An Exploration Stage Company

MANAGEMENT'S DISCUSSION & ANALYSIS

As at April 29, 2013

This MD&A provides a review of the consolidated financial position and results of operations of Colt Resources Inc. (the "Company"), for the years ended December 31, 2012 and 2011. It should be read in conjunction with the Company's audited consolidated financial statements and notes to those statements as at and for the years ended December 31, 2012 and 2011.

The Company has prepared its consolidated financial statements for the years ended December 31, 2012 and 2011 in accordance with International Financial Reporting Standards ("IFRS"). All figures are in Canadian dollar ("CA$") unless otherwise noted.

Additional information regarding Colt Resources Inc, including the Company's Annual Information Form dated February 8, 2013, is available on SEDAR at www.sedar.com

The Company's securities trade on the TSX Venture, OTCQX and Frankfurt exchanges.

FORWARD LOOKING STATEMENTS

Certain of the information contained in this MD&A may contain "forward-looking statements". Forward-looking statements may include, among others, statements regarding future plans, costs, objectives or economic performance, or the assumptions underlying any of the foregoing. In this MD&A, words such as "may", "would", "could", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", "estimate" and similar words and the negative form thereof are used to identify forward-looking statements.

Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at or by which, such future performance will be achieved. Forward-looking statements are based on information available at the time and/or management's good-faith belief with respect to future events and are subject to known or unknown risks, uncertainties and other unpredictable factors, many of which are beyond the Company's control. These risks and uncertainties include, but are not limited to, those described in this MD&A and any other document published by the Company. The Company does not intend, nor does it undertake any obligation, to update or revise any forward-looking statements contained in this document to reflect subsequent information, events or circumstances or otherwise, except if required by applicable laws.

COMPANY OVERVIEW

Colt Resources is a Canadian-based exploration stage company focused on the acquisition, exploration and development of mineral properties in Portugal and Canada. The Company is led by an experienced management and technical team and its strategy is to provide stakeholder value from quality mineral assets located in safe jurisdictions. The Company's common shares are listed on the TSX Venture Exchange (Symbol: GTP), OTCQX (Symbol: COLTF) and the Frankfurt Stock Exchange (Symbol: PO1). The Company is a reporting issuer in the Provinces of British Columbia, Alberta, Ontario and Quebec.

The Company's significant exploration and development projects at December 31, 2012 included the Boa Fé gold project in southern Portugal and the Armamar-Meda tungsten project in northern Portugal. The Company holds a 100% interest in both projects.

The recoverability of investments in the Company's exploration and evaluation assets are dependent upon the economic recoverability of its reserves, the continuation of the Company's interest in the underlying resource claims and the ability by the Company to obtain necessary financing to complete their development. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms.

Volatility in the global financial markets continued during 2012 as a result of the debt crisis in Europe and the slow pace of economic recovery in China and the United States. Central banks in the US, China and Japan have favored low interest rates in driving monetary policy strategy to stimulate economic growth, which benefited silver and base metal prices. In terms of the price of gold, the outlook for long-term gold prices remains positive, however, gold prices have not been trading near the levels seen in 2011.

As disclosed in the financial statements, the Company has not earned significant revenue and is considered to be in the exploration and evaluation stage. The Company's current committed cash resource are insufficient to cover expected expenditures in fiscal 2013. The Company's ability to continue as a going concern is also dependent on being able to obtain the necessary financing to satisfy its liabilities as they become due. There can be no assurances that management will be successful in securing adequate financing.

QUALIFIED PERSON

The technical information disclosed in this MD&A has been reviewed and approved by Gareth O'Donnovan of the firm SRK Exploration Services, a Qualified Person (QP) for Colt Resources, as defined by National Instrument 43-101 for the Standards of Disclosure for Mineral Projects.

The Company's technical reports are available under the Company's profile on www.sedar.com

CORPORATE HIGHLIGHTS

The fiscal year ended December 31, 2012 was marked by volatility in the financial markets, in particular, the equity markets for mineral exploration and junior producers. The uncertainty in the financial markets around the world has resulted in decreased activity equity financings making it more difficult for juniors to finance their projects.

The financial uncertainty in the European Union remains relevant as well within the context of the Company's operations in Portugal. Management remains cautious in its outlook and its assessment of the macro economic conditions that can potentially affect its projects in the region.

Executive Appointments

On January 24, 2012, the Company appointed Filipe Faria as Vice President of Exploration and Steven McRobbie as Vice President of Mine Geology. In September 2012, Mr. McRobbie stepped down as Vice President of Mine Geology to pursue other opportunities.

On December 11, 2012 the Company appointed Richard Quesnel as a new independent member of the board of directors. Mr. Quesnel served for over 5 years as President and CEO of Consolidated Thompson Iron Mines. He has over 32 years of senior mine management and engineering experience at large gold, copper, nickel and iron ore mining properties in Canada and Western USA.

On December 11, 2012, the Company also appointed Daniel Goffaux as technical advisor to the board of directors. Mr. Goffaux has extensive experience in the mining industry, and has held a number of progressively senior operations and management roles, including Vice-President, Corporate Development for Black Hawk Mining, and Vice-President and General Manager of Black Hawk's El Limon mine in Nicaragua. In 2003, Mr. Goffaux joined Breakwater Resources as the General Manager of the Bougrine mine in Tunisia, a position he held until its closure in 2005. Upon his return to Canada, Mr. Goffaux was engaged by Micon International, based in Montreal, and became Vice-President, Latin America, of Breakwater Resources, from 2006 to 2011.

Joint Collaboration Agreement

On September 4, 2012, the Company announced a joint agreement with Consultoria Tecnica Ltda ("Contecnica"), a privately owned engineering firm from Brazil, for the joint application for an experimental mining license and the joint exploration and development of the Penedono gold property located in northern Portugal. The terms of the agreement are disclosed in the press release dated September 4, 2012 and the Condensed Interim Consolidated Financial Statements for the period ended December 31, 2012, both filed www.sedar.com. The terms of the transaction are also discussed as well in the exploration highlights section of this MD&A.

Corporate Finance

On March 8, 2012, the Company announced the successful exercise of 13 million share purchase warrants with total proceeds of $6 million.

On May 2, 2012, the Company announced the closing of a brokered private placement of 10,000,000 common shares at a price of $0.50 per share and a non-brokered private placement of 7,400,000 common shares at $0.50 per share with total gross proceeds of $8.7 million.

Appointment of Auditors

On December 3, 2012, the Company appointed Ernst & Young LLP, Chartered Accountants, as its auditors. The decision to change auditors was the result of an increase in the Company's activities in Portugal, requiring the expertise and international infrastructure of a larger accounting firm.

