An Exploration Stage Company

MANAGEMENT'S DISCUSSION & ANALYSIS

As at May 29, 2015

This Management's Discussion and Analysis ("MD&A") of Colt Resources Inc. and its subsidiaries (the "Company") is for the three month period ended March 31, 2015 compared to the three month period ended March 31, 2014. 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 May 29, 2015 and should be read in conjunction with the Company's Annual Information Form and 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, 2014 audited annual consolidated financial statements. This discussion addresses matters we consider important for an understanding of the financial condition and results of operations as at, and for the three-month period ended March 31, 2015 of the Company.

Additional information, including the press releases and the Company's annual information form, 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, OTC Pink 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. ï Sociedade Vitícola Unipessoal Lda. [ñQSPAò], Eurocolt Resources Unipessoal Lda. [ñEurocoltò], Aurmont Resources Unipessoal Lda. [ñAurmontò], TungSPA Unipessoal Lda. [ñTungSPAò]. It also holds an equity interest in its associate entity, Colt Resources Middle East (Cayman) (the ñAssociateó). These subsidiaries and the associate represent the interests of Colt Resources Inc. in Portugal and the Greater Middle East area respectively.

The Companyõs significant exploration and development projects at March 31, 2015 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 and approved by Gareth OõDonovan 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 Companyõs technical reports are available under the Companyõs profile on www.sedar.com

CORPORATE HIGHLIGHTS

- On April 13, 2015, the Company announced that Wayne Murton had stepped down as a director and the Company has appointed former US Ambassador Hans H. Hertell to the board. Wayne will continue to be engaged with the Company in the capacity of an external advisor.
- On April 20, 2015, the Company announced the appointment of Mr. Sabri Karahan, nominee of Spektra, as a director. Mr. Sabri Karahan is a mining engineer with 40 years of experience in mining operation, development, engineering, mine management and corporate management. He is the founder and is currently the Chief Executive Officer and General Manager of DAMA Engineering of Ankara, Turkey, which serves the mining industry worldwide in the areas of exploration, project development, and EPCM work.
- During the month of April 2015, the Company subscribed to 2,000,000 shares of Colt Resources Middle East Cayman (ñCRMEó), the Companyõs associate at a price of $0.20 per share for an investment of $0.4 million. As a result of this investment, the Companyõs share in CRME increased to 15.76%.
- During the month of May 2015, the Company entered into agreements with its existing senior secured note holders for conversion in shares of its senior secured debt in the aggregate principal amount of US$2.7 million in addition to the accrued interest of US$ 0.1 million at a deemed price of CAD $0.175 per Unit. Each Unit will be comprised of one common share and one common share purchase warrant (a ñWarrantó). Each Warrant will entitle the holder to acquire for a period of three years one common share of the Company at a price of CAD $0.25 per common share. The securities issued to the Creditor will be subject to a four-month plus one day statutory resale restriction.

OUTLOOK

The Company does not generate any operating cash flows. The Companyõs 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 Companyõs 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 fiscal year 2015. 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 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 2015, all the efforts were devoted to the preparation of the document package needed for the mining license application which was delivered to the Direcção Geral De Energia E Geologia ("DGEG") towards the end of April 2015.

On the administrative side, the yearly report of the work and investment incurred during 2014 was prepared and sent to the DGEG by the end of Q1 2015 .

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. The roads and the infrastructure are excellent. The Tabuaço Experimental Mining License ("EML") contract was signed on February 20, 2013 and corresponds to the north-west block of the previously owned Armamar-Meda Tungsten Concession, whose exploration license expired on December 9, 2012.

Drill hole logging of the last holes of the 2014– drilling campaign was completed, and the correspondent sample splitting was ongoing at the end of the quarter.

On the administrative side, the yearly report of the work and investment incurred during 2014 was prepared and sent to the DGEG by the end of Q1 2015 .

