MANAGEMENT'S DISCUSSION AND ANALYSIS

As at September 30, 2014

Dear Shareholders,

I would like to take this opportunity to communicate with you that in these challenging times currently facing the junior mining sector, we are continuing to explore financing options and alternatives that will allow us to preserve the good standing status of our projects in Portugal, advance the existing work done on those projects, unlock the value of our non-precious metal assets and continue evaluation of potential M&A and joint venture opportunities

We fully believe in the potential of our tungsten and gold projects and know the market has shared this belief in the past. We also have a 100% interest in a cash-flow producing asset in the form of our winery operations which although is not the core business of the Company, but nevertheless, provides a hedge to minimize the short term financial uncertainties due to tight squeeze on financings in a fearful and depressed market. In addition, we have a portfolio investment in the form of our equity interest in a company focused on acquiring world class near production assets in the Greater Middle East region. As the resource sector returns to prominence, we are confident that the market's valuation of our business will reflect the value inherent in the assets that the Company holds.

During these recent turbulent times for the industry, we have seen many of our peers obtain financing on too onerous and very dilutive terms that are unfavorable to shareholder value. We are and will continue to pursue financing alternatives that are not destructive to shareholder value.

Our costs have been reduced considerably and we are striving further to bring them down to the minimum levels.

We thank you for your continued support and look forward to delivering on our commitment.

Sincerely,

Nikolas Perrault
President & CEO
November 27, 2014

An Exploration Stage Company

MANAGEMENT'S DISCUSSION & ANALYSIS

As at November 27, 2014

This Management's Discussion and Analysis ("MD&A") of Colt Resources Inc. and its subsidiaries (the"Company") is for the three and nine month periods ended September 30, 2014 compared to the three and six month periods ended June 30, 2013. Together with the condensed interim consolidated financial statements and the related notes, the MD&A provides detailed account of the Company's financial and operating performance for the period. The Company's functional and presentation currency is the Canadian dollars. This MD&A is current to November 27, 2014 and should be read in conjunction with the Company's other public filings available at www.sedar.com ("SEDAR").

Management is responsible for the condensed interim consolidated financial statements referred to in this MD&A.

The MD&A should be read in conjunction with the condensed interim consolidated financial statements of the Company and the related notes, which have been prepared in accordance with IAS 34, "Interim Financial Reporting". The MD&A should be read in conjunction with the December 31, 2013 audited annual consolidated financial statements. This discussion addresses matters that we consider important for an understanding of the financial condition and results of operations as at, and for, the three and nine-month periods ended September 30, 2014 of the Company.

Additional information, including the press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online under the Company's profile at www.sedar.com. Additional information relating to the Company can be found on the Company's website at www.coltresources.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. The Company is led by an experienced managerial and technical team and its strategy is to provide stakeholder value from quality mineral assets located in strategic jurisdictions. The Company is a reporting issuer in the Provinces of British Columbia, Alberta, Ontario and Quebec.

Colt Resources Inc. is incorporated in Canada and operates from its headquarters in Montreal, Canada and also through its wholly owned subsidiary ColtInvestco SGPS S.A. and its subsidiaries, Q.S.P.A. – Sociedade Vitícola Unipessoal Lda. ["QSPA"], Eurocolt Resources Unipessoal Lda. ["Eurocolt"], Aurmont Resources Unipessoal Lda. ["Aurmont"], and TungSPA Unipessoal Lda. ["TungSPA"]. These subsidiaries represent the interests of Colt Resources Inc. in Portugal. It also holds an equity interest in Colt Resources Middle East (Cayman) ("Colt Middle East"), a private company focused on acquiring near term production assets in the Greater Middle East region.

The Company's significant exploration and development projects at September 30, 2014 included the Boa Fé gold project in southern Portugal and the Tabuaço tungsten project in northern Portugal. The Company holds a 100% interest in both projects.