EXPLORATION AND EVALUATION HIGHLIGHTS

Boa Fé Experimental Mining License

The Boa Fé Experimental Mining License (Boa Fé or the "BF-EML") covers approximately 46.78km^2 and is located approximately 95 km east of Lisbon, the capital city, near the towns of Montemor-o-Novo and Évora, in the Alentejo region of southern Portugal. The property is completely surrounded by the Company's 100% owned Montemor exploration concession.

During the 4th quarter of 2012, the Company's focus was in the expansion and resource upgrade of the deposits of Banhos, Casas Novas and Chaminé.

At Banhos, an aggressive drilling campaign was developed, resulting in a total of 54 drill holes done during this quarter with a total of 8123.85 metres (average of 140 metres per hole), plus 6 drill holes totalizing 670.00 metres in Banhos-North (a satellite occurrence near Banhos). Most of these drill holes was carried out by a Turkish drilling company.

A regular grid was planned and executed in Banhos. The grid was initially spaced 50 by 50 metres (sections 6500N to 6800N) and later changed to 100 by 50 metres (sections 6900N to 7200N and 5550N to 6400N).

At the Casas Novas deposit, two additional drill holes were completed with a total of 308.20 metres to investigate the probable continuation of the ore body to Southwest and simultaneous open the deposit expansion to depth.

At the Chaminé deposit, five drill holes were completed with a total of 1159.40 metres, in an irregular pattern to infill the previous grid and gather more confidence in the model for resources upgrade and estimation.

The Company also tested the possibility that the gold mineralization continues to occur at depth. Therefore deeper drill holes were planned and completed at the Chaminé deposit. The first drill hole was vertical and reaches 505.10 metres deep and the second drill hole inclined at -60º to southeast reach the depth of 500.40 metres. Both drill holes confirmed that the gold mineralization is present at depth and beneath the already known near surface deposit at Chaminé. The deeper gold intersections are highlighted by the 21.75 metres at 2.07g/t Au from 435.35 to 456.10 metres in the hole BFCH-12-041 and 14.85 metres at 0.60g/t Au from 303.00 to 317.85 metres. Both holes also confirmed the presence of the near surface gold mineralization.

The next step is to apply down-hole geophysics techniques to optimize the results obtained and planning new drill holes. These initial results open the possibility for deeper gold mineralization beneath the identified deposits and along the untested shear zone corridors.

The initial geotechnical drilling campaign was finish during this quarter, with the completion of the geotechnical holes planned on the location of the major infrastructure (tailings facilities; water dam; pits).

A ground magnetic survey was carried out over an area of 6.6 km^2 enclosing the Azinhaga-Banhos zone, NW of the Casas Novas deposit, with 50m spaced traverses with continuous magnetic readings.

Trenching continued over the Banhos-North wide arsenic anomaly in soils. Two trenches were excavated and channel sampled, totaling 101.5 metres in extension. The results turned out modest, with a best interval in one of the trenches of 1.32g/t Au over 1.0m.

The exploration diamond drilling carried out during the 4th quarter 2012 within the Boa Fé EML was also focused at Banhos-North, where six 45º inclined holes were completed for a cumulative length of 670.00 metres, as mentioned above. These holes intersected only narrow and very poor gold mineralization, with a best result of 0.536g/t Au over 1.0m.

It was concluded that the Banhos-North sulphide (arsenic) mineralization is not economically enriched in gold; therefore no further exploration work is planned for this anomalous area.

In 2012, the Company conducted metallurgical test work on sample materials from the Chaminé deposit in the Boa Fé concession. Approximately 200 kilograms of split core sample were shipped to a Brazilian firm for test work in gravity, flotation and cyanide based recovery methods. This work is on-going. In addition, the Company engaged the services of a metallurgical technology provider to examine non-cyanide based recovery methods for the gold values in the Chaminé mineralized materials. This work has been successful in identifying one or more potential process paths to recover the gold values and convert the arsenic present in the deposit to ferric arsenate, which is potentially suitable for disposal. The Company anticipates conducting further work on these recovery methods in 2013, to potentially include building a demonstrating micro-plant at the metallurgical services provider's facility. The Company already contacted two Portuguese companies, already licensed for the use of cyanide, to present proposals for possible installation within their facilities, of a plant of this kind. These efforts are part of the Company's program to identify the best on-site or off-site processing alternatives for the Chaminé deposit mineralized materials. The Company intends to extend this work in 2013 to the mineralized materials from other deposits in the Boa Fé concession.

An updated NI 43-101 report provided new resource estimation for the Chaminé and Casas Novas deposits, as seen in table 1. an updated resource estimation is in progress, this time extended to other deposits in the Boa Fé experimental mining license like Banhos, Ligeiro and Braços and also including the Monfurado deposit located in the Montemor-o-Novo exploration concession. Geological reinterpretation and morphology modeling was started in December aiming to estimate the resources for most of the known deposits.

Table 1 – Initial NI43-101 compliant mineral resource estimation for the Chaminé and Casas Novas deposits.

		Quantity	**Average Grade**	**Contained Metal**
Deposit Area	**Resource Category**	**Tonnes**	**Au (g/t)**	**Au Oz**
Chaminé		1,207,000	2	77,000
Casas Novas	Indicated	3,026,000	1.4	137,000
	Total Indicated	**4,233,000**	**1.57**	**214,000**
Chaminé		4,000	3.14	400
Casas Novas	Inferred	205,000	2.34	15,000
	Total Inferred	**209,000**	**2.36**	**15,400**

An updated NI43-101 compliant mineral resource estimation including Chaminé and Casas Novas as well as Banhos, Braços, Ligeiro (all in the Boa Fe EML) and the Monfurado deposit located in the Montemor-o-Novo exploration concession was subsequently announced in March 2013. These results are presented in Table 2.

Table 2: Resource Statement for the principal Boa Fé/Montemor deposits
Alentejo Region, Portugal: SRK Consulting (UK) Ltd., March 4, 2013*

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

Notes
(1) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.
(2) Resources stated as contained within a potentially economically mineable open pit above a 0.44 g/t Au cut-off. A variable specific gravity estimated for individual block models.
(3) Pit optimization is based on an assumed gold price of US$1,560/oz. , metallurgical recovery of 90%, mining cost of US$2.00/t and processing and G&A cost of US$18.00/t.
(4) Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.

On the administrative side, a meeting with the mayors of Évora and Montemor municipalities were held to present the Boa Fé project, and APA (the Portuguese environmental agency) sent a list of queries and requests regarding the recently submitted EIA. The Company expects a response during the first quarter of 2013.

