Management's Discussion & Analysis

Form 51-102F1

For the Six Months Ended March 31, 2016

The Management's Discussion and Analysis ("MD&A), prepared as of May 27, 2016, review and summarize the activities of Colombia Crest Gold Corp. ("Colombia Crest" or the "Company") and compare the financial results for the six months ended March 31, 2016, with those of the six months ended, March 31, 2015. This information is intended to supplement the unaudited condensed interim financial statements for the six months ended March 31, 2016 and the related notes thereto, which have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar amounts included in this MD&A are stated in Canadian dollars unless otherwise indicated.

Colombia Crest's common shares trade on the TSX Venture Exchange ("TSXV") under the symbol "CLB" and its most recent filings are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be accessed through the Internet at www.sedar.com or through the Company's website at www.colombiacrest.com.

The "Qualified Person" under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101") for Colombia Crest's exploration projects in the following discussion and analysis is John Bolaños. Mr. Bolaños is a Professional Geologist (B.Sc.Eng) from Ecuador and earned a Master's degree in Mining Geology (M.Sc.) from Camborne School of Mines. He is a registered member of the Society of Mining, Metallurgy and Exploration of the USA (SME), a member of the Society of Economic Geologists (SEG). Mr. Bolaños has 20 years of general management, exploration management and geological experience with companies including Andean Gold Ltd., Ascendant Exploration S.A, Hampton Court Resources Company and Grant Mining S.A Companies.

Forward-Looking Statements

Except for the historical statements contained herein, this management's discussion and analysis presents "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold and other minerals and metals, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "proposed" "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Colombia Crest to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the full recovery of the amounts owed to the Company related to the sale of it Bolivian subsidiary; risks related to international operations, risks related to the integration of acquisitions; actual results of current or future exploration activities; actual results of current or future reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and other minerals and metals; possible variations in ore reserves, resources, grade or recovery rates; failure of equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry.. Although the management and officers of Colombia Crest believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Colombia Crest does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Overview

After thirteen years of mineral exploration in Bolivia, the Company disposed of its Bolivian assets (sold the Bolivian subsidiary) in December, 2012 to focus its activities on the acquisition and exploration of mineral resource properties in Colombia. The Company executed two agreements in 2010 to earn up to a 75% interest in the mineral titles of the Fredonia and Venecia properties, both located in the department of Antioquia, near the City of Medellin.

Due to the downturn in the financing market for junior exploration companies in conjunction with the falling gold price and uncertainly of success, the Company terminated both its Colombian options in 2013.

The Company retains an earned 50% interest in the Fredonia property. However, currently, the Company does not have any intention to incur any further exploration or concession expenditures and any future expenditure incurred by the optionor and/or other third parties may have the effect of diluting the Company's earned interest. The Colombian operations were conducted through a Panama company which was a 100% subsidiary of another Panama company, which in turn was 100% owned by Colombia Crest Gold Corp. On September 18, 2015, both Panama companies were dissolved.

Presently, management is actively seeking new projects.

Future Outlook

Since the signing of a revised payment agreement, executed in December 2014, with the purchaser of the Company's Bolivian subsidiary, the Company has received the first two installments totaling US$400,000. The terms of the agreement call for the remaining payment of US$1.2 million to be paid in four installments between June 1, 2015 and March 1, 2016. The US$300,000 due on June 1, 2015, were paid by the purchasers (also "the debtors") on August 18, 2015, to the Bolivian court after management initiated legal action to enforce the overdue payment. The US$300,000 due on September 1, 2015, the US$300,000 due on December 1, 2015, and the final US$300,000 due on March 1, 2016, have not been paid and the matter is currently before the court. The Company is attempting to enforce the revised payment agreement, while the debtors are trying to delay paying by employing various stalling tactics. Management is confident that the Company will prevail.

The equity market conditions continue to pose a challenge to most junior explorers and once the contractual payments from Bolivia are enforced by the court, this source of funding will enable the Company to continue paying its overhead and more importantly, facilitate the evaluation of new opportunities. Currently, management is considering various options and will make further disclosures when appropriate.