QUALIFIED PERSON

The technical information disclosed in this MD&A has been reviewed for accuracy by Jorge Valente, Vice President-Engineering for Colt Resources, a Qualified Person (QP), 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

- On May 13, 2014, the Company's affiliate, Colt Middle East announced an exclusivity agreement with Lake Resources NL ("Lake"), an Australian based mineral exploration company. The Agreement sets out a period of 120 days during which the two parties (i.e. Colt Middle East and Lake) aim to conclude the final terms and conditions of a joint venture agreement. As of November 27, 2014, the final agreement is in the process of finalization.

- On June 4, 2014, the Company announced that its former executive chairman, Mr. Richard Quesnel acquired 4,444,444 shares of Colt Middle East from the Company for $1 million at $0.225 per share. The transaction was approved by the Company's board of directors and the TSX-V. As a result of this transaction and to address potential conflict of interest issues, Mr. Quesnel resigned from the board and stepped down as the executive chairman and accepted to chair the Company's advisory board.

- On August 7, 2014, the Company announced that it had entered into a shares for debt exchange arrangement for $2.2 million with Spektra Drilling Canada Inc. ("Spektra Canada"), a wholly owned subsidiary of Spektra Jeotek A.S., a Turkish company, whereby Spektra acquired 10,500,000 units at $0.21 per unit. Each unit is comprised of one common share and one share purchase warrant of the Company. Each warrant shall entitle Spektra Canada to acquire one common share at an exercise price of $0.26 for a period of two years following the closing date. On completion of this arrangement, Spektra Canada now owns 16,750,000 common shares of Colt, representing approximately 9.7% of the issued and outstanding common shares of Colt (before the exercise of warrants). On a diluted basis, assuming the exercise of all warrants, Spektra Canada would own a total of 27,250,000 common shares of the Company representing approximately 15% of the issued and outstanding common shares.Additionally, the Company has agreed to a nominee of Spektra to the board of directors of the Company subject to regulatory approval.

- During the quarter ended September 30, 2014, the Company disposed 5,424,372 shares of Colt Middle East for total proceeds of $0.72 million including 3 million shares acquired by Mr. Quesnel. The Company also closed on a financing of US$ 0.2 million in respect of its previously announced senior note offering.

- During the nine months ended September 30, 2014, the Company continued to follow up on several significant cost reduction initiatives initiated in late 2013 aimed at preserving its working capital and reducing its payables. These measures included a temporary significant reduction in cash compensation of senior management and executive staff, temporary deferral of director fees for independent directors, reduction of projects related payroll costs, elimination of most investor relations and marketing expenses, imposition of travel restrictions, corporate office relocation in Montreal for savings in rent, renegotiation of several existing services contracts and reduction in general administrative overheads in Portugal and in Montreal.

OUTLOOK

The Company does not generate any operating cash flows. The Company's sources of financing in the past have been issuance of common shares, warrants, options and senior secured debt financing. Overall prices for metals and precious metals equities, particularly for early stage projects, have decreased during the past year and raising sufficient capital on favourable terms has become difficult for junior exploration companies. These conditions are expected to continue for the foreseeable future and could affect the Company's ability to raise sufficient financing. 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.

In addition, as disclosed in the condensed interim consolidated 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 resources are insufficient to cover expected expenditures in the remaining fiscal year 2014. 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.

Management is strongly committed to effective cash management and maintaining liquidity. The Company's cash burn rate has been significantly reduced from 2013 based on several cost reduction initiatives the management undertook during the current nine months ended September 30, 2014. The Company is committed to ensuring that it remains liquid and will continue to identify and to execute cost reduction initiatives, deferral or elimination of discretionary exploration expenditures and/or seeking divestment of its non-core assets/properties to preserve its working capital, raise sufficient capital and maintain adequate liquidity to fund the Company's operations.

OPERATIONS SUMMARY

PORTUGAL

Boa Fé Experimental Mining License

The Boa Fé Experimental Mining License ("EML") covers 46.78km² and is located approximately 95km 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 first quarter of 2014, 16 holes were drilled or partially drilled as part of an infill drilling program at both Chaminé and Casas Novas deposits for a total of 1,509 metres. By the end of the first quarter, most of the core had been logged, cut and prepared to be dispatched to the laboratory for analysis.