As at December 31, 2012, the Company has invested and capitalized $9,324,634 ($3,119,841 as at December 31, 2011) with respect to the Boa Fé EML.

Armamar-Meda Tungsten Concession (New Tabuaco Experimental Mining License)

The Company had a 100% interest in the Armamar-Meda property which had an area of 109.20 km^2. Located in north central Portugal, the property is approximately 5 hours driving time from Lisbon. Roads provide ready access throughout the property. Infrastructure and local resources are excellent.

Due to contractual obligations, the exploration license expired on December 9, 2012, but according to the present mining legislation, the company applied for an experimental mining license ("EML") on August 14, 2012, referred as "Tabuaço". The trial mining license is similar to that granted to Colt Resources for its 100% controlled Boa Fé gold project in southern Portugal. It is expected that the EML license will be granted during February 2013, after the Armamar-

Meda licence expired. During this period, the Company's right to remain 100% owner of the property is guaranteed under the terms of the agreement with the government, having applied for the EML prior to the expiry of the exploration concession.

During the fourth quarter 2012, all work completed at the Armamar-Meda exploration concession was focused in the Tabuaço tungsten deposit area, no further exploration having been carried out on the regional scale.

Exploration at the Tabuaço project area consisted of diamond drilling, which has been done in four zones north of the São Pedro das Águias resource area, namely (from South to North): (1) Tabuaço resource area (São Pedro das Águias) with only one evaluation hole drilled (DHT-61) planned to substitute the abandoned DHT-60 by CGS and to infill the section line; (2) the Gap area; (3) the Aveleira deposit; and (4) the Quintã-Távora zone.

The drilling work done at the Aveleira deposit was aimed at consolidating the NI 43-101 resource estimation for this deposit which was disclosed on October 3, 2012, as well as to determine the lateral extents of the deposit. A total of six, vertical or inclined DDH's were completed at Aveleira during the 4th quarter, for a cumulative drilled length of 1138.85 metres. All these holes intersected tungsten (scheelite) mineralized skarns, the best analyzed sections originating from holes DHT-86 (1.06% WO3 over 3.20m) and DHT-87 (0.38% WO3 over 1.65m). The drill intersections obtained to date indicate a NW-SE strike extent of the Aveleira deposit nearing 250 metres, whereas the total lateral extent remains to be defined by further drilling.

Diamond drilling was also continued in the gap between the São Pedro das Águias and Aveleira tungsten deposits. Three vertical DDH's were completed during the 4th quarter of 2012, for a total extension of 364.68 metres. The best results obtained to date from this Gap area were from the last drilled hole DHT-88, which intersected two separate mineralized intervals, namely: Upper Skarn – 0.45% WO3 over 4.00m; Lower Skarn – 0.58% WO3 over 6.00m.

The skarn tungsten mineralization drill intersected so far by Colt Resources in the Gap area between the São Pedro das Águias and Aveleira deposits extends for a Northwest-Southeast strike extent of 275 metres, and a yet unknown lateral (down-dip) extent into the mountain and underneath the outcropping granite. The southernmost of these mineralized holes is within 40 metres of the northern limit of the São Pedro das Águias resource area, whereas the northernmost hole drilled so far in the Gap (DHT-88, incidentally the richest hole in the Gap) warrants further drilling in the >300 metre strike-length zone between this hole and the Aveleira deposit.

At the Quintã–Távora zone, 3 diamond drill holes (one vertical and two inclined 45º) were drilled for a cumulative length of 721.4 metres, in order to investigate the likely down-dip extents of the Quintã scheelite-bearing skarn outcrop. However, neither of these holes succeeded in intersecting thick and richly mineralized skarn tungsten mineralization as previously sampled from the outcrop, but only several disperse narrow skarn horizons (up to around 1 metre thick) assaying between 0.11% and 0.72% WO3. Besides these poor drilling results, further drill testing will be carried out at the Quintã zone after an assessment of the acquired data is completed.

On the metallurgical side, the Company has completed a comprehensive metallurgical test work program focused upon gravity and flotation recovery of the scheelite values in the Tabuaço ores. This program was accomplished using one European and two Chinese metallurgical services providers or research institutions. The metallurgical test work was conducted using split drill core from the exploration drilling of the SPA deposit, and the selection of drill core used was based upon compiling representative samples based upon the then currently known resource composition of the SPA deposit. In summary, gravity recovery appears to be only partially effective, and the majority of the work has focused upon achieving an acceptable recovery rate from flotation concentration only and producing final flotation concentrates of an acceptable grade in the international marketplace. The company is examining potential downstream processing of the resultant flotation concentrates, either into ammonium paratungstate or a tungsten oxide end product.

It is anticipated that a small test mining program will be conducted at the SPA deposit at Tabuaço in 2013, and it is the company's current intention to send approximately 20 tons of mineralized material from the test mining program for pilot mill testing at one the metallurgical services providers used in the 2012 test work program. In addition, the Company may conduct testing of downstream processing alternatives.

On 31 October 2012, a positive opinion to the Company's PDA was officially received from the APA, containing a number of recommendations that should be respected in the future development of the EIA for the "Tabuaço Project".

A document with a detailed location of the trial shaft + gallery + provisional waste dumps, overlain with the maps of the local PDM (protection area for the convent + REN + RAN, power lines, etc.) were prepared and delivered to DGEG.

The geotechnical drilling required for the EML was completed at the proposed shaft and gallery locations, within very poor ground conditions.

In October 2012, a new NI 43-101 report was published with the following updated resource estimation:

Classification	Tonnage kt	Grade % WO	Contained Metal t WO	Contained Metal lb WO	Contained Metal MTU WO
Indicated Mineral Resources	1,495	0.55	8,150	18,000,000	815,000
Inferred Mineral Resources	1,230	0.59	7,200	16,000,000	720,000

In summary, the processes and parameters used to derive the Mineral Resource Statement are as follows:

a) A cut-off grade of 0.3% WO3 has been used to constrain the Mineral Resource estimate.
b) This cut-off grade is based on a WO3 price of US$300/mtu., an underground mining cost of US$30/t and a processing cost of US$22/t, (costs supplied by SRK (Denver), and agreed by Colt).
c) This resource model has been wire-framed using GEMS. Grade interpolation was undertaken using Ordinary Kriging at SPA and Inverse distance weighting at Aveleira, with block model dimensions of 12.5m in the X direction, 12.5m in the Y direction and 2.5m in the Z direction. This is reasonable given the drill spacing across the project area. Variography and grade estimation were undertaken in GEMS. Search ellipsoids were derived based on drill-hole spacing and a three search pass strategy.
d) Data quality, geological continuity and block grade estimation quality were all assessed to determine the classification of the Mineral Resource.