Santo António Experimental Mining License (previously the Penedono Concession)

During the first quarter, Contécnica continued with the drilling program at Santo António with 2 holes drilled with a total length of 719.98 m, cutting a sequence of granitic rocks cross cut by quartz veins/veinlets, small fractured zones, as well as greisen margins with minor amounts of pyrite and arsenopyrite. Drill hole logging, density measurements, sampling preparation and dispatching the samples to the assay laboratory was ongoing and up to date by the end of the quarter. Analytical results received from drill hole core, from 6 holes, shows several intersections with gold grade above 1 g/ton with the highest value reported on vein 5 with 4.34 gAu/ton over 0.55m and 1.88 gAu/ton over 4.55m in hole SAD06ID006. The resource estimation for veins 7 to 13 and the health and safety plan are ongoing.

On the administrative side, the yearly report of the work and investment incurred during 2014 was prepared and sent to the DGEG by the end of Q1 2015 . The DGEG was also requested to allow a change in the experimental mining plan from Turgueira to the Santo António vein system.

Montemor-o-Novo Gold Concession

The Montemor-o-Novo exploration concession (ŇMontemorÓ or the ŇConcessionÓ) covers approximately 728.22km² 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 CompanyÕs 100% owned Boa Fé Experimental Mining License (ŇEMLÓ).

During the first quarter of 2015 no field work was carried out at this property, but mineralized samples cut from previously drill holes drilled at Monfurado were prepared to be dispatched to the assay laboratory.

On the administrative side, the semester report of the work and investment incurred during the second half of 2014 was prepared and sent to the DGEG.

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.

No field work was carried out at this property during this quarter.

On the administrative side, the semester report of the work and investment incurred during the second half of 2014 was prepared and sent to the DGEG.

Cercal Concession

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 2015 no field work was carried out at this property.

On the administrative side, the semester report of the work and investment incurred during the second half of 2014 was prepared and sent to the DGEG.

RESULTS OF OPERATIONS

SELECTED FINANCIAL INFORMATION AND SUMMARY OF QUARTERLY RESULTS

	March 31	December 31	September 30	June 30
	2015	2014	2014	2014
Quarters ended	$		$	$
Net Loss	(940,238)	(8,574,778)	(1,264,935)	(752,444)
Comprehensive Loss	(1,444,199)	(8,143,066)	(2,222,782)	(1,627,085)
Basic and diluted loss per share	(0.01)	(0.06)	(0.01)	(0.01)
	March 31	December 31	September 30	June 30
	2014	2013	2013	2013
Quarters ended	$		$	$
Net Loss	1,182,123	(3,212,760)	(3,187,835)	(2,008,404)
Comprehensive Loss	2,203,122	(1,851,085)	(2,821,413)	(960,431)
Basic and diluted loss per share	0.01	(0.01)	(0.02)	(0.01)

Summary of variation in operating costs between March 31, 2015 and 2014

	2015	2014	Variation
	$	$	$
Management fees and related costs	**91,612**	148,500	(56,888)
Professional and consulting fees	**187,304**	75,011	112,293
Salaries	**110,317**	221,109	(110,792)
	389,233	444,620	(55,387)
Investor relations and marketing	**18,825**	120,124	(101,299)
Legal expenses	**2,805**	14,861	(12,056)
Insurance	**26,118**	54,301	(28,183)
Office expenses	**178,271**	175,908	2,363
Listing and transfer agent fees	**31,517**	18,203	13,314
Rent	**37,629**	88,878	(51,249)
Other	**22,881**	40,017	(17,136)
Administrative expenses	**707,279**	956,912	(249,633)

Quarter ended March 31, 2015 compared to the quarter ended March 31, 2014

For the quarter ended March 31, 2015 , the Company reported a net loss of $0.94 million (net income of $1.18 million in 2014) and a comprehensive loss of $1.44 million (comprehensive income of $2.2 million in 2014). As compared to the same quarter in the prior year, there was a net income in the prior year primarily due to receipt of $1.5 million of funds received by the Company from its associate, CRME which was accounted for as other income. In the current quarter of the 2015 fiscal year, there were no such transactions.

On the expenses, overall administrative expenses decreased by $0.25 million in the current quarter as compared to the same period prior year primarily due to overall reduction in activities by the Company in line with its cost reduction strategies as outlined in the previous quarters. Specifically, there were reductions in management fees, salaries, investor relations and marketing activities, legal expense and rent.