An infill and resource expansion drilling program ended by June 30, 2014. Data collection was confined to hole logging. As no additional staff was hired no core cutting or sample preparation was done on the data collected.

During the third quarter of 2014 activities were restricted to include data compilation and geological interpretation of the acquired data. On the administrative side, a letter requesting a clarification regarding a further two years extension of the validity of the declaration on environmental assessment was sent to the environmental agency. In addition, the work and investment program for 2015 was prepared and sent to DGEG (Direcção-Geral de Energia e Geologia) for approval along with the request for the contractual extension of the experimental mining license.

As at September 30, 2014, the Company has invested and capitalized $13.25 million with respect to its Boa Fé EML.

Tabuaço Experimental Mining License (previously the Armamar-Meda Concession)

The Company has a 100% interest in the Tabuaço property, which has an area of 45.128 km². Located in north central Portugal, the property is approximately 5 hours driving time from Lisbon.

During the first quarter of 2014, 6 drill holes totaling 514 metres were drilled as part of an infill drilling program at the SPA zone. By the end of the quarter, most of the core had been logged, cut and prepared to be dispatched to the laboratory for analysis.

During the second quarter 2014 an infill and resource expansion drilling program recommenced focused on the SPA zone and the "Gap" zone located to the north of SPA. Three holes were drilled totaling 431.90 meters.

During the third quarter 2014 the drilling program continued at the SPA and GAP zones with infill and exploration holes. A total of 28 holes with a total length of 4,543 meters were drilled. Drill hole logging, and sampling preparation was ongoing at the end of the quarter.

As at September 30, 2014, the Company has invested and capitalized $13.97 million with respect to its Tabuaço EML.

Santo António Experimental Mining License (previously the Penedono Concession)

The "Consórcio Penedono", a Joint Cooperation Consortium between the Company and Contécnica Consultoria Tecnica ("Contécnica"), has a 100% interest in the Santo António property, which has an area of 35.341 km² located in north central Portugal. The Santo António EML contract was signed on February 20, 2013 and corresponds to the central block of the previously owned Penedono Gold Concession whose exploration license expired on October 28, 2012.

During the first quarter of 2014, Contécnica, continued with the drilling program at Santo António and Turgueira, with 6 holes drilled (4 at Santo António and 2 at Turgueira) with a total of 674.61 metres (134.85 metres at Turgueira and 539.76 metres at Santo António), cutting a sequence of granitic rocks cross cut by quartz veins/veinlets with pyrite and arsenopyrite, as well as greisen bands.

On the hydrogeology side, the final report of the characterization work was received from Contécnica.

Metallurgical test work on samples collected from the existing dumps commenced during the first quarter. A detailed geological mapping was also started.

During the second quarter 2014, Contécnica, continued the drilling program at Santo António, with 4 holes drilled, for a total of 822.2 meters, cutting a sequence of granitic rocks cross cut by quartz veins/veinlets with pyrite and arsenopyrite, as well as greisen bands.

Test work performed during the quarter included pumping tests to estimate the quantity of water contained in the former Santo António mine. In addition, metallurgical test work, contracted to a Brazilian company is ongoing.

The DGEG (mines department) approved the change, in the experimental mining plan, from Turgueira to the Santo António vein system, with some constraints, which are under compliance.

An environmental impact study which is necessary to obtain the license for the recovery of gold from the old tailings dumps was also commissioned during the second quarter.

During the third quarter of 2014, Contécnica, continued with the drilling program at Santo António with 8 holes drilled cutting a sequence of granitic rocks cross cut by quartz veins/veinlets, some with widths up to 2 meters, with pyrite and arsenopyrite, as well as greisen margins. Drill hole logging, density measurements, sampling preparation and dispatching the samples to the assay laboratory was ongoing at the end of the quarter.