As at December 31, 2012, the Company has invested and capitalized $10,997,708 with respect to its "Armamar-Meda" Concession and Exploration License ($8,515,182 as at December 31, 2011)

Penedono Gold Concession (New Santo Antonio Experimental Mining License)

The Company had a 100% interest in the Penedono property which had an area of 51.22 km^2. Located in north central Portugal, the property is approximately 5 hours driving time from Lisbon. Roads provide ready access throughout the property. Infrastructure and local resources are excellent.

Due to contractual obligations, the exploration license expired on October 28, 2012, but according to the present mining legislation, an experimental mining license ("EML") referred as Santo António, was applied by the Company and Contécnica, as a joint cooperation named "Consórcio Penedono", on October 26, 2012. The trial mining license is similar to that granted to Colt for its 100% controlled Boa Fé gold project in southern Portugal. The EML license was granted during February of 2013, after the Penedono license expired. During this period, the joint cooperation's right to remain 100% owner of the property is guaranteed under the terms of the agreement with the government, having applied for the EML prior to the expiry of the exploration concession.

No new field work was carried out at the Penedono concession during the fourth quarter of 2012. However, the SRK work of assembling all the exploration work carried out in the past was delivered and checked. The final reports from Santo António, Turgueira and from the all the other areas within the Penedono license were received.

All projects and studies that were underway by the end of the third quarter were completed and the EML application was delivered to DGEG on 26 October 2012, including the mining plan and the work program for the EML application prepared by Contecmina.

As at December 31, 2012, the Company has invested and capitalized $2,942,191 with respect to its "Penedono" Concession and Exploration License ($2,432,769 as at December 31, 2011)

Montemor-o-Novo Gold Concession

The Montemor-o-Novo exploration concession ("Montemor" or the "Concession") covers approximately 728.22km^2 and is located approximately 95 km east of Lisbon, the capital city, near the towns of Montemor-o-Novo and Évora, in the Alentejo region of southern Portugal. The property completely surrounds the Company's 100% owned Boa Fé Experimental Mining License.

During the fourth quarter 2012, a stream sediment survey was carried out in order to cover a prospective area encompassing the NW extension into the Montemor concession of the Boa Fé shear corridor beyond the Banhos deposit (located within the Boa Fé EML) – an area where the historical prospecting was found to be rather scarce. This survey comprised dual sampling for geochemical multi-element analysis as well as for pan-concentrate heavy mineral counting. Such paired samples were taken from a total of 116 sampling sites. A number of anomalies of either gold and/or associated elements were identified, which follow-up investigation has already been started.

Geochemical soil sampling surveys were carried out over the Carvalhal Fonte Santa area (central Montemor concession) and the Grou area (towards the western limit of the concession), in either case on a 50m square grid. A total of 1264 soil samples were taken from the former area, selected because it is in the immediate NW extension of the Boa Fé shear corridor beyond the Banhos deposit, and besides had favourable geological and structural setting, as well as anomalous stream sediment results. On the other hand 477 were taken from the Grou area, selected due to the presence of historical gold values in rock, soil and stream sediment samples, as well as recent prospecting by Colt which confirmed the presence of gold mineralization in float and outcrop. The multi-element ICP (incl. Au) analytical results for the samples of both these surveys are still pending.

Geologic prospecting and rock sampling were carried out at several locations and zones throughout the Montemor-o-Novo exploration concession, since the neighborhood of the Boa Fé EML at East, till the western boundary of the concession. A total of 81 rock samples (grab or chip) were taken from the outcrop or float of obvious nearby provenance (sub-outcrop), from a total of 16 distinct field locations spread throughout the western half of the Montemor concession. Analytical results exceeding 1 g/t Au were reported for a total of 25 of these samples taken from 6 main locations, the best results originating from Grou (2.42 to 169.5g/t Au), Safira (2.45 to 18.9g/t Au), Carvalhal (1.17 to 9.39g/t Au), Regadia-North (1.07 to 5.7g/t Au).

Analytical results received for the last drill hole (MOMF-12-001) and the last five trenches from Monfurado all confirmed the presence of low-grade gold mineralization over wide intervals. Besides the modesty of these last received results, the previous results from Monfurado warrant further drilling at this target in order to outline its full extent, either along-strike and down-dip.

Two inclined diamond drill holes were completed at Mourel turbidite-hosted gold occurrence, and another at Mourel-North breccia-type orthogenesis-hosted gold occurrence, for a cumulative drilled length of 281.17 metres. All holes confirmed the presence of gold mineralization, however too low grade as to warrant follow-up work at Mourel; whereas the results for the Mourel-North hole (3.02g/t Au over 1.65m) merit further drilling to investigate of this new type of gold mineralization.

As at December 31, 2012, the Company has invested and capitalized $946,277 with respect to its Montemor Concession and Exploration License ($0 as at December 31, 2011)

Moimenta-Almendra Concession

Since the last surface area reduction, effective from October 1, 2012, the Moimenta-Almendra concession ("Moimenta-Almendra" or the "Concession") has a surface area of 141.50 km^2, located in north central Portugal, a two hour drive from the coastal city of Porto or a four hour drive from Lisbon, the capital city.

Drilling continued at this concession during the fourth quarter of 2012, focussed on the Freixo de Numão Sn-W mineralized area. The second hole, FN-12-02 was completed at 238.25 m deep in NQ size, cutting silicified chloritic schists with narrow beds of calsilicated rocks with minor scheelite. In the last 70m of the hole, mineralization zones became scarce, even when veining is present.

215 samples, 145 from FN-12-01 and 70 from FN-12-02, including 13 QA/QC samples, were sent for Sn/W analysis. Despite the scattered scheelite visible under UV light, all the samples showed very low tungsten values. Only one sample showed some low tungsten values, as follows: 1.63 m @ 0.21% WO3 from 202.47 to 204.10 m on hole FN-12-01

As at December 31, 2012, the Company has invested and capitalized $430,578 with respect to its "Moimenta-Almendra" Concession and Exploration License ($317,516 as at December 31, 2011)

Santa Margarida do Sado VMS Concession

Effective from September 16, 2012, the Santa Margarida do Sado concession ("Santa Margarida" or the "Concession") is considered extinct, after the Company presented the final report and returned all the drilled core and surface area to DGEG, which accepted and confirmed that all investments and financial commitments of the contract were fulfilled.

