in the exploration phase that the resources have been estimated to a degree of certainty the we are comfortable in utilizing a resource-based valuation model.

Our calculation of **share value of attributable reserves and resources** is based on the ascertained value of each property plus balance sheet adjustments for working capital, PPE (property, plant and equipment) and marketable securities. The **value of each individual property** is determined by **adjusting the value of current resources for the expected recovery rate, mining/processing costs** and **royalties**, if any**.** The reserves/resources are assigned a **confidence factor** that attempts to take into account the risks of each project, such as the locality of the deposits, the assurance level of the reserves/resources, various technical mining/production risks, etc. The current price of gold and tungsten are utilized. The reserve/resource valuation methodology involves the following assumptions:

1) For the Chaminé and Casas Novas Braços deposits at Boa Fé, a 95% confidence factor is applied to the in-situ gold resources categorized as Indicated and an 85% confidence factor on resources characterized as Inferred. The NI 43-101-compliant resource announcement confirmed historical drilling results, giving us a high level of confidence.
2) For the Banhos and Braços deposits at Boa Fé, a 70% confidence factor is being applied.
3) At the São Pedro das Águias zone at the Tabuaço project, an 85% confidence factor is applied to NI 43-101-compliant measured & indicated resource and 70% confidence factor for the inferred resource.
4) Each deposit is unique; therefore, the estimated production life of each mine is different. Chaminé is expected to begin production in 2015 and produce for three years, while Casas Novas is expected to begin production one year thereafter and produce for four years due to the need for an EIA. Production at the São Pedro das Águias zone at Tabuaço is estimated to begin in 2017 and continue through 2021.
5) Portugal's net smelter return (NSR) for gold at Boa Fé is 4% and 2% for tungsten at Tabuaço. The net tax rate is estimated to be 27.5%.
6) Concessions that do not have a resource definition (specifically Montemor, Santo António, etc.) have not been assigned a value.

Based on our calculation of share value of attributable resources (see table below), **our target for Colt Resources is $2.15.**

The valuation model is quite conservative in that it includes the development costs of two mining operations (gold at Boa Fé and tungsten at Tabuaço). In general, these costs are not usually incorporated into resource-based models. Removing the development costs would produce a $3.05 per share value of attributable resources.

In August 2007, Japanese trading company Sojitz Corp. (2768: TSE) acquired Primary Metals Inc. (PMI: TSX V), the operator of the Panasqueira underground tungsten mine in Portugal. The purchase price was $51.4 million or 8.02 times book value. The mine produced 99,095 metric tonne units (MTUs) of tungsten in its 2007 fiscal year ended March and produced approximately 110,000 MTUs in 2011. Just before its acquisition, Primary Metals received an updated reserve/resource estimate. Proven and probable reserves were estimated to be 590,000 MTUs (2,430,000 tonnes grading at 0.243% WO_3) indicated

resources were 748,000 MTUs (2,700,000 tonnes at a grade of 0.277% WO_3), and the inferred resource was estimated at 405,000 MTUs (1,810,000 tonnes grading at 0.224% WO_3). Taking various factors into account, specifically that Primary Metals was operating an active underground tungsten mine with a processing plant and had been granted exploration concessions at Argimela (tin) and Quinta/Banjas (gold) and that in the month prior to the acquisition, tungsten had been trading in a range between $240 and $270 per MTU, **we estimate that the São Pedro das Águias zone deposit <u>alone</u> would be worth approximately $0.35 per Colt share to a strategic buyer today.**

Colt Resources Inc.