Analytical results received from drill hole core yielded several intersections with gold grade above 1 g/ton for up till 9 meters measured along the core axis.

The final report on the exploration work done by Contécnica and previous operators at Turgueira was received.

On the hydrogeology side, the final report of the drawdown tests on the old Santo António mine indicates the possible existence of near 39,390 m^3 of water inside the old mine.

The environmental work needed to obtain the license to recover the gold present from the old tailings dumps was finished and the first draft received.

On the administrative side, the work and investment program for 2015 was prepared and sent to DGEG for approval.

As at September 30, 2014, the Company has invested and capitalized $2.9 million with respect to its Santo António EML.

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 ("EML").

During the first quarter of 2014 the work was restricted to the level of activities to maintain the contractual obligations for the properties with the evaluation, validation and modelling of the existing data with some field checks.

During the second quarter of 2014 the work was restricted to the level of activities to maintain the contractual obligations for the properties, with the evaluation, validation and modelling of the existing data with some field checks.

During the third quarter of 2014 the drilling campaign at Monfurado restarted with three holes drilled with a total of 358.30 meters. They were located to the south-east of the mineralized zone aimed to intersect the possible down dip extension of the gold mineralization found on an historical hole, on section 100 north-west.

On the administrative side, the semester report with the work and investment incurred during the first half of 2014 was prepared and sent to DGEG. The application for the extension of the existing contract for another year along with the work and investment plan for that extension was prepared and submitted.

As at September 30, 2014, the Company has invested and capitalized $1.69 million with respect to its Montemor-o-Novo EML.

Cedovim Concession

The Cedovim exploration 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 "Tabuaço" EML concession.

During the nine months ended September 30, of 2014 no field work was carried out at this property.

As at September 30, 2014, the Company has invested and capitalized $0.077 million with respect to the Cedovim exploration license.

Borba

The Company holds a 100% interest in the Borba exploration license whose contract was signed on February 20, 2013, following the application made on April 3, 2012. The Borba property has an approximate area of 633.935 km². Located in central Portugal, the property is approximately 2 hours driving time from Lisbon.

During the first quarter 2014, the field work was restricted to field checks around the old "Miguel Vacas" copper mine, where drilling is planned to take place during the early stage of the exploration of this area. For this purpose, the Company also commenced a process in the current quarter to discuss a proposal with a UK based company to become a partner in this project.

During the second quarter 2014, the fieldwork was restricted to field checks around the old "Miguel Vacas" copper mine.

During the third quarter of 2014, a drilling campaign was carried out at the old "Miguel Vacas" copper mine. Two holes, one located under the middle of the old open pit and the second one along strike and immediately to the North of it, were drilled with a total length of 228 meters. Both holes intersected breccias with some (primary and secondary) copper mineralization. The mineralized sections were cut and dispatched to the assay laboratory for copper and gold analysis.

As at September 30, 2014, the Company has invested and capitalized $0.097million with respect to the Borba exploration license.

Cercal

The Company holds a 100% interest in the Cercal exploration license whose contract was signed on February 20, 2013, following the application made on May 25, 2012. The Cercal property has an approximate area of 455.19 km². Located in South Portugal, the property is approximately 3 hours driving time from Lisbon.

During the first quarter of 2014 the work was restricted to the level of activities to maintain the contractual obligations for the properties, with the evaluation, validation and modelling of the existing data with some field checks.

During the second and third quarter of 2014 no significant work was performed on the property.

As at September 30, 2014, the Company has invested and capitalized $0.22 million with respect to the Cercal exploration license.

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$^{2.}$ During the third quarter of 2014 the Company applied to DGEG for withdrawal of the existing application. The Company will not pursue this application any further.

Greater Middle East

During the current quarter, Colt Middle East continued to explore its interests in the region.