As at December 31, 2012, the Company had capitalized and fully impaired $671,615 for the "Santa Margarida do Sado" property.

Cedovim Concession

The Cedovim exploration concession ("Cedovim" or the "Concession") consists of 218,129 km^2 of prospective ground located in northern Portugal, approximately 100 km east of the city of Porto. It is composed of two separate blocks, and is contiguous with the "Armamar-Meda" and "Moimenta-Almendra" concessions.

A soil geochemical survey was carried out at Poço do Canto with a total of 8 lines with 115 samples. These samples were sent to the lab and by the end of 2012 and the results are awaited. During the soil geochemical survey, a small geological mapping around the skarn outcrops was also carried out.

As at December 31, 2012, the Company has invested and capitalized $23,340 with respect to its "Cedovim" Concession and Exploration License (Nil as at December 31, 2011)

Borba

The Company applied on April 3, 2012, for a 100% interest in the Borba property which has an approximate area of 633.935 km2. Located in central Portugal, the property is approximately two hours driving time from Lisbon. Roads provide ready access throughout the property. Infrastructure and local resources are excellent. It is expected that the license will be granted during February 2013.

Subsequently, on February 20th, 2013, Borba Exploration concession was granted to Colt. On February 25th, 2013, Colt announced a joint collaboration agreement with privately owned Star Mining, a UK based company to jointly explore and develop the Borba concession

Cercal

The Company applied on May 25, 2012, for a 100% interest in the Cercal property which has an approximate area of 455 km^2. Located in South Portugal, the property is approximately 3 hours driving time from Lisbon. Roads provide ready access throughout the property. Infrastructure and local resources are excellent. It is expected that the license will be granted during February 2013.

Adorigo

The Company applied on August 9, 2012, for a 100% interest in the Adorigo property which has an approximate area of 164.98 km^2. Located in north central Portugal, the property is approximately 5 hours driving time from Lisbon. Roads provide ready access throughout the property. Infrastructure and local resources are excellent.

PLAN OF OPERATIONS FOR FISCAL YEAR 2013

For the fiscal year ending December 31 2013, the Company´s focus will be to deliver a Preliminary Economic Analysis (PEA) for the Boa Fé (gold) and Tabuaço (tungsten) projects. On completion of the PEA's for both projects, Colt will follow with detailed engineering work, metallurgical test-work and infill drilling at the Boa Fé gold project in preparation for a full feasibility study targeted for year end. In parallel to the above the company will continue its ongoing work with the Portuguese Mining as well as Environmental authorities towards the granting of a definitive mining license for the Boa Fé gold project which is anticipated to be awarded by year end.

Given Colt's intention to advance the Boa Fé project, exploration budgets are currently under review for all of Colt´s exploration projects. Exploration at Boa Fé` will be focused on increasing confidence in resources and exploration planning will be supported by detailed surface and down-hole geophysical surveys completed during Q1, 2013, on completion of data processing. On completion of the PEA's, Colt anticipates receiving clear guidance on how best to achieve the most efficient use of exploration and development capital on these advanced stage projects.

Towards mid-year, it is expected that Colt´s partners on both the San-Antonio and the Borba projects will have begun exploration work thereby giving the Company upside exposure with relative lower financial risk. Colt is actively pursuing the option of accepting additional joint collaboration opportunities to co-develop the other exploration phase projects as part of its intent to reduce exploration costs.

Finally, the Company has accelerated the pace and scope of discussions with potential strategic partners for the development of the Tabuaco tungsten, with the objective of completing a transaction within the next twelve months. Corporate general and administrative overhead for 2013 is expected to be reduced reflecting the impact of cost cutting initiatives initiated during the first quarter in reaction to the down-turn by the equity resource sector during the past six months.

RESULTS OF OPERATIONS

SELECTED ANNUAL FINANCIAL INFORMATION

Consolidated statement of operations Comprehensive Loss	**December 31**	**December 31**	**March 31**
For the fiscal year ended	**2012**	**2011**	**2011**
	$	**$**	**$**
Loss from operations	(9,401,920)	(6,126,563)	(4,911,600)
Net loss	(9,436,902)	(5,908,189)	(4,981,999)
Comprehensive loss	(9,396,147)	(6,626,665)	(4,981,999)
Net loss per share	(0.08)	(0.08)	(0.11)
Consolidated statement of financial position	**December 31**	**December 31**	**March 31**
As at	**2012**	**2011**	**2011**
	$	**$**	**$**
Cash and cash equivalents	6,473,498	3,885,777	1,236,079
Exploration and evaluation assets	24,664,728	15,456,652	4,765,569
Total assets	40,520,113	30,876,451	6,589,733
Total non-current financial liabilities	3,239,309	4,685,249	-
Cash dividends	-	-	-
Shareholders equity	31,302,245	24,035,614	5,709,127

Fiscal year ended December 31, 2012 compared to fiscal year ended December 31, 2011

For the fiscal year ended December 31, 2012, the Company reported a net loss of $9,436,902 ($5,908,189 in 2011) and a comprehensive loss of $9,396,147 ($6,626,665 in 2011). The increase in the Company's net and comprehensive loss was due primarily to the impairment of three exploration and evaluation assets, namely the Santa Margarida do Sado, the Extra High and Gaspésie properties. The respective impairment charges totalled $671,615, $534,012 and

$190,507. Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which any exploration and evaluation asset exceeds its recoverable amount. The recoverable amount is the higher of the exploration and evaluation asset's fair value less costs to sell and value in use. Impairments are reviewed for potential reversals at each reporting date.

The Company reported administrative expenses of $7,451,000 ($6,143,900 in 2011) representing an increase of $1,307,100 as compared to the comparable period. The increase is primarily due to higher management fees, investor relations and office expenses, which include costs associated with business development activities as well as costs related to the social license to operate in Portugal.

The Company reported other expenses (income) of $266,954 (other income of $159,064 in 2011), primarily due to a write down of viticulture inventory to net realizable value of $161,671. The Company also reported Depreciation and amortization expense of $277,200 ($141,092 in 2011) and a loss on disposal of property, plant and equipment of $10,632 ($635 in 2011).

Interest income increased to $52,178 ($42,243 in 2011), Finance costs increased to $272,291 ($79,514 in 2011) representing primarily increases in accretion expenses on preferred shares of $118,378 ($43,351) and a derivative loss of $73,200 (Nil in 2011).

The Company reported a foreign exchange gain of $50,231 ($243,831 in 2011). The company reported deferred income tax recovery of $134,900 ($11,814 income tax expense in 2011). The Company reported a total weighted average number of common shares outstanding of 121,383,520 (86,749,732 in 2011). The Company reported a net loss per share of $0.08 ($0.08 in 2011).