Selected Annual Information

	Year Ended September 30 2015 $	Year Ended September 30 2014 $	Year Ended September 30 2013 $
Interest income	-	-	2,266
Net loss	(313,989)	(593,849)	(8,778,799)
Basic loss per share	0.00	(0.01)	(0.10)
Total assets	56,205	497,161	928,274
Current liabilities	539,075	666,042	503,306
Working capital deficit	(488,015)	(271,485)	(374,018)
Dividends	Nil	Nil	Nil

The Company was in the stages of exploring its mineral properties and the Company has not earned any revenues from its projects.

The Company's accounting policy is to record its mineral properties at cost. Exploration and development expenditures are deferred until properties are brought into production, at which time they will be amortized on a unit of production basis. In the event that properties are sold, impaired or abandoned, the deferred cost will be written off. Considerable sums have been spent on the exploration of the Company's properties in the past several years, thus resulting in the sizable increases in the Company's total asset base. However, in recent years, significant write-offs in deferred exploration expenditures in Bolivia and Colombia have resulted in substantial decreases in total assets of the Company.

In fiscal 2013, the Company commenced winding down its operations in Colombia due to shortage of funds and lack of sufficiently favourable geological findings. As a result, $6,600,686 in deferred Colombian exploration costs were written off at the 2013 fiscal year end. The sale of the Bolivian subsidiary resulted in a loss of $87,824. The assessment of a fair value of the long term receivable associated with the sale of the subsidiary resulted in a loss of $1,253,750 as impairment on receivable (for detail explanation of the loss and impairment on receivable - refer to Note 5 of the audited September 30, 2013, consolidated financial statements).

During fiscal 2014, the Company focused on cutting corporate overhead and expenses to conserve cash. Expenses and the net consolidated loss for the year were considerably lower compared to prior years. Total assets were further lowered in 2014 as management re-negotiated the Company's long term receivable by granting a substantial discount to receive earlier settlement of payments. A further impairment on the receivable of $357,978 was recorded as at September 30, 2014. Refer to Note 5 of the audited September 30, 2014, consolidated financial statements for more detail.

In fiscal 2015, $473,000 (2 payments of US$200,000) were received from the debtors, which resulted in $24,680 being recorded as a recovery of impairment on receivable. The recovery is the excess of cash received relative to the aggregate carrying value of the receivable at September 30, 2014, of $448,320. Furthermore, in 2015, the Company also received $35,957 (US$30,920) as compensation due to late closing of the sale of the Bolivian subsidiary in 2013. The $35,957 was recorded as a recovery from discontinued operations. As at September 30, 2015, no estimate of a fair value of the remaining receivable was recorded in the financial statements, which had an effect of lowering the balance sheet assets as compared to the previous year.

During 2016, management continued its efforts to collect money due from the revised agreement signed in December, 2014. As of the date of this report US$1.2 million is still outstanding with US$300,000 having been paid by the debtors to the Bolivian court and an additional US$900,000 being overdue.

Six Months ended March 31, 2016 and 2015 Review:

For the six months ended March 31, 2016, the Company recorded a net gain of $267,724 as compared to a net loss of $153,780 for the six months ended March 31, 2015. The gain in 2016 was strictly due to the recognition of $415,200 in recovery of impairment on receivable.

Major accounts that changed notably for the six month periods were as follows:

	2016 $	2015 $	Increase (Decrease)	
Expenses:				
Administration	36,000	48,000	(12,000)	1.
Foreign exchange loss	11,826	38,606	(26,780)	2.
Management fees	47,569	51,565	(3,996)	3.
	95,395	138,171	(42,776)	
Other items:				
Recovery of impairment on receivable	(415,200)	-	415,200	4.
Recovery from discontinued operation	-	(35,957)	(35,957)	5.
All other accounts	52,081	51,566	515	
	(267,724)	153,780	(421,504)	

1. Company personnel took a reduction in administration fees during 2nd quarter of fiscal 2016.
2. Foreign exchange loss higher in 2015 due to a larger net liability position against a strong US dollar. The lower net liability position occurred in 2016 as a result of recognizing a receivable payment of US$300,000 paid by the debtors to the Company.