RESULTS OF OPERATIONS

SELECTED FINANCIAL INFORMATION AND SUMMARY OF QUARTERLY RESULTS

	Sept 30	June 30	March 31	December 31
	2014	2014	2014	2013
Quarters ended	$	$	$	$
Net (loss)/income for the period	(1,264,935)	(752,444)	1,182,123	(10,231,330)
Comprehensive loss/(income)	(2,222,781)	(1,627,085)	2,203,122	(7,576,325)
Basic and diluted (loss)/earnings per share	(0.01)	(0.01)	0.01	(0.01)
Cash and cash equivalents	342,425	97,619	805,536	2,263,613
Exploration and evaluation assets	32,210,499	31,704,502	31,125,723	29,927,351
Total assets	40,246,132	41,528,643	42,847,134	41,513,769
	September 30	June 30	March 31	December 31
	2013	2013	2013	2012
Quarters ended	$	$	$	$
Net Loss	(3,187,835)	(2,008,404)	(1,822,331)	(2,886,581)
Comprehensive Loss	(2,821,413)	(960,431)	(1,943,396)	(2,514,926)
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)	(0.02)
Cash and cash equivalents	2,027,667	1,527,241	2,554,442	6,473,498
Exploration and evaluation assets	27,769,196	27,345,864	25,583,751	24,664,728
Total assets	38,696,046	37,229,531	37,364,776	40,520,113

Summary of variation in operating costs for three months ended September 30, 2014 and 2013

	Sept 30	Sept 30	
	2014	2013	Variation
For the three month period ended	$	$	$
Investor relations and marketing	33,105	215,028	(181,923)
Office expenses	161,915	482,860	(320,945)
Management fees	134,030	287,331	(153,301)
General and administrative expenses	22,035	511,365	(489,330)
Salaries	55,678	153,074	(97,396)
Professional and consulting fees	120,616	287,035	(166,419)
Legal expenses	83,129	237,263	(154,134)
Rent	64,445	347,716	(283,271)
Insurance	37,480	57,137	(19,657)
Depreciation and amortization	23,354	57,709	(34,355)
Gain on disposal of property, plant and equipment	-	(68)	68
Other (income)/costs	(573,153)	27,622	(600,775)
Total operating costs	**162,633**	**2,664,072**	**(2,501,439)**

Three months ended September 30, 2014 compared to September 30, 2013

For the three month period ended September 30, 2014, the Company reported a net loss of $1.26 million (net loss of $3.18 million in 2013) and a comprehensive loss of $2.22 million (loss of $2.82 million in 2013). The increase in the Company's net and comprehensive loss was primarily due to foreign exchange translation loss of $0.96 million during the current quarter due to significant appreciation of the Canadian dollar against Euros. Excluding the foreign exchange translation loss, there was a decrease in the overall operating cost mainly due to other income due to a gain on partial disposal of the Company's investment in its associate, Colt Middle East for approximately $0.57 million. In addition, there were decreases across each significant category of operating costs due to curtailment of expenditures by the Company during the current quarter in line with management's efforts to contain costs and preserve working capital.

Summary of variation in operating costs for nine months ended September 30, 2014 and 2013

For the nine month period ended	Sept 30 2014 $	Sept 30 2013 $	Variation $
Investor relations and marketing	208,426	1,169,797	(961,371)
Office expenses	685,684	1,180,271	(494,587)
Management fees	400,686	815,465	(414,779)
General and administrative expenses	82,300	582,375	(500,075)
Salaries	433,997	521,999	(88,002)
Professional and consulting fees	328,409	614,905	(286,496)
Legal expenses	165,399	462,926	(297,527)
Rent	230,010	503,804	(273,794)
Insurance	137,638	152,687	(15,049)
Depreciation and amortization	87,760	179,545	(91,785)
Gain on disposal of property, plant and equipment	-	(6,676)	6,676
Other (income)/ expense	(3,026,538)	54,742	(3,081,280)
Total operating (income)/costs	**(266,229)**	**6,231,840**	**(6,498,069)**

Nine months ended September 30, 2014 compared to September 30, 2013

For the nine month period ended September 30, 2014, the Company reported a net loss of $0.83 million (net loss of $7.02 million in 2013) and a comprehensive loss of $1.65 million (loss of $5.68 million in 2013).