Fiscal year ended December 31, 2011 compared to fiscal year ended March 31, 2011

For the fiscal year ended December 31, 2011, the Company reported a net loss of $5,908,189 ($4,981,999 in March 31, 2011) and a comprehensive loss of $6,626,665 ($4,981,999 in March 31, 2011). The increase in the Company's net and comprehensive loss was due primarily to administrative expenses and foreign exchange translation.

The Company reported administrative expenses of $6,143,900 ($4,895,390 in March 31, 2011) representing an increase of $1,248,510 as compared to the comparable period. The increase is primarily due to higher management fees, office expenses and legal costs, which include costs associated with business development activities as well as costs related to the social license to operate in Portugal.

The Company reported other income of $159,064 (Nil in March 31, 2011). The Company also reported Depreciation and amortization expense of $141,092 ($16,210 in March 31, 2011) and a loss on disposal of property, plant and equipment of $635 (Nil in March 31, 2011).

Interest income increased to $42,243 ($4,412 in March 31, 2011), Finance costs increased to $79,514 (Nil in March 31, 2011) representing primarily increases in accretion expenses on preferred shares.
The Company reported a foreign exchange gain of $243,831 ($74,811 loss in March 31, 2011). The company reported deferred income tax expense of $11,814 (Nil in March 31, 2011).

The Company reported a total weighted average number of common shares outstanding of 86,749,732 (46,205,934 March 31, 2012) The Company reported a net loss per share of $0.08 ($0.11 in March 31, 2011).

Summary of variation in operating costs between December 31, 2012 and 2011

	December 31	**December 31***	Variation
	2012	**2011**	**2012-2011**
For the fiscal year ended	**$**	**$**	**$**
Stock based compensation	80,482	1,254,785	(1,174,303)
Investor relations and marketing	2,014,691	1,414,044	600,647
Office expenses	1,733,231	960,381	772,850
Management fees	1,028,496	570,008	458,488
Other general and administrative expenses	900,871	582,713	318,158
Salaries	588,907	348,342	240,565
Professional and consulting fees	586,631	431,216	155,415
Legal expenses	285,798	458,926	(173,128)
Insurance	229,452	78,858	150,594
Property investigation	2,441	44,627	(42,186)
Impairment of exploration and evaluation assets	1,396,134	-	1,396,134
Depreciation and amortization	277,200	141,092	136,108
Loss on disposal of property, plant and equipment	10,632	635	9,997
Other expense (income)	266,954	- 159,064	426,018
Total operating costs	**9,401,920**	**6,126,563**	**3,275,357**
* Nine-month period ended December 31, 2011			

The Company has no intention of paying dividends in the foreseeable future. Any future decision to pay cash dividends will be left to the discretion of the Board of Directors of the Company and will depend on the Company's financial position, operating results and capital requirements at the time as well as such other factors that the Board of Directors may consider relevant. The Company has paid no dividends and has no retained earnings from which it might pay dividends.

SUMMARY OF QUARTERLY RESULTS

	December 31	September 30	June 30	March 31
	2012	2012	2012	2012
Quarters ended	$	$	$	$
Net Loss	(2,889,096)	(2,951,253)	(2,200,850)	(1,395,703)
Comprehensive Loss	(2,642,814)	(3,111,600)	(2,313,348)	(1,328,385)
Basic and diluted loss per share	(0.02)	(0.02)	(0.02)	(0.02)
Cash and cash equivalents	6,473,498	6,779,977	9,791,552	6,345,876
Marketable Securities	-	-	3,019,214	3,011,066
Working capital*	5,540,930	9,392,676	15,252,997	11,883,124
Exploration and evaluation assets	24,664,728	20,669,122	13,467,465	11,168,818
Total assets	40,520,113	36,697,665	40,400,341	34,875,325
	December 31	September 30	June 30	March 31
	2011	2011	2011	2011
Quarters ended	$	$	$	$
Net Loss	(1,757,844)	(2,056,330)	(2,094,015)	(2,151,150)
Comprehensive Loss	(2,288,602)	(2,244,048)	(2,094,015)	(2,151,150)
Basic and diluted loss per share	(0.02)	(0.02)	(0.02)	(0.02)
Cash and cash equivalents	3,885,777	9,795,185	16,655,703	1,236,079
Marketable securities	3,003,868	-	-	-
Working capital*	9,162,184	13,866,890	16,486,853	629,517
Exploration and evaluation assets	15,456,652	6,451,661	5,275,364	4,765,569
Total assets	30,876,451	30,426,620	22,848,743	6,589,733

* Working capital is defined as current assets less current liabilities.
It is not a recognized measure under IFRS. It is unlikely to be a comparable
to methods used by other entities.

FOURTH QUARTER RESULTS

For the three month period ended December 31, 2012, the Company reported a net loss of $2,889,096 ($1,762,276 in 2011) and a comprehensive loss of $2,642,814 ($2,292,852 in 2011). The increase in the Company's net and comprehensive loss was due primarily to the increases in operating expenses including; the impairment of Extra High property of $534,012 and Gaspésie property $190,507 as well as the write down of viticulture inventory to net realizable value totalling $161,671.

The Company reported a total weighted average number of common shares outstanding of 121,383,520 (86,749,732 for the comparable period). The Company reported a net loss per share of $0.02 ($0.02 for the comparable period).

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2012, total assets were $40,520,113 ($30,876,451 as at December 31, 2011). Mining interests increased by $9,208,076 from $24,664,728 to $15,456,652. The increase reflects a total of $10,634,244 in capitalized exploration costs less $1,396,134 in impairments and $30,033 in foreign translation adjustments.

As at December 31, 2012, the Company had cash and cash equivalents of $6,473,498 ($3,885,777 in 2011). The increase in cash and cash equivalents was primarily the result from the proceeds from issuance of shares for completion of a brokered private placement, a concurrent non-brokered private placement and warrant redemptions with proceeds totalling $16,582,296, net of issuance costs of $1,196,662 in commissions and $314,112 in other costs.

The Company has been successful in financing its liquidity requirements through the issuance of equity and debt securities. However, the Company does not have sufficient liquidity to meet its exploration, evaluation and development plans. The Company is currently incurring operating losses and additional capital will be required for working capital and for exploration and evaluation activities on its mineral properties.

OUTSTANDING SHARE INFORMATION

As at December 31, 2012, there were 129,571,430 common shares, 1,226,000 share-purchase warrants with a weighted average exercise price of $0.50 and 11,800,000 stock options with a weighted average price of $0.46 outstanding.