3. Company personnel took a reduction in management fees during 2nd quarter of fiscal 2016. However, as the fees are accrued in US$ dollars, the reduction was dampened due to the stronger strength of the US dollar during the first six months of 2016 as compared to 2015.
4. Due to legal action taken by the Company against the debtors of an accounts receivable, the debtors paid $415,200 (US$300,000) to the Bolivian court. As a result of this payment to the court, the Company recorded $415,200 as current receivable in the financial statements and a corresponding amount to recovery of impairment on receivable.
5. In 2014, the purchaser of the Bolivian subsidiary paid $35,957 (US$30,920) as consideration for delay in closing of the sales transaction.

Results of Operations:

For the three months ended March 31, 2016 and 2015 Review:

For the three months ended March 31, 2016, the Company recorded a net loss of $50,259 as compared to a net loss of $108,492 for the three months ended March 31, 2015.

	2016 $	2015 $	Increase (Decrease)	
Expenses:				
Administration	12,000	24,000	(12,000)	a.
Foreign exchange (gain) loss	(487)	24,962	(25,449)	b.
Management fees	17,490	27,755	(10,265)	c.
	29,003	76,717	(47,714)	
Other items:				
All other accounts	21,256	31,775	(10,519)	
	50,259	108,492	(58,233)	

Major accounts that changed notably between the three month periods were as follows:

a. Company personnel took a reduction in administration fees during 2nd quarter of fiscal 2016.
b. A foreign exchange gain occurred in 2016 as a result of the Canadian dollar strengthening against the US dollar when compared to the previous quarter. Whereas during the 2nd quarter in 2015, the Canadian dollar continued to weaken against the US dollar causing the large foreign exchange loss.
c. Company personnel took a reduction in management fees during 2nd quarter of fiscal 2016.

Summary of Selected Highlights for the Last Eight Quarters

Description	Mar 31, 2016 $	Dec 31, 2015 $	Sept 30, 2015 $	Jun 30, 2015 $
Balance Sheet:				
Current assets	424,706	457,936	51,060	118,136
Current liabilities	644,225	627,583	539,075	500,054
Shareholders' Equity				
Capital stock	79,932,514	79,932,514	79,932,514	79,932,514
Shares subscribed	1,156,000	1,156,000	1,156,000	1,156,000
Contributed surplus	6,030,315	6,030,315	6,030,315	6,030,315
Cumulative translation adjustment				
Deficit	(87,333,975)	(87,283,717)	(87,601,699)	(87,495,180)
Working capital deficit	(219,519)	169,647	(488,015)	(381,918)
Operations:				
Total revenues	Nil	Nil	Nil	Nil
Net gain (loss)	(50,259)	317,982	(106,519)	(53,690)
Basic loss per share	0.00	0.00	0.00	0.00

Description	Mar 31, 2015 $	Dec 31, 2014 $	Sept 30, 2014 $	Jun 30, 2014 $
Balance Sheet:				
Current assets	46,214	235,747	394,557	33,182
Current liabilities	590,605	669,761	666,042	611,118
Shareholders' Equity				
Capital stock	79,932,514	79,932,514	79,932,514	79,932,514
Shares subscribed	1,156,000	1,156,000	1,156,000	1,156,000
Contributed surplus	6,030,315	6,030,315	6,030,315	6,030,315
Cumulative translation adjustment				
Deficit	(87,441,490)	(87,332,998)	(87,287,710)	(86,902,233)
Working capital deficit	(544,391)	(434,014)	(271,485)	(577,936)
Operations:				
Total revenues	Nil	Nil	Nil	Nil
Net loss	(108,492)	(45,288)	(385,477)	(63,206)
Basic loss per share	0.00	0.00	0.00	0.00

Significant Items Within the Quarter and Comparison to Previous Quarter:

<u>For the three months ended March 31, 2016:</u>

- Foreign exchange gain of 487
- Working capital deficit of $219,519

Net gain recorded in the previous quarter due to a recovery of impairment on receivable. Otherwise, the net loss in the current quarter is in line with prior quarters without major recoveries or significant foreign exchange losses being recorded.