The decrease in the Company's net and comprehensive loss over the nine months ended September 30, 2014 is mainly due to $1.5 million of funds received from Colt Middle East in the first quarter and a net gain of approximately $1.02 million on partial disposal of Company's investment in Colt Middle East. There was also a decrease in overall operating costs during the current nine months as a result of management's efforts to curtail operating costs to preserve working capital

Finance costs increased to $0.5 million ($0.14 million in 2013) representing primarily increases in accretion expenses on preferred shares of $0.11 million ($0.062 million in 2013) and accretion of interest on senior secured notes of $0.29 million (2013:nil) and accretion on derivative financial liability – warrants of $0.07 million (2013:nil)

Exploration and evaluation expenditures

The following table represents additional Exploration and Evaluation (E&E) expenditures during the nine months ended September 30, 2014 and the year ended December 31, 2013 on the Company's properties in Portugal.

	Santo Antonio		Tabuaco		Moimenta Almendra		Montemor-o-Novo		Boa Fé		Others		Total	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Balance, beginning of period/year	2,912,614	2,942,191	13,574,892	10,997,708	-	430,578	1,491,881	946,277	11,682,912	9,324,634	265,052	23,340	29,927,351	24,664,728
Assays and geochemistry	-	-	4,216	279,987	-	-	-	87,373	104,171	102,436		8,788	108,387	478,584
Field costs	-	-	-	43,014	-	-	-	3,237	202,710	4,502		977	202,710	51,730
Consulting	-	(29,577)	18,871	829,978	-	-	9,378	41,243	75,083	373,537	24,760	33,180	128,092	1,248,361
Drilling	-	-	242,891	785,283	-	-	177,713	19,593	1,001,576	730,981	47,515	-	1,469,694	1,535,858
Geology	-	-	-	1,499	-	-		5,518	1,939	-		3,131	1,939	10,148
Geophysics	-	-	-	-	-	-				59,670		-	-	59,670
Salaries and labour	-	-	122,249	590,201		10,941	12,798	321,671	179,849	1,087,152	26,621	169,424	341,517	2,179,389
Acquisition related cost	-	-	3,414	44,876	-	-		66,969		-	27,396	26,212	30,810	138,057
Tangible assets	-	-	-	2,345	-	-		-		-		-	-	2,345
Total exploration expenditures	-	(29,577)	391,641	2,577,184	-	10,941	199,889	545,604	1,565,328	2,358,278	126,290	241,712	2,283,149	5,704,142
Evaluation assets written off	-	-	-	-	-	(441,519)		-		-		-	-	(441,519)
Sub Total	-	(29,577)	391,641	2,577,184	-	(430,578)	199,889	545,604	1,565,328	2,358,278	126,290	241,712	2,283,149	5,262,623
Balance, end of period/year	2,912,614	2,912,614	13,966,533	13,574,892	-	-	1,691,770	1,491,881	13,248,240	11,682,912	391,343	265,052	32,210,499	29,927,351

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2014, total assets were $40.36 million ($41.51 million at the end of December 31, 2013). Exploration and evaluation assets increased by $2.28 million to $32.21 million from $29.92 million

Cash and solvency

As at September 30, 2014, the Company's cash and cash equivalents balance was $0.34 million ($2.26 million at the end of December 31, 2013). The decrease in cash and cash equivalents was primarily the result from the net cash used in operating activities of $1.87 million (use of cash of $4.01 million in 2013) and use of net cash from investing activities of $0.51 million ($1.98 million in 2013) offset by receipt of funds for $0.22 million (receipt of $9.85 million in 2013) from issue of senior secured notes.

As at September 30, 2014, the Company does not have sufficient capital to meet its needs for the next twelve months and is in the process of seeking further financings to meet its long term requirements.