As at April 29, 2012, there were 138,176,471 common shares, 1,586,000 share-purchase warrants with a weighted average exercise price of $0.49 and 10,500,000 stock options with a weighted average price of $0.49 outstanding.

CONTRACTUAL OBLIGATIONS

	Obligations due per year			
	2013	2014	2015	2016+
	$	$	$	$
QSPA Balance of acquisition (1)	1,311,800	-	-	-
Boa Fe EML commitments (1, 2)	-	-	-	-
Montemor-o-Novo Commitments (1)	354,186	590,310	-	-
Moimenta-Almendra Commitments (1)	32,500	-	-	-
Cedovim Commitments (1)	65,590	78,708	-	-
Borba (1)	78,708	78,708	91,826	-
Cercal (1)	65,590	97,500	97,500	-
Total contractual obligations	**1,908,374**	**845,226**	**189,326**	**-**

	Obligations for the life of the contract
	2013-2016
	$
Tabuaco EML Commitments (1, 4)	5,903,100
Santo Antonio EML Commitments (1, 4)	496,605
Total obligations for the life of the contract	**6,399,705**

(1) Original contractual commitments are denominated in European Euro (€)
(2) Contractual commitments have been met for the life of the license
(3) Obligations to be assumed by a Joint Collaboration partner
(4) Obligations for the duration of the contract

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The compensation of directors and other members of key management personnel during the period were as follows:

	2012 $	2011 $
Management fees	**1,028,496**	570,008
Other short term benefits	**824,552**	927,149
Share-based payment	**—**	1,254,785
	1,853,048	2,751,942

As at December 31, 2012, $48,325 is owed to related parties [2011 – $63,273] and is included in accounts payable.

CRITICAL ACCOUNTING ESTIMATES AND CHANGES IN ACCONTING POLICIES

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods

Key areas requiring critical judgments and significant estimates include:

.

Going concern – Judgment

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year as they fall due, and to fund planned and contractual exploration programs, involves judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

Exploration and evaluation assets – Judgment

Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable through future exploitation or sale. Such circumstances include the existence of specific rights to explore in a specific area, actual and planned expenditures, results of exploration, and whether an economically-viable operation can be established. An impairment loss is recognized for the amount by which any exploration and evaluation asset exceeds its recoverable amount. The recoverable amount is the higher of the exploration and evaluation asset's fair value less costs to sell and value in use.

Management judgment is applied in determining whether to test exploration and evaluation for impairment and in determining the lowest levels of exploration and evaluation assets grouping or cash generating units ("CGUs"), for which there are separately identifiable cash flows, generally on the basis of a property. Estimates and assumptions made may change if new information becomes available.

Functional currency – Judgment

The functional currency of Colt Resources Inc. is the Canadian dollar and the functional currency of the Company's subsidiaries is the Euro. Management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. As part of this approach, management gives priority to the primary indicators before considering the other indicators, which are designed to provide additional supporting evidence to determine the entity's functional currency. Since the Company doesn't generate revenues, the currency in which the expenditures are made and the currency in which funds from financing activities are generated are indicators considered by management in determining the functional currency.

Purchase price allocation – Estimate

Purchase prices related to business combinations and asset acquisitions are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value requires the Company to make assumptions, estimates and judgments regarding future events. The allocation process is inherently subjective and impacts the amounts assigned to individually identifiable assets and liabilities. The fair value of the exploration and evaluation assets and of the property plant and equipment acquired were measured using discounted cash flows. As a result, the purchase price allocation impacts the Company's reported assets and liabilities and future net earnings due to the impact on future depreciation and impairment reviews.

Share-based payment transactions – Estimate

The Company measures the cost of equity-settled compensation plan with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield of the share option. The fair value of each option is evaluated using the Black-Scholes pricing model at the date of grant. The Company has made estimates as to the expected volatility, and expected life of options. The expected volatility is based on the historical volatility of the Company, over the period of the expected life of the stock option. The expected life of the option is based on historical data. These estimates may not necessarily be indicative of future actual patterns [note 20].

Impairment of goodwill – Judgment and estimate

Goodwill is tested for impairment annually as at December 31 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU [or group of CGUs] to which the goodwill relates to. For the purpose of testing this goodwill for impairment, any of the related deferred tax liabilities recognised on acquisition that remain at balance date reduce the goodwill amount and any residual goodwill is treated as part of the relevant CGU or group of CGUs. Where the recoverable amount of the CGU is less than its carrying amount including goodwill, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Management judgment is applied in determining the relevant CGUs that the goodwill relates to. In connection with the Company's goodwill, management has determined that the goodwill balance relates to the Armamar-Meda property. The recoverable amount is based on estimated cash flows and is most sensitive to the discount rate used as well as the expected future cash inflows and the growth rate used. Therefore, there is a possibility that changes in estimates may impact the recoverable amount calculated by management.

The value in use calculation is based on projection from 2014 to 2022 and is most sensitive to the following:

- recoverable reserves and resources and grades
- production volumes
- long-term tungsten prices [external market forecasts]
- operating costs
- pre-tax discount rates [10%]
- foreign exchange rates [current spot exchange rates at the date of the value in use]

Operating costs are determined based on management's experience and the use of contractors over a period of time whose costs are fairly reasonably determinable.

Management also believes that any reasonable change in the key assumptions would not cause the carrying amount to exceed its recoverable amount

Inventories – Estimate

Inventories are stated at the lower of cost and net realizable value. The ageing of port wine bottled or in bulk varies and it can take a significant length of time before the wine inventories are ready to be sold. Net realizable value of grape inventory is determined using forecasted demand and expected market prices at the time the wine is expected to be ready for sale. Forecasted demand and market prices can vary significantly over the holding period and involves estimating the most likely conditions that will be in existence at the time of sale.

The Company's best estimate of net realizable value is based on the average prices published by the "Instituto dos Vinhos do Douro e Porto" which is widely recognized in the region as being a reliable estimate of similar wines sold by the Company. The Company uses this published information as a starting point for estimating the expected sales price of similar wine with similar ageing information and then adjusts for any differences for similar wine.

Biological assets – Estimate

The grape vines are measured at fair value less cost to sell. Since market-determined prices or values are not available for grape vines, the Company uses a discounted cash flow method to determine fair value. In arriving at fair values, the key assumptions are estimated sales prices less cost of delivery, discount rate, productive life of grape vines, estimated volume and growth estimations. All changes in fair value are recognised in the period in which they arise.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations listed below that are issued but not yet effective up to the date of issuance of the Company's consolidated financial statements, are those that the Company reasonably expects will have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards and interpretations, if applicable, when they become effective.