<u>For the three months ended December 31, 2015:</u>

- Foreign exchange loss of $12,313
- Recovery of impairment on receivable of $415,200
- Working capital deficit of $169,647

Net gain resulted in the quarter due to recognition of $415,200 as recovery of impairment on receivable. After legal action by the Company to enforce a payment agreement, the debtors paid $415,200 (US$300,000) to the Bolivian court. Management is in process of filing to have the funds released.

<u>For the three months ended September 30, 2015:</u>

- Foreign exchange loss of $16,145
- Working capital deficit of $488,015

Increase in loss of $52,829 during the quarter as compared to the previous quarter due to a foreign exchange gain of $12,201 and a recovery of impairment on receivable of $24,680 being recorded in the previous quarter. A foreign exchange loss of $16,145 was recorded in the current quarter and there was no recovery of impairment on receivable.

<u>For the three months ended June 30, 2015:</u>

- Long term receivable payment of $240,420 (US$200,000) received
- Recovery of impairment on long term receivable in the amount of $24,680
- Foreign exchange gain of $12,201
- Working capital deficit of $381,918

Decrease in loss during the current period from last quarter due mainly to the recovery of impairment on long term receivable in the amount of $24,680. Working capital deficit also decreased from the last quarter as $240,420 (US$200,000) payment in long term receivable was received.

For the three months ended March 31, 2015:

- Foreign exchange loss of $24,962
- Working capital deficit of $544,391

Increase in loss during the current period compared to previous quarter due to higher loss in foreign exchange. Also a recovery from discontinued operations helped to lower the losses in the previous quarter. Working capital deficit increased in the current quarter as the receivable payment of US$200,000 due March 1, 2015 was not received.

For the three months ended December 31, 2014:

- Long term receivable payment of $232,580 (US$200,000) received
- Recovery of $35,962 from discontinued operations
- Working capital deficit of $434,014

Substantially lower net loss in the current quarter due to recognition of an impairment of receivable in the amount of $357,978 in the prior quarter.

For the three months ended September 30, 2014:

- Impairment on receivable of $357,978
- Working capital deficit of $399,576

The increase in net loss compared to the previous quarter was due mainly to the recording of impairment on receivable of $357,978 in the current quarter.

For the three months ended June 30, 2014:

- Working capital deficit of $577,936

Net loss decreased from the last quarter mainly due to the incurrence of a $10,585 foreign exchange gain in current quarter whereas during the previous quarter a loss of $11,276 in foreign exchange was recorded. Also, in the previous quarter, $9,479 in mailing and printing costs were incurred associated with the Company's Annual and Special Meeting.

Liquidity and Solvency

At this time, the Company has no operating revenues and does not anticipate any in the near term. Historically, the Company has raised funds through private placements, loans, shares for debt settlements, and the exercise of options and warrants.

No private placements or any other financing took place in the current fiscal year or in fiscal 2015.

In June, 2013, the Company received a short-term loan of US$100,000 on the following terms:

The loan, which was not convertible, was repayable on demand without interest, at any time after December 7, 2013.

As consideration for the Loan, on June 19, 2013, the Company issued 400,000 common shares (fair valued at $6,000) to the lender.

As security for repayment of the Loan, the Company assigned to the lender the US$100,000 payment due to the Company on December 14, 2013, pursuant to the Share Purchase Agreement dated December 14, 2012, relating to the sale of the Company's Bolivian subsidiary – see the audited consolidated financial statements for the year ended September 30, 2014 – Note 8.

In December, 2013, the loan was extended to be due after June 7, 2014 at an annual rate of 20% per annum. Interest accrued as at March 31, 2015, totaled US$24,163.

In January, 2015, US$50,000 of the loan principal was repaid.

On May 1, 2015, the Company paid US$50,000 to settle the remaining balance of the short-term loan and US$25,012 in interest.

At December 31, 2015, the Company had cash on hand of $26,233 and a working capital deficit of $169,647.

Management has been working diligently in seeking financing opportunities. One measure taken was amending the terms of the long term receivable (from sale of the Company's Bolivian subsidiary) so that receipt of the remaining funds would be accelerated. As at the end of fiscal 2013, under the original terms, the remaining US$4.9 million was to be paid by annual installments commencing December, 2013 and ending in 2022.