Given that the Company's operations are focused on the exploration and development of mining properties, the most relevant financial information, in its view, relates to current liquidity, solvency, and planned property expenditures. The continuing operations of the Company are dependent on the Company's ability to secure funding and to generate future profits from operations. The underlying value and recoverability of the amounts show that the Company's financial success will depend on the economic viability of its resource properties and the extent to which it can discover and develop new ore deposits. A number of factors determine the economic viability of a property including: the size of the deposit; the quantity and quality of the reserves; the proximity of the deposit to current or planned infrastructure; the forecasted development and operating costs and the costs to finance the planned expenditures; and the projected cash flows. Such development may take several years to complete and the amount of resulting income, if any, is difficult to determine. The sales value of any mineralization discovered by the Company largely depends on factors beyond the Company's control, including the market value of the metals and minerals to be produced.

The Company's main sources of funding are debt and equity markets, private placements and exercise of outstanding warrants and options.

The investment in, and expenditures on, exploration and evaluation assets comprise a significant portion of the Company's assets. Mineral exploration and development is highly speculative and involves inherent risks. Realization of the Company's investment in these assets is dependent upon the renewed legal ownership of the licenses, and whether an economically viable operation can be established.

In addition, it has not yet been determined whether the Company's properties contain ore reserves that are economically recoverable. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines.

The Company's current committed cash resource is insufficient to cover expected expenditures in the remaining fiscal year 2014 and beyond. 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.

OUTSTANDING SHARE INFORMATION

As at November 27, 2014, there were 173,632,915 common shares, 19,738,090 warrants with a weighted average exercise price of $0.35 per warrant and 6,350,000 stock options with a weighted average price of $0.52 per option outstanding.

CONTRACTUAL OBLIGATIONS

1. The Company's contractual obligation for the properties in Portugal as at September 30, 2014 are as follows:

	Obligations due per year			
	2013	2014	2015	2016
	$	$	$	$
Montemor-o-Novo Commitments (1)	594,000	594,000	-	-
Cedovim Commitments (1)	79,200	79,200	-	-
Borba (1, 2)	102,585	117,240	117,240	-
Cercal (1)		146,550	146,550	-
Total contractual obligations		**936,990**	**263,790**	-
	Obligations for the life of the contract			
	2013-2016			
	$			
Tabuaço EML Commitments (1, 3)	6,594,750			
Santo Antonio EML Commitments (1, 2, 3)	4,396,500			
Total obligations for the life of the contract	**10,991,250**			
(1) Original contractual commitments are denominated in Euros (€)				
(2) Obligations to be assumed by a Joint Collaboration partner				
(3) Obligations for the duration of the contract				

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Related party transactions include transactions with the Company's affiliate, Colt Middle East and transactions with the Company's Key Management Personnel which includes the former executive Chairman of the Board of Directors, the Chief Executive Officer, the former Chief Operating Officer, the Chief Legal Officer, the Chief Financial Officer, the Board of Directors, Advisory Board Members, close family members and entities controlled by these individuals as well as certain consultants performing similar functions. These are the key management personnel of the Company.

All of the following related party transactions were in the normal course of operations and were measured at the amount established and agreed to by the related parties.

Following were the related party transactions for the nine months ended September 30, 2014 and 2013:

Transactions with the Associate:

During the first quarter of 2014 the Company's associate, Colt Middle East issued 16,665,001 shares to the Company.

During the second quarter, the Company sold 4,444,444 of its shares in Colt Middle East to its former executive chairman. Please see below for transaction details

During the third quarter, the Company sold 5,324,372 common shares of Colt Middle East for total proceeds of C$0.72 million, including selling 3,000,000 Colt Middle East shares to its former executive Chairman. As a result of this transaction, the Company's share in Colt Middle East is at 13.59% as at September 30, 2014.

Transactions with Key Management Personnel:

Nine months ended June 30	**2014**	**2013**
	$	$
Management fees	**407,346**	901,912
Professional and consulting fees	**108,000**	95,842
Salaries	**37,500**	—
Short-term benefits	**142,946**	256,465
Director fees	**24,900**	76,721
	720,692	1,330,940

During the first quarter of 2014, the Company's former Executive Chairman, the Company's Chief Executive Officer and one of the independent directors subscribed for 10,000,000, 1,000,000, and 2,000,000 ordinary shares of Colt Middle East, respectively.