Finance costs decreased to $0.075 million ($0.16 million in 2014) representing primarily accretion expenses on preferred shares of $ million ($ in 2014), accretion of interest on senior secured notes of $ 0.068 million (2014:$0.096 million).

The Company reported a foreign exchange loss of $0.5 million (gain of $1.02 million in 2014) on translation of results of foreign subsidiaries. The Company reported a total weighted average number of common shares outstanding of 181,189,156 (159,614,785 in 2014). The Company reported a net loss per share of $0.01 (net earning of $0.01 in 2014).

Exploration and evaluation expenditures

The following table represents additional Exploration and Evaluation (E&E) expenditures during the first quarter ended March 31, 2015 and the year ended December 31, 2014 on the Company's properties in Portugal.

	Santo Antonio		Tabuaco		Moimenta Almendra		Montemor-o-Novo		Boa Fé		Others	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
Balance, beginning of period/year	**2,912,614**	2,912,614	**14,468,814**	13,574,892	-	-	**1,820,067**	1,491,881	**12,904,756**	11,682,912	**322,764**	265,052
Assays and geochemistry	-	-	-	-	-	-	-	-	**9,270**		-	-
Field costs	-	-	**1,516**	26,678	-	-	-	-	-	11,692	-	-
Consulting	-	-	**4,180**	95,038	-	-	**4,677**	13,469	**22,049**	82,732	**10,985**	17,655
Drilling	-	-	-	663,350	-	-	-	249,208	-	847,522	-	19,882
Geology	-	-	-	-	-	-	-		-	-	-	-
Geophysics	-	-	**65,809**	-	-	-	-		-	-	-	3,090
Salaries and labour	-	-	**38,266**	108,856	-	-	-	65,508	**20,490**	279,898	**141,850**	17,084
Acquisition related cost	-	-	-	-	-	-	-		-		**20,854**	-
Tangible assets	-	-	-	-	-	-	-		-		-	-
Total exploration expenditures	-	-	**109,771**	893,922	-	-	**4,677**	328,186	**51,809**	1,221,844	**173,689**	57,712
Evaluation assets written off	-	-	-	-	-	-	-	-	-	-	-	
Sub Total	-	-	**109,771**	893,922	-	-	**4,677**	328,186	**51,809**	1,221,844	**173,689**	57,712
Balance, end of period/year	**2,912,614**	2,912,614	**14,578,585**	14,468,814	-	-	**1,824,744**	1,820,067	**12,956,565**	12,904,756	**496,453**	322,764

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2015, total assets were $34.1 million ($33.13 million at the end of December 31, 2014). Exploration and evaluation assets decreased by $0.43 million December 31, 2014 .

Cash and solvency

As at March 31, 2015 , the Company's cash and cash equivalents balance was $0.75 million ($0.16 million at the end of December 31, 2014). The decrease in cash and cash equivalents was primarily the result from the net cash used in operating activities of $0.8 million (cash generated of $1.14 million in 2014), use of net cash from investing activities of $0.49 million (use of cash of $2.74 million in 2014) and net cash flow from financing activities of $1.83 million ($0.15 million in 2014).

As at March 31, 2015 , 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 shown 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 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 fiscal year 2015. 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 May 29 2015 , there 199,121,654 common shares, 31,362,089 warrants with a weighted average exercise price of $0.28 per warrant and 5,200,000 stock options with a weighted average price of $0.48 per option outstanding.