Amendment of the terms of the long term receivable was completed in May, 2014. The amended or second agreement discounted the US$4.8 million (US$100,000 was received prior to the amendments) to US$1.65 million, of which US$50,000 was to be paid in April, 2014 with 16 subsequent payments of US$100,000 between May 2014 and December 2015. The US$50,000 due in April 2014 was received in July 2014, but the debtors defaulted on the following payments.

In September, 2014, the Company commenced legal action in Bolivia to enforce payment and in December, 2014, the debtors and the Company finalized the third (and current) agreement with payment of the remaining US$1.6 million as follows:

- US$200,000 due on December 11, 2014 (received);
- US$200,000 due on March 1, 2015 (received in April 2015);
- US$300,000 due on June 1, 2015*;
- US$300,000 due on September 1, 2015; (unpaid)
- US$300,000 due on December 1, 2015; (unpaid) and
- US$300,000 due on March 1, 2016 (unpaid).

* *On August 18, 2015, the amount was paid by the debtors to the Bolivian court and the Company is in process of obtaining the release of the funds.*

In addition to the payments outlined above, US$12,000 was received in December, 2014, for interest and legal costs caused by the debtors' defaulting on payments according to the previous agreement.

The agreement signed in December, 2014, replaces all previous agreements and under this agreement, if any two consecutive payments are not paid as scheduled, the unpaid balance will be due on demand and will accrue interest at a rate of 2% per month.

The current agreement also modified the prior agreements by eliminating force majeure conditions. This is of significant importance because now there is no basis for non-payment that would not put the debtors in breach of the agreement. The payments are guaranteed by a related entity of the debtors that has significant assets and operations.

As at the time of this report, the Company is in litigation the debtors and the guarantor to enforce the payment terms of the current agreement. Management is confident that the Company will prevail as the debtors are delaying payment by employing stalling tactics.

Unless the Company receives the payments it is owed, it will not have sufficient funds to pay overhead and administration expenses and to finance new projects during fiscal 2016 and its survival as a going concern may be in doubt.

The Company has incurred losses since inception and the long term survival of the Company depends on the ability of management to continue raising capital. While management has successfully raised the necessary capital to finance the Company's operations in the past, there is no assurance that it will continue to be able to do so in the future.

Industry and Economic Factors Affecting Colombia Crest

The Company's future performance is largely tied to the ability of management to secure new projects and the outcome of those programs, and the overall health and stability of junior capital markets, inclusive of the TSXV. The precious metal financial markets upon which the Company has been reliant are widely expected to experience continued volatility throughout 2016, reflecting investor anxiety with regard to the strength and longevity of the global economy, global growth prospects, and their associated impact upon liquidity, security and return.

Junior exploration companies worldwide have been hit particularly hard by these trends. Accordingly, the Company is having difficulty raising equity financing for the purposes of mineral exploration. With continued market volatility and slower worldwide economic growth anticipated, the Company's strategy is to manage its treasury in a planned, deliberate and prudent manner while attempting to limit any future offering to a point in time where the associated capital markets have favourably stabilized. The Company believes this strategy will enable it to meet the near-term challenges presented by the capital markets while maintaining the momentum on key initiatives.

Recent Pronouncements Affecting Changes in Accounting Policies (Standards, Amendments and Interpretations Not Yet Effective):

Certain new accounting standards and interpretations have been published that are not mandatory for the December 31, 2015 reporting period. The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

- IFRS 9 (Amended 2010) Financial Instruments (effective January 1, 2018)

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

Off-Balance Sheet Arrangements

Colombia Crest does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Outstanding Share Capital

The following securities were outstanding as at May 27, 2016:

Securities	Number	Weighted-Average Exercised Price	Expiry Date
Common shares issued and outstanding	96,088,289	N/A	N/A
Share purchase options	2,500,000	$0.34	Nov 14, 2016 – Nov 8, 2017
Share purchase warrants	9,733,333	$0.15	July 15, 2016
Fully diluted share capital	108,321,622	N/A	N/A

For a breakdown of the securities as at March 31, 2016, refer to the Note 8 to the condensed interim financial statements for the three months ended March 31, 2016.