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 change the grouping of items presented in other comprehensive income ("OCI"). Items that could be reclassified (or recycled) to profit or loss at a future point in time would be presented separately from items that will never be reclassified. The amendment affects presentation only and therefore has no impact on the Company's financial position or performance.

The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012 and will therefore be applied by the Company on January 1, 2013. The amendment will affect presentation only and therefore will have no impact on the Company's financial position or performance.

IAS 28 Investments in Associates and Joint Ventures [as revised in 2011]

As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The revised standard is effective for annual periods beginning on or after January 1, 2013. The Company is currently assessing the impact that this standard will have on the Company's financial position and performance.

IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues covered in SIC-12 Consolidation — Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including structured entities [previously referred to as special purpose entities]. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27.

This standard is effective for annual periods beginning on or after January 1, 2013. Based on the preliminary analysis performed, IFRS 10 is not expected to have any significant impact on the Company's financial position and performance.

IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers.

IFRS 11 removes the option to account for jointly controlled entities [JCEs] using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method.

This standard is effective for annual periods beginning on or after January 1, 2013. The Company is currently assessing the impact that this standard will have on the financial position and performance.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 relating to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required, but will have no impact on the Company's financial position or performance.

This standard is effective for annual periods beginning on or after January 1, 2013. The Company is currently assessing the impact that this standard will have on the financial position and performance.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard is effective for annual periods beginning on or after January 1, 2013. The Company is currently assessing the impact that this standard will have on the financial position and performance, but based on the preliminary analyses performed, IFRS 13 is not expected to have any significant impact on the Company's financial position and performance.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective January 1, 2015.

In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will not have an impact on classification and measurement of financial liabilities.

The Company is currently assessing the impact that this standard will have on the Company's financial position and performance.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values

The Company's financial instruments consist of cash equivalents, marketable securities, trade receivable, and accounts payables and accrued liabilities. Due to the short-term nature of these accounts, the fair value of these financial instruments approximates their carrying value.

The fair values of the loan payable and convertible preferred shares approximate their carrying amounts as the transactions were recently negotiated in an arm's length transaction and were initially measured at fair value.

Financial risks

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk [currency fluctuations, interest rates and other price risk]. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Credit risk

The Company is exposed to credit risk with respect to cash and cash equivalents, deposits and trade and other receivables. The risk arises from the non-performance of counterparties of contractual financial obligations. The Company manages credit risk by maintaining cash and cash equivalents and deposits in highly liquid investments with major financial institutions in Canada and Portugal. The Company's commodity taxes receivables are not subject to significant credit risk.

The maximum exposure to credit risk as at:

	2012	**2011**
	$	$
Cash and cash equivalents	**6,473,498**	3,885,777
Marketable securities	**—**	3,003,868
Deposits [held in Portugal]	**603,428**	229,587
Accounts receivable	**544,538**	85,186
	7,621,464	7,204,418

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows used in operations and exploration activities, anticipated from investing and financing activities, and taking into account the Company's holdings of cash and cash equivalents.

As at December 31, 2012, the Company has cash and cash equivalents of $6,473,498. Trade and other payables have contractual maturities of 30 days or less and are subject to normal trade terms, amounts due to related parties are due on demand.

The Company's ability to continue as a going concern is also dependent on being able to obtain the necessary financing to satisfy its liabilities as they become due. While the Company has been successful in raising debt and equity funds in the past, there is always a degree of risk on whether or not it will be able to raise sufficient funds in the future.

Currency risk

The Company raises its capital in Canadian dollars and holds its cash mainly in Canadian dollars and Euros. The Company and its subsidiaries minimize their exposure to foreign currency risk by minimizing the amount of funds in currencies other than the functional currencies. The Company continuously monitors its exposure to foreign exchange risk to determine if any mitigation strategies warrant consideration.

As at December 31, 2012 and 2011, the Company was exposed to currency risk on the following net assets denominated in Euros:

	2012	**2011**
	$	$
Net financial assets and liabilities	**16,126,131**	7,751,926

Financial risk associated to agriculture

The Company is exposed to financial risks arising from its vineyard activities. The Company takes reasonable measures to ensure that the current year's harvest is not affected by disease or other climate effects that may have a negative effect upon yield and quality. These measures include involvement of viticulture technicians and continuous focus on development of every plantation.

OTHER MATERIAL EVENTS AND HIGHLIGHTS

The Company is presently not a party to any proceedings.

SUBSEQUENT EVENTS

[i] Private Placement

On January 7, 2013 the Company secured firm commitments to sell on a non-brokered private placement basis to Asian and Portuguese based investors as well as a number of the Company's directors up to 17,777,778 common shares at a price of $0.45 per share for total gross proceeds of up to $8,000,000 ["Private Placement"]. The Private Placement was scheduled for two closings, one on January 7' 2013 and one January 11, 2013 and was subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange.

On January 7, 2013 the initial closing for 6,000,000 common shares for total gross proceeds of $2,700,000 was completed [note 19].

On February 6, 2013 the Company completed a second portion of the Private Placement by issuing an aggregate of 2,605,041 common shares at a price of $0.45 per share, for total gross proceeds to the Company of $1,172,268. The common shares were issued to a Canadian based institutional investor as well as an investor from Portugal.

As of April 29, 2013, the Company has raised total gross proceeds of $3,872,268 in the private placement.

The Company paid cash commissions totaling $162,001 and issued 360,000 broker warrants, entitling the holders to purchase one common share at the price of $0.55 per share up to January 7, 2014.

The Company has received an executed subscription agreement for $5,000,000 from an investor which is a newly constituted Hong Kong-based resource investment fund, along with written confirmation that funds are expected shortly. This final tranche of the Private Placement will be under the same terms as the previously-announced private placement, that is a price of $0.45 per share. As of April 29, 2013 The Company has yet to conclude the final portion of the Private Placement.

OUTLOOK

Management will continue to manage its funds rigorously, its primary objective being to optimize return on investment for the Company's shareholders. The Company's development strategy is focused on the discovery of economically-viable deposits that will generate profits from mining and ensure the Company's survival. In applying its development strategy, management will take into account the global exploration context, stock market trends and the prices of metals.

Other Information

Additional information on the Corporation is available under the Corporation's profile on SEDAR at www.sedar.com and on EDGAR at www.sec.gov and on the Corporation's website at www.coltresources.com

Colt Resources Inc.

Signed *"Nikolas Perrault"*

Nikolas Perrault
Chief Executive Officer

Signed *"Aurelio Useche"*

Aurelio Useche
Chief Financial Officer