CONTRACTUAL OBLIGATIONS

1. The Company's contractual obligation for the properties in Portugal as at March 31, 2015 are as follows:

	Obligations due per year			
	2014	2015	2016	2016+
	$	$	$	$
Montemor-o-Novo Commitments (1)	659,475	439,650	439,650	
Cedovim Commitments (1)	87,930	73,275	73,275	
Borba (1, 3)	78,708	78,708	91,826	234,480
Cercal (1)	73,275	109,913	109,913	293,100
Total contractual obligations	**899,388**	**701,546**	**714,664**	**527,580**
	Obligations for the life of the contract			
	2014-2017			
	$			
Tabuaco EML Commitments (1, 4)	6,594,750			
Santo Antonio EML Commitments (1, 3, 4)	4,396,500			
Total obligations for the life of the contract	**10,991,250**			
(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

Related party transactions include transactions with the Company's associate, CRME and transactions with the Company's Key Management Personnel which includes the Executive Chairman of the Board of Directors, the Chief Executive Officer, the 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 quarter ended March 31, 2015 and 2014

Quarter ended March 31	**2015**	**2014**
	$	$
Management fees and related costs	**86,000**	148,500
Professional and consulting fees	**12,545**	36,000
Salaries	**-**	37,500
Short-term benefits	**38,080**	58,241
Director fees	**13,098**	16,500
	149,723	296,741

During Q1 2015, the Chief Executive and one of the Directors subscribed for 2,181,204 shares of the Company during the private placement the closed on February 26, 2015 and March 6, 2015.

As at March 31, 2015 $0.36 million [December 31, 2014, $0.69 million] and 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:

Control over Structured Entities and Investments – Judgment

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When the Company has less than majority of the voting, or similar, rights of an investee, it considers relevant facts and circumstances in assessing whether it has power over the investee, as applicable, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Company's voting rights and potential voting rights

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, revenues and expenses of a subsidiary acquired or disposed of during the year included in the consolidated statements operations and comprehensive loss from the date the Company gains control until the date the Company ceases to control the subsidiary.

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 assetôs 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 [CGUôs], 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 Companyôs 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 doesnôt 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.

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 Companyôs best estimate of net realizable value is based on the average prices published by the ñInstituto dos Vinhos do Douro e Portoò 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

IFRS 9 Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Company is currently assessing the impact of adoption that IFRS 9 and plans to adopt the new standard on the required effective date.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IAS 1 Presentation of Financial Statements
In December 2014, the IASB issued amendments to IAS 1, Presentation of Financial Statements ("IAS 1") to clarify materiality, order of notes to financial statements, disclosure of accounting policies as well as aggregation and disaggregation of items presented in the statement of financial position, statement of income and statement of comprehensive income. These amendments shall be applied to fiscal years beginning on or after January 1, 2016, with earlier application permitted. The Company has not adopted the amendments to IAS 1 in its financial statements for the current period, but will continue to monitor and evaluate the impact of any required changes to its consolidated financial statements at the date of adoption.

IAS 41 Agriculture
In June 2014, the IASB published amendments that change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. IAS 41 Agriculture currently requires all biological assets related to agricultural activity to be measured at fair value less costs to sell. The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, the amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company is currently assessing the impact of the amendments and plans to adopt the new standard on the required effective date.

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

On April 10, 2015, the Company announced that it has agreed to issue 1,069,718 shares and 179,550 share purchase warrants to settle an aggregate of $0.13 million of debt, which is owing to various arm's length vendors and service providers pursuant to the provision of their services, at a weighted average deemed price of $0.12 per common share. Each share purchase warrant shall be exercisable at a price of $0.15 per share to acquire one common share of the Company for a period of 36 months from the closing date.

During the month of April 2015, the Company subscribed to 2,000,000 shares of Colt Resources Middle East Cayman ("CRME"), the Company's associate at a price of $0.20 per share for an investment of $0.4 million. As a result of this investment, the Company's share in CRME increased to 15.76%.

On May 19, 2015 the Company announced that it has entered into a settlement agreement with a former executive whereby, the Company has agreed to issue an aggregate of 1,866,354 common shares at a deemed price of $0.245 per common share to the former executive in payment of unpaid salary, as well as severance amounts.

During the month of May 2015, the Company entered into agreements with its existing senior secured note holders for conversion in shares of its senior secured debt in the aggregate principal amount of US$2.7 million in addition to the accrued interest of US$ 0.1 million at a deemed price of CAD $0.175 per Unit. Each Unit will be comprised of one common share and one common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to acquire for a period of three years one common share of the Company at a price of CAD $0.25 per common share. The securities issued to the Creditor will be subject to a four-month plus one day statutory resale restriction.

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