Related Party Transactions

Key management personnel are persons responsible for the planning, directing and controlling the activities of the Company. Transactions with the related parties are recorded at the exchange amount being the price agreed between the parties. The Company's key management personnel are the CEO and CFO and their compensations are as follows:

	For the Three Months Ended March 31		For the Six Months Ended March 31	
	2016	2015 $	2016	2015 $
Management fees	17,490	27,755	47,569	51,565
Administration fees	12,000	24,000	36,000	48,000
Total	29,490	51,755	83,569	99,565

No share purchase options were granted to key management personnel and directors for the three months or six months ended March 31, 2016 and 2015.

Related party liabilities included in trade and other payable are as follows:

	As at March 31	
Amounts due to management:	2016 $	2015 $
Management fees	201,913	113,192
Administration fees	202,000	142,000
Consulting fees	35,158	38,239
Expenses and other	16,852	8,486
Total	455,923	301,917

Disclosure Controls and Procedures

Management has assessed the effectiveness of the Company's disclosure controls and procedures used for the financial statements and MD&A as at March 31, 2016. Although certain weaknesses such as lack of segregation of duties are inherent with small office operations, management has implemented certain controls such as frequent reviews and regular preparations of reconciliations of transactions and budgets to ensure absence of material irregularities. Management has concluded that the disclosure controls are effective in ensuring that all material information required to be filed has been made known to them in a timely manner. The required information was effectively recorded, processed, summarized and reported within the time period necessary to prepare the annual filings. The disclosure controls and procedures are designed to ensure effective information required to be disclosed pursuant to applicable securities laws are accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Limitations of Controls and Procedures

It must be recognized that any implemented system of disclosure controls and procedures or internal controls over financial reporting can only provide reasonable and not absolute assurance that the objectives of the control system are met. While designing such control systems, resource constraints cannot be ignored and the benefits of controls must be considered relative to their costs. All control systems are subject to limitations and as such, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. Breakdowns within the system can occur due to simple human error or mistakes. Furthermore, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Risk Factors

The Company is subject to the risks and challenges similar to other companies in a comparable stage. Other than the risks relating to reliance on financing previously discussed, the risks include, but are not limited to, limited operating history, speculative nature of mineral exploration and development activities, operating hazards and risks, mining risks and insurance, no mineral reserves, environmental and other regulatory requirements, competition, stage of development, fluctuations in commodity prices, conflicts of interest, reliance on key individuals, no key man insurance and enforcement of civil liabilities.

Limited Operating History - An investment in Colombia Crest should be considered highly speculative due to the nature of Colombia Crest's business. Colombia Crest has no history of earnings, it has not paid any dividends and it is unlikely to enjoy earnings or be paying dividends in the immediate or foreseeable future.

Speculative Nature of Mineral Exploration and Development Activities - Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by Colombia Crest may be affected by numerous factors which are beyond the control of Colombia Crest and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in Colombia Crest not receiving an adequate return of investment capital.

Substantial expenditures are required to establish mineral reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that the funds required for development can be obtained on a timely basis. Estimates of mineral reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short-term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in mineral reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Few exploration properties are ultimately developed into producing mines. Major expenses may be required to establish mineral reserves, develop metallurgical processes and construct mining and processing facilities at a particular site. There is no assurance that Colombia Crest's mineral exploration activities will result in any discoveries of commercial bodies of ore. Also, no assurance can be given that any or all of Colombia Crest's properties will not be subject to prior unregistered agreements or interests or undetected claims which could be materially adverse to Colombia Crest.

No Mineral Reserves - All of Colombia Crest past properties were considered to be in the exploration stage only and did not contain a known body of commercial ore. Mineral reserves are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different ore grades may cause a mining operation to be unprofitable in any particular accounting period. While Colombia Crest did have mineral resources, such resources were not mineral reserves and did not have demonstrated economic viability.

Operating Hazards and Risks - Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Colombia Crest's past operations and future operations will be subject to all the hazards and risks normally incidental to exploration, development and production of metals, such as unusual or unexpected formations, cave-ins or pollution, all of which could result in work stoppages, damage to property and possible environmental damage.

Fluctuations in Commodity Prices - The profitability, if any, in any mining operation in which Colombia Crest may have an interest is significantly affected by changes in the market price of precious and base metals which fluctuate on a daily basis and are affected by numerous factors beyond Colombia Crest's control.