During the second quarter of 2014, the Company's former executive chairman acquired 4,444,444 shares of Colt Middle East from the Company for $1 million at $0.225 per share. The transaction was approved by the Company's board of directors and TSX-V.

During the third quarter of 2014, the Company's former executive chairman acquired 3,000,000 shares of Colt Middle East at $0.20 per share for $0.6 million.

As of November 27, 2014, the Company holds 6,796,185 shares of Colt Middle East representing 13.37% ownership. At the original acquisition price of $0.15 per share, the carrying value of the remaining shares is $1.02 million. Based on the most recent transaction price of $0.20 per share, Company's investment in Colt Middle East would represent a fair value of $1.36 million.

As at September 30, 2014, $0.076 million is owed to related parties [December 31, 2013 – $0.42 million] is included in accounts payable and accrued liabilities.

CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES

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 [CGU's], for which there are separately identifiable cash flows, generally on the basis of a property.

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 is considered by management in determining the functional currency.

Fair value of derivative financial liability - warrants– Estimate

Estimating fair value for warrant 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 warrants. The fair value of warrants 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 warrants. The expected volatility is based on the historical volatility of the Company, over the period of the expected life of the warrants. The expected life of the warrant is based on historical data. These estimates may not necessarily be indicative of future actual patterns.

Wine Inventories – Estimate

Wine 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.

Recent Accounting Pronouncements

Effective for annual periods beginning on or after January 1, 2014

IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. The Company adopted IFRIC 21 as of January 1, 2014 and there was no significant impact on the condensed interim consolidated financial statements of the Company.

Effective for annual periods beginning on or after January 1, 2015

The following are new pronouncements approved by the IASB. The standards and interpretations are not yet effective and have not been applied in preparing these financial statements; however, they may impact future periods.

(i) IFRS 9 Financial Instruments (Revised) was issued by the IASB in October 2010. It incorporates revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement. The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss. The impact of IFRS 9 on the Company's financial instruments has not yet been determined.

Risk Factors

Resource exploration and development is a highly speculative business, involves a high degree of risk and is frequently unsuccessful. There is no certainty that the expenditures to be made by the Company in the exploration of its properties or otherwise will result in discoveries of commercial quantities of minerals. The exploration for and development of mineral deposits involves significant risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. Although the discovery of an ore body may result in substantial rewards, few properties explored are ultimately developed into producing mines. Significant expenditures may be required to locate and establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the Company's current exploration programs will result in a profitable commercial mining operation.

Significant capital investment is required to achieve commercial production from successful exploration efforts. The commercial viability of a mineral deposit is dependent upon a number of factors. These include: (i) deposit attributes such as size, grade and proximity to infrastructure; (ii) current and future metal prices (which can be cyclical); (iii) government regulations, including those relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and necessary supplies and environmental protection; (iv) First Nations negotiations and agreements; and (v) technological risks and changes. The complete effect of these factors, either alone or in combination, cannot be entirely predicted, and their impact may result in the Company not receiving an adequate return on invested capital.

The prices of minerals fluctuate widely and are affected by many factors outside of the Company's control. The prices of minerals and future expectation of such prices may have a significant impact on the market sentiment for investment in mining and mineral exploration companies. This in turn may affect the Company's ability to raise equity financing for its capital requirements.

OTHER MATERIAL EVENTS AND HIGHLIGHTS

The Company is presently not a party to any proceedings.

SUBSEQUENT EVENTS

There were no significant subsequent events subsequent to September 30, 2014.

Other Information

Additional information on the Company is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.coltresources.com

Colt Resources Inc.

Signed *"Nikolas Perrault"*

Nikolas Perrault
Chief Executive Officer

Signed *"Shahab Jaffrey"*

Shahab Jaffrey
Chief Financial Officer