PORTUGUESE Projects	Metal	Measured & Indicated Resource (oz)	Grade (g/t)	Inferred Resource (oz)	Recovery Rate	Average Production Cash Costs (per oz)	Current Price	Royalties & Net Smelter Return (NSR)	% Ownership	Net Value to GTP	Net Present Value to GTP
Boa Fé - Gold											
Chaminé	Au	91,700	2.05	730	85%	300	1,475	4.0%	100%	84,120,797	76,360,599
Casas Novas	Au	146,100	1.95	23,700	85%	300	1,475	4.0%	100%	152,391,672	135,093,332
Braços	Au		1.91	23,300	85%	300	1,475	4.0%	100%	15,638,028	14,538,756
Banhos	Au	95,800	1.35	10,900	85%	300	1,475	4.0%	100%	71,612,772	66,578,768
Ligeiro	Au	6,730	1.42		85%	300	1,475	4.0%	100%	2,581,090	2,399,652
Monfurado	Au		1.53	25,600	85%	300	1,475	4.0%	100%	9,818,112	9,127,950
Tabuaço - Tungsten		**(MTU)**	**(% WO_3)**	**(MTU)**		**(per MTU)**					
San Pedro das Águias	WO3	440,000	0.58	360,000	80%	52	350	2.0%	100%	146,253,632	126,640,338
Quinta das Herédias	WO3	N/A									
Quintã	WO3	N/A									
Quintã do Paço	WO3	N/A									
Quintã da Aveleira	WO3	375,000	0.52	360,000	80%	52	350	2.0%	100%	133,345,464	115,463,215
DEVELOPMENT COSTS											
Boa Fé										(100,000,000)	(89,450,383)
Tabuaço										(100,000,000)	(44,941,151)
TAXES											
Taxes										(114,334,431)	(95,574,313)
BALANCE SHEET ADJUSTMENTS											
Working capital										5,540,930	5,540,930
Loans payable										0	0
								Net Assets & Resources		306,968,066	321,777,692
								Shares Outstanding		148,597,430	148,597,430
								Asset Value		2.07	
								Discounted Asset Value			**2.17**

BALANCE SHEET

Colt Resources Inc.

Consolidated Balance Sheets

(in $ Canadian) For the years ending March 31 or Dec 31	FY 2008 3/31/2008	FY 2009 3/31/2009	FY 2010 3/31/2010	FY 2011 3/31/2011	2011 12/31/2011	2012 12/31/2012
ASSETS						
Cash and cash equivalents	625,911	19,818	484,445	1,236,079	3,885,777	6,473,498
Marketable securities	-	-	-	-	3,003,868	-
Commodity Taxes and other receivables	45,116	43,846	21,429	146,895	401,279	1,519,580
Taxes receivable	1,967	22,611	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Inventories	-	-	-	-	3,710,550	3,071,227
Prepaid expenses	12,936	7,886	40,098	127,149	316,298	455,184
Due from related party	4,138	-	-	-	-	-
Current Assets	**690,068**	**94,161**	**545,972**	**1,510,123**	**11,317,772**	**11,519,489**
Property, plant and equipment	**14,023**	**11,464**	**6,144**	**190,003**	**1,636,569**	**1,535,079**
Biological assets	-	-	-	-	**1,466,579**	**1,467,690**
Exploration and evaluation assets	**1,267,706**	**1,932,549**	**2,867,390**	**4,765,569**	**15,456,652**	**24,664,728**
Goodwill	-	-	-	-	**733,007**	**728,453**
Performance Bonds	**113,707**	**133,600**	**123,300**	**124,038**	**229,587**	**603,428**
Intangible assets	-	-	-	-	**36,285**	**1,246**
Total Assets	**2,085,504**	**2,171,774**	**3,542,806**	**6,589,733**	**30,876,451**	**40,520,113**
LIABILITIES						
Accounts payable & accrued liabilities	103,654	227,577	414,622	797,594	830,247	4,651,272
Due related parties	11,074	130,543	49,670	83,012	63,273	48,325
Loans payable	-	-	-	-	1,262,068	1,278,962
Current Liabilities	**114,728**	**358,120**	**464,292**	**880,606**	**2,155,588**	**5,978,559**
Deferred taxes	-	-	-	-	733,007	445,405
Loans payable	-	-	-	-	1,262,068	-
Convertible preferred shares	-	-	-	-	2,690,174	2,793,904
Convertible debenture	692,440	287,917	271,038	0	0	0
Long-term liabilities	**692,440**	**287,917**	**271,038**	**0**	**4,685,249**	**3,239,309**
Share capital stock	1,573,182	3,358,545	5,596,992	12,263,860	35,222,854	49,105,150
Subscription receipts	-	-	-	-	-	2,700,000
Additional paid-in capital	393,183	434,421	824,596	2,631,351	3,886,136	3,966,618
Equity portion of convertible shares	-	-	-	-	700,628	700,628
Equity portion of convertible debenture	807,860	214,097	128,458	-	-	-
Unrealized gain on financial assets AFS	-	-	-	-	-	-
Accumulated translation adjustments	-	-	-	-	(718,476)	(677,721)
Retained earnings (deficit)	(1,495,889)	(2,481,326)	(3,742,570)	(9,186,084)	(15,055,528)	(24,492,430)
SHAREHOLDERS' EQUITY	**1,278,336**	**1,525,737**	**2,807,476**	**5,709,127**	**24,035,614**	**31,302,245**
Total Liabilities and Equity	**2,085,504**	**2,171,774**	**3,542,806**	**6,589,733**	**30,876,451**	**40,520,113**
Common shares outstanding	10,028,056	17,799,096	32,109,336	55,198,419	98,452,604	129,571,430

PROJECTED INCOME STATEMENT

Colt Resources Inc.

Consolidated Statements of Operations and Retained Earnings

(in $ Canadian)	FY 2008	FY 2009	FY 2010	FY 2011	(9 months) 2011	2012	2013 E
For the years ending March 31	3/31/2008	3/31/2009	3/31/2010	3/31/2011	12/31/2011	12/31/2012	12/31/2013
Revenue:	**0**	**0**	**0**	**0**	**159,064**	**0**	**0**
Expenses:							
Stock-based compensation	495,939	248,423	246,963	1,265,942	1,254,785	80,482	500,000
Interest on convertible debenture	130,016	152,780	111,401	7,919	-	-	0
Consulting	203,367	176,470	390,064	447,218	431,216	586,631	769,504
Management fees	-	-	-	-	570,008	1,028,496	1,000,000
Salaries	43,837	129,463	70,313	291,095	348,342	588,907	650,000
Investor relations & Marketing	98,252	87,269	168,498	2,051,013	1,414,044	2,014,691	2,135,572
Accounting and audit	27,562	47,179	39,560	97,625	153,174	-	-
Rent	27,213	33,339	40,772	41,090	192,383	-	-
Filing fees	5,465	6,978	4,215	32,076	14,859	-	-
Listing and transfer agent fees	16,093	10,522	21,295	205,666	146,478	-	-
Bank charges	3,806	4,724	3,766	7,016	16,544	-	-
Other G&A expenses						900,871	954,923
Office	73,680	22,591	45,674	128,250	960,381	1,733,231	1,500,000
Property investigation	0	21,626	3,450	67,789	44,627	2,441	2,500
Insurance	1,825	3,494	3,384	14,745	78,858	229,452	250,000
Legal	30,915	2,823	81,890	245,865	458,926	285,798	300,000
Interest expense	4,376	0	8,264	11	-	-	-
Other costs	-	-	-	-	59,910	266,954	200,000
Amortization expense	2,337	4,250	940	16,210	145,524	277,200	325,000
Operating expenses	**1,164,683**	**951,931**	**1,240,449**	**4,919,530**	**6,290,059**	**7,995,154**	**8,587,499**
Loss from operations	**(1,164,683)**	**(951,931)**	**(1,240,449)**	**(4,919,530)**	**(6,130,995)**	**(7,995,154)**	**(8,587,499)**
Interest income	29,678	5,666	622	0	42,243	52,178	45,000
Interest (expense)	-	-	-	-	(79,514)	(272,291)	(125,000)
Write-off of mineral property interest	-	(90,000)	-	-	-	(1,396,134)	0
Loss on disposal of equipment	-	-	(9,652)	-	-	(10,632)	0
Derivatives gain (loss)	-	-	-	-	-	-	0
Foreign exchange gain (loss)	9,802	3,013	(8,425)	(74,811)	243,831	50,231	0
Total other income (expense)	**39,480**	**(81,321)**	**(17,455)**	**(74,811)**	**206,560**	**(1,576,648)**	**(80,000)**
Loss before income taxes	**(1,125,203)**	**(1,033,252)**	**(1,257,904)**	**(4,994,341)**	**(5,924,435)**	**(9,571,802)**	**(8,667,499)**
Future income tax (recovery)	(29,450)	(47,815)	3,340	0	(11,814)	(134,900)	(122,155)
Net Gain (Loss)	**(1,095,753)**	**(985,437)**	**(1,261,244)**	**(4,994,341)**	**(5,912,621)**	**(9,436,902)**	**(8,545,344)**
Other comprehensive loss							
Unrealized gain on available for sale marketable securities	-	-	-	-	6,746	(6,746)	0
Foreign exchange gain (loss) on translation of foreign operations	0	0	0	0	(725,040)	47,501	0
Total comprehensive loss	**(1,095,753)**	**(985,437)**	**(1,261,244)**	**(4,994,341)**	**(6,630,915)**	**(9,396,147)**	**(8,545,344)**
Net income per common share (diluted) - continuing ops.	**(0.16)**	**(0.07)**	**(0.05)**	**(0.11)**	**(0.07)**	**(0.08)**	**(0.06)**
(diluted) - continuing ops.							
Weighted average common shares outstanding - diluted	6,833,463	14,866,814	23,717,819	46,205,934	86,749,732	121,383,520	142,852,269

HISTORICAL ZACKS RECOMMENDATIONS



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