Conflicts of *Interest* - Certain of the directors and officers of Colombia Crest are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of Colombia Crest may become subject to conflicts of interest. Canadian corporate laws provide that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under those laws. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable Canadian corporate laws.

Mining Risks and Insurance - The business of mining for gold and other metals is generally subject to a number of risks and hazards including environmental hazards, industrial accidents, labour disputes, unusual or unexpected geological conditions, pressures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, blizzards and earthquakes. No assurance can be given that such insurance will continue to be available or that it will be available at economically feasible premiums. Mining operations will be subject to risks normally encountered in the mining business.

Environmental and Other Regulatory Requirements - Colombia Crest's activities have been subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving toward stricter standards and enforcement with more severe fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The exploration interests of Colombia Crest and potential development and production on future properties, require permits from various federal and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Colombia Crest believes it is in substantial compliance with all material laws and regulations which currently apply to its activities.

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

Competition - Significant competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than Colombia Crest. The Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable. Accordingly, there can be no assurance that Colombia Crest's exploration and acquisition programs will yield any reserves or result in any commercial mining operation.

Stage of Development - Colombia Crest is in the business of exploring for precious and base metals, with the ultimate goal of producing them from its mineral exploration properties. None of the Company's past properties had commenced commercial production and Colombia Crest has no history of earnings or cash flow from its operations. As a result of the foregoing, there can be no assurance that Colombia Crest will be able to develop any of its future properties profitably or that its future activities will generate positive cash flow.

Colombia Crest has not paid any dividends and it is unlikely to enjoy earnings or paying dividends in the immediate or foreseeable future. Colombia Crest has not sufficiently diversified such that it can mitigate the risks associated with its planned activities. Colombia Crest has limited cash and other assets.

A prospective investor in Colombia Crest must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of Colombia Crest's management in all aspects of the development and implementation of Colombia Crest's business activities.

Reliance on Key Individuals - Colombia Crest's success depends to a certain degree upon certain key members of the management. These individuals are a significant factor in Colombia Crest's growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on Colombia Crest.

Enforcement of Civil Liabilities - As the key major assets of Colombia Crest and certain of its management are or may be located outside of Canada, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of Colombia Crest, or the management of Colombia Crest, residing outside of Canada. By the same token, the Canadian court has no jurisdiction to enforce any claims made by the Company outside of Canada. Currently, in Bolivia, the Company is attempting to enforce a payment agreement pertaining to the sale of the Company's Bolivian subsidiary to a Bolivian entity.

Political Risks - The Company operated in Colombia and Bolivia and operations in these countries are subject to risk due to the potential for social, political, economic, legal and fiscal instability. The governments in Colombia and Bolivia faced ongoing problems of inflation, unemployment and inequitable income distribution. In addition, Colombia experiences narcotics-related violence, a prevalence of kidnapping and extortionist activities and civil unrest in certain areas of the country. Depending on where Company ends up, such risks may be present in places with similar background histories.

Future political actions cannot be predicted and may adversely affect the Company. Changes, if any, in mining or investment policies or shifts in political attitude in the countries in which the Company holds property interests in the future may adversely affect the Company's business, results of operations and financial condition. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's consolidated business, results of operations and financial condition.

Other risks may involve matters arising out of the evolving laws and policies pertinent to that country, any future imposition of special taxes or similar charges, as well as foreign exchange fluctuations and currency convertibility and controls, the unenforceability of contractual rights or the taking or nationalization of property without fair compensation, restrictions on the use of expatriates in the Company's operations, or other matters. The Company also bears the risk that changes can occur in the government and a new government may void or change the laws and regulations that the Company may be relying upon.

Mining Regulation - The mineral exploration and development activities which may be undertaken by the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters.

Exploration and development activities may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration and production, price controls, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, limitations on mineral exports, high rates of inflation, increased financing costs, and site safety. This may affect both the Company's ability to undertake exploration and development activities in respect of its properties, as well as its ability to explore and operate those properties in which it current holds an interest or in respect of which it obtains exploration and/or development rights in the future.

No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development or future potential